FINAL

KWAZULU-NATAL PROVINCE
EDUCATION
REPUBLIC OF SOUTH AFRICA

NATIONAL SENIOR CERTIFICATE

GRADE 12

BUSINESS STUDIES P2

MARKING GUIDELINES

PREPARATORY EXAMINATION

SEPTEMBER 2025

MARKS: 150

This marking guideline consists of 32 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. Candidates' responses must in full sentences for SECTION B and C. However, this would depend on the nature of the question.

2. 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 different expression from that which appears in the marking guideline
   - Comes from another credible source
   - Original
   - A different approach is issued

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

3. Take note of other relevant answers provided by candidates and allocate marks accordingly. (In case where the answer is unclear or indicates some understanding, part-marks should be awarded, for example, one mark instead of the maximum of maximum two marks)

4. The word 'Sub-max' is used to facilitate the allocation of marks within a question or sub-question.

5. The purpose of circling marks (guided by the 'max' in the breakdown of marks) on the right-hand side is to ensure the consistency and accuracy in the marking of scripts as well as for calculation and moderation purposes.

6. Subtotals to questions must be written in the right-hand side margin. Circle the subtotals as indicated by the allocation of marks. This must be guided by 'max' in the marking guidelines. Only the total for each question should appear in the left-hand margin next to the appropriate question number.

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

8. 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.

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

10. The differentiation between 'evaluate' and 'critical evaluate' can be expressed as follows:

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

10.2 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.

11. 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:

11.1 Advise, name, state, identify, quote, 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.

11.2 Define, describe, explain, discuss, elaborate, distinguish, differentiate, compare, tabulate, justify, 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.

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

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13. SECTION B

13.1 If for example, FIVE facts are required, mark the candidates' FIRST FIVE responses and ignore the rest of the responses. Indicate by drawing a line across the unmarked portion or use the word 'Cancel'.

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

13.2 If two facts are written in one sentence, award the candidate FULL credit point above still applies.

13.3 If candidates are required to provide their own examples/views, brainstorm this at memo discussions.

13.4 Use of the cognitive verbs and allocation of marks:

13.4.1 If the number of facts are specified, questions that require candidate 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.

13.4.2 If the number of facts requires 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.

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

14. SECTION C

14.1 The breakdown of the mark allocation of the essays is as follows:

Introduction	Maximum: 32
Content	
Conclusion	
Insight	8
TOTAL	40

14.2 Insight consists of the following components:

Layout/Structure	Is there an introduction, body and 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 must 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 (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 writes FOUR sub-questions, but one/two/three sub-questions with irrelevant 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 questions with no relevant facts; two – 'S' appears in the left margin. Award a ZERO- mark synthesis.	**2**
Originality	Is there evidence of one example in any TWO of the sub questions not older than two (2) years which are based on recent information, current trends and development?	**2**
		TOTAL FOR INSIGHT: 8 **TOTAL MARKS FOR FACTS: 32** **TOTAL MARKS FOR ESSAY 8+ 32: 40**

NOTE: (1) The candidates must respond to at least any TWO of the four sub questions in the INTRODUCTION and at least one of the four sub-questions in the CONCLUSION.
Verbatim quoting of definitions/facts from credible sources is strongly discouraged.
(2) The candidate forfeits marks layout in 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.
(4) No marks will be awarded for content repeated from the introduction and conclusion.

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

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

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

14.6 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

14.7 When awarding marks for facts, take notes of the sub-maximum indicated, especially if candidates do not make use of the same headings. Remember, headings and sub-headings are encouraged and contribute to insight (See MARK BREAKDOWN at the end of each question.)

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

14.9 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.

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14.10

14.10.1 Award TWO marks for complete sentences. Award ONE for phrases, incomplete sentences and vague answers.

14.10.2 With effect from November 2015, the TWO marks will not necessarily 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.

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

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SECTION A: (COMPULSORY)

QUESETION 1

1.1 Multiple choice questions

1.1.1 B ✓✓

1.1.2 C ✓✓

1.1.3 D ✓✓

1.1.4 B ✓✓

1.1.5 A ✓✓ (5 x 2) (10)

1.2 Completion of sentences

1.2.1 excess ✓✓

1.2.2 debentures ✓✓

1.2.3 brainstorming ✓✓

1.2.4 indecisiveness ✓✓

1.2.5 unemployment ✓✓ (5 x 2) (10)

1.3 Match columns

1.3.1 C ✓✓

1.3.2 I ✓✓

1.3.3 G ✓✓

1.3.4 H ✓✓

1.3.5 J ✓✓ (5 x 2) (10)

TOTAL SECTION A: 30

BREAKDOWN OF MARKS

QUESTION 1	MARKS
1.1	10
1.2	10
1.3	10
TOTAL	30

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SECTION B

Answer any **TWO** questions from this Section.

QUESTION 2: BUSINESS VENTURES

2.1 Types of benefits paid out by the Unemployment Insurance Fund/UIF.

- Unemployment benefits ✓
- Illnesses/Sickness/Disability benefits ✓
- Maternity benefits ✓
- Adoption benefits ✓
- Dependents' benefits ✓

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

2.2 Factors that should be considered by the presenter while presenting.

- Establish credibility by introducing yourself as the presenter at the start. ✓✓
- Mention/Show the most important information first. ✓✓
- Make the purpose/main points of the presentation clear at the start of the presentation. ✓✓
- Use suitable section titles/headings/sub-headings/bullets. ✓✓
- Summarise the main points to conclude the presentation. ✓✓
- Stand in a good position/upright, where the audience can clearly see the presenter/presentation. ✓✓
- Avoid hiding behind equipment. ✓✓
- Do not ramble on at the start, to avoid losing the audience/their interest. ✓✓
- Capture listeners' attention/Involve the audience with a variety of methods such as short video clips/sound effects/humour. ✓✓
- Maintain eye contact with the audience. ✓✓
- Be audible to all listeners/audience. ✓✓
- Vary the tone of voice/tempo within certain sections to prevent monotony. ✓✓
- Make the presentation interesting with visual aids/anecdotes/examples/use visual aids effectively. ✓✓
- Use appropriate gestures, e.g. use hands to emphasise points. ✓✓
- Speak with energy and enthusiasm. ✓✓
- Pace yourself/Do not rush or talk too slowly. ✓✓
- Keep the presentation short and simple. ✓✓
- Conclude/End with a strong/striking ending that will be remembered. ✓✓
- Ensure that the audience will leave with/take away specific information/ benefits. ✓✓
- Include a statement/ quote that will allow a professional/striking ending. ✓✓
- Manage time effectively to allow time for questions. ✓✓
- Any other relevant answer related to factors that should be considered by the presenter while presenting.

Max (6)

2.3 Preference shares from the scenario:

TYPES OF PREFERENCE SHARES	MOTIVATIONS
1. Cumulative preference shares.✓✓	Some shareholders bought shares that will allow them to receive past dividends. ✓
2. Participating preference shares.✓✓	Others chose shares that allowed them to share in the surplus profit of the business. ✓

NOTE:
1. **Mark the first TWO (2) only**
2. **Award marks for types of preference shares even if the quotes are incomplete**
3. **Do not award marks for motivations if the types of preference shares are incorrectly identified.**
4. **Accept responses in any order.** **Max (6)**

2.4 Differences between democratic and autocratic leadership styles.

DEMOCRATIC LEADERSHIP STYLES	AUTOCRATIC LEADERSHIP STYLES
- The leader involves employees✓ in decision-making process. ✓	- A leader takes all decisions alone✓ without involving employees. ✓
- Clear/Two- way communication ensures group commitment✓ to final decisions. ✓	- Line of command/ Communication as it is top-down/ followers know exactly✓ what to do.✓
- People- oriented as employee's feelings and opinions✓ are considered. ✓	- Task oriented as opinions of employees✓ are not 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 leader depends on the input✓ of experienced followers. ✓	- Useful in crisis/urgent situations,✓ such as after an accident/ meeting tight deadline.✓
- 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 democratic leadership style.	- Any other relevant answer related to autocratic leadership style.
Sub Max (2)	Sub Max (2)

NOTE:
1. **The answer does not have to be in tabular.**
2. **The differences do not have to be linked but must be clear.**
3. **Award a maximum of TWO marks if the differences are not clear. / Mark either democratic or autocratic leadership style only.**

Max (4)

2.5 Visual aid from the scenario:

2.5.1 PowerPoint/Data projector✓✓ **(2)**

2.5.2 Impact of PowerPoint/Data projector as a type of visual aid

Positives/ Advantages

- Graphic programmes have the capacity to convey ideas and support ✓what the presenter says. ✓
- Easy to combine with sound✓/video clips. ✓
- Simple/Less cluttered slides may capture the interest✓ of the audience.
- Video clips can provide variety and capture the attention✓ of the audience. ✓
- Variation of colour/background/sound immediately captures the attention of the audience and retains their interest✓ throughout the presentation. ✓
- Slides should only be used where they can enhance the facts✓ or summarise information.✓
- Any other relevant answer related to the positive impact/advantages of power point/data projector as a type of visual aid.

AND / OR

Negatives/ Disadvantages

- Unprofessional handling✓ of Data Projector/ Power Point presentation material. ✓
- May lead✓ to irritation✓/may result in audience ✓ losing interest. ✓
- Less effective✓ for people with visual impairment. ✓
- Simple reading of the slides✓ makes the presentation boring/meaningless. ✓
- Unable to show slides✓ without electricity/Data Projector. ✓
- Any other relevant answer related to the negative impact of PowerPoint/Data projector as a type of visual aid.

Max (4)

2.6 Contribution of taxation and management to the success and /or failure of a sole trader/proprietorship

2.6.1 Taxation

FACTOR	SUCCESS	AND/OR FAILURE
Taxation	– Owner only taxed on profits ✓ in personal capacity. ✓ – Depending on how much income the owner earns, ✓his/her tax rate may be lower than the company tax rate. ✓ – If the owner earns below a certain threshold amount per year, no income tax is payable, ✓ and the business's profits are thus not taxed. ✓	– If profits get too big may end up paying higher tax ✓ in personal capacity. ✓ – Failure by the owner to comply with personal income tax regulations could lead to substantial financial penalties✓ imposed by SARS. ✓
	– Any other relevant answer related to how taxation can contribute to the success of a sole trader	– Any other relevant answer related to how taxation can contribute to the failure of a sole trader.

Max (4)

2.6.2 Management

FACTOR	SUCCESS	AND/OR FAILURE
Management	– Managed and controlled by owner✓ who has interest in the business.✓ – Urgent decisions are taken on opportunities✓ that can lead to business growth ✓	– Lack of adequate management skills✓ may lead to business failure. ✓ – Poor decision making by the owner✓ can impact negatively on business profitability. ✓
	– Any other relevant answer related to how management can contribute to the success of a sole trader	– Any other relevant answer related to how management can contribute to the failure of a sole trader.

NOTE: **1. The answer does not have to be in tabular format.**
2. Mark either success AND/OR failure of EACH factor.

Max (4)

2.7 Situations in which the transactional style can be applied in the workplace

- The business wants to maximise employee performance. ✓✓
- Deadlines must be met on short notice/under pressure. ✓✓
- Workers have a low morale. ✓✓
- The strategies/business structures are clear and 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 applied in the workplace

Max (6)

BREAKDOWN OF MARKS

QUESTION 2	MARKS
2.1	4
2.2	6
2.3	6
2.4	4
2.5.1	2
2.5.2	4
2.6.1	4
2.6.2	4
2.7	6
TOTAL	40

QUESTION 3: BUSINESS ROLES

3.1 Stages of team development.

- Forming ✓
- Storming ✓
- Norming ✓
- Performing ✓
- Adjourning/Mourning ✓

NOTE: Mark the first THREE (3) only.

(3x 1) (3)

3.2 Causes of conflict in the workplace.

- Lack of proper communication between management and workers. ✓✓
- Ignoring rules/procedures may result in disagreements and conflict. ✓✓
- Management and/or workers may have different personalities/backgrounds. ✓✓
- Different values/levels of knowledge/skills/experience of managers/workers. ✓✓
- Little/no co-operation between internal and/or external parties/stakeholders. ✓✓
- Lack of recognition for good work, e.g., a manager may not show appreciation for extra hours worked to meet deadlines. ✓✓
- Lack of employee development may increase frustration levels as workers may repeat errors due to a lack of knowledge/skills. ✓✓
- Unfair disciplinary procedures such as favoritism/nepotism. ✓✓
- Little/no support from management with regards to supplying the necessary resources and providing guidelines. ✓✓
- Leadership styles used, e.g., autocratic managers may not consider workers' inputs. ✓✓
- Unrealistic deadlines/Heavy workloads lead to stress resulting in conflict. ✓✓
- Lack of agreement on mutual matters such as remuneration/working hours. ✓✓
- Unhealthy competition/Inter-team rivalry may cause workers to lose focus on team targets. ✓✓
- Lack of commitment/Distracted by personal objectives which may lead to an inability to meet pre-set targets. ✓✓
- Constant changes may cause instability. ✓✓
- Poor organization/procedure resulting to confusion regarding set targets. ✓✓
  Lack of clarity regarding employees' roles and responsibilities. ✓✓
- Complaints/criticism of performance/behavior/attitude may result in resentment between employer and employee. ✓✓
- Any other relevant answer related to causes of conflict in the workplace.

Max (6)

3.3 Corporate social investment (CSI)

3.3.1 Corporate social investment (CSI) focuses areas from the scenario

- Community ✓
- Rural development ✓
- Employees ✓

NOTE: 1. Mark the first THREE (3) only.
2. Only award marks for CSI focus areas that are named in the scenario.

(3 x 1) (3)

3.3.2 Impact of corporate social investment (CSI) on businesses

Advantages/Positives

- May attract experienced employees✓ which could increase productivity.✓
- Improves image as the business looks✓ after employees.✓
- A business may have a competitive advantage, ✓ resulting in an improved reputation.✓
- Promotes customer loyalty, ✓ resulting in more sales.✓
- CSI projects may be used as a marketing strategy✓ to promote their products.✓
- The business enjoys the support✓ of communities.✓
- CSI projects promote teamwork✓ within businesses.✓
- CSI helps to attract investors✓ because of increased profits.✓
- Gives businesses tax advantages✓ such as tax reduction.✓
- Assists in solving socio-economic issues✓ like poverty and unemployment.✓
- Employees feel as if they are making a difference✓ in working for the business.✓
- Improves the health of its employees✓ through focused CSI projects.✓
- Any other relevant answer related to the positive impact/advantages of CSI on businesses.

AND/OR

Negatives/Disadvantages

- Customers may not buy their products/services✓ resulting in a decrease in sales.✓
- Small and medium enterprises find it difficult✓ to implement CSI programmes.✓
- Detailed reports must be drawn up, ✓ which can be time-consuming.✓
- Social involvement is funded from business profits✓ which could have been used to reduce prices.✓
- CSI activities distract business focus✓ from its core business functions.✓
- Businesses find it difficult to adhere✓ to legislation governing CSI.✓
- It is difficult to accurately measure✓ the effectiveness of social investment.✓
- Most managers are not trained✓ to handle social programmes.✓
- Employees may spend more time working on CSI projects✓ instead of focusing on their core duties.✓
- Shareholders may receive less dividends, ✓ as some profits are spent on CSI. ✓
- Any other relevant answer related to the negative impact of CSI on businesses.

Max (6)

3.4 Advantages of creative thinking in the workplace.

- Better/Unique/Unconventional ideas/solutions✓ are generated. ✓
- Complex business problems✓ may be solved. ✓
- Improves motivation✓ amongst staff members. ✓
- May give the business a competitive advantage✓ if unusual/unique solutions/ ideas/strategies are implemented. ✓
- Management/employees may keep up with fast changing technology✓ which may lead to an increased market share. ✓
- Creativity may lead to new inventions✓ which improve the general standard of living/attract new investors.✓
- 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/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. ✓
- Managers will be better leaders✓ as they will be able to handle/ manage change(s) positively and creatively. ✓
- Business can continuously improve product development✓ by exploring new ways to enhance growth. ✓
- Any other relevant answer related to advantages of creative thinking in the workplace.

Max (6)

3.5 Human rights, inclusivity and environmental issues

3.5.1 Human rights that are promoted by business from the scenario.

HUMAN RIGHTS	MOTIVATIONS
1. Equity ✓✓	Employees of PS are given the same opportunities regardless of race and gender. ✓
2. Information ✓✓	PS directors are transparent about their financial statements. ✓
Sub max (4)	Sub max (2)

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

Max (6)

3.6 Advantages of force-field analysis in solving complex business problems.

- Employees feel included✓ and understood. ✓
- Employees develop and grow✓ with the business. ✓
- It provides a visual summary of all the various factors✓ supporting and opposing a particular idea. ✓
- Informed decisions can be made✓ as forces for and against are critically evaluated. ✓
- Enables businesses to strengthen the driving forces✓ and weaken the restraining forces. ✓
- Businesses can have an idea of the timeline required✓ and the requirements of additional resources. ✓
- Any other relevant answer related to the advantages of force-field analysis in solving complex business problems.

Max (4)

3.7 Ways to promote cultural rights in the workplace

- Businesses should employ people from various cultural backgrounds. ✓✓
- Provide the environment in which employees are free to use their language when interacting with others during their free time. ✓✓
- Businesses should encourage employees to attend / participate in cultural activities. ✓✓
- Allow employees to provide solutions to challenges from their own cultural perspective. ✓✓
- Make provision for different cultures, such as food served in the canteen/entertainment at staff functions. ✓✓
- Regular cultural information sessions will help employees to respect each other's culture in the workplace. ✓✓
- Employees should be trained in cultural tolerance/Business policies should promote cultural tolerance. ✓✓
- Have a flexible dress code policy that allows employees to wear suitable cultural regalia/accessories. ✓✓
- Any other relevant answer related to ways to promote cultural rights in the workplace.

Max (6)

[40]

BREAKDOWN OF MARKS

QUESTION 3	MARKS
3.1	3
3.2	6
3.3.1	3
3.3.2	6
3.4	6
3.5	6
3.6	4
3.7	6
TOTAL	40

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QUESTION 4: MISCELLANEOUS TOPICS

BUSINESS VENTURE

4.1 Types of investment opportunities

- Mutual funds/stokvels ✓
- Managed portfolio ✓
- Venture capital ✓
- 32 -day notice account ✓
- Debentures ✓
- Endowments/retirement annuities ✓

NOTE: Mark the first FOUR (4)

(4 x 1) (4)

4.2 Leadership theory from the statements

4.2.1 Situational leadership theory✓✓ **(2)**

4.2.2 Leaders and followers ✓✓ **(2)**

4.3 Functions of the Johannesburg Securities Exchange (JSE

- Gives opportunities to financial institutions✓ such as insurance companies invest their surplus funds in shares. ✓
- Serves as a barometer/indicator✓ of economic conditions in South Africa. ✓
- Keeps investors informed✓ by publishing 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. ✓
- Raises primary capital✓ by encouraging new investments in listed companies. ✓
- Mobilises the funds of insurance companies✓ and other institutions. ✓
- 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/legislation. ✓
- Encourages short-term investment✓ as shares can be sold at any time. ✓
- Facilitates electronic trading✓ of shares/STRATE✓/Channels financial resources✓ into the productive economic activities. ✓
- Enhance job creation✓and increase economic growth/development. ✓
- Any other relevant answer related to the functions of the Johannesburg Securities Exchange/JSE.

Max (6)

4.4 Advantages of a state-owned company

- Profits may be used to finance other state departments. ✓✓
- Offer essential services which may not be offered by the private sector. ✓✓
- Prices are kept reasonable/Create sound competition with the private sector to make services affordable to more citizens. ✓✓
- Wasteful duplication of services is eliminated. ✓✓
- Planning can be coordinated through central control. ✓✓
- Generates income to finance social programmes. ✓✓
- Jobs are created for all skills levels. ✓✓
- Any other relevant answer related to the advantages of a state-owned company.

Max (6)

BUSINESS ROLES

4.5 Differences between problem-solving and decision making

PROBLEM-SOLVING	DECISION MAKING
– Problems can be solved by a group/ team which makes the process consultative. ✓✓	– It is often done by one person/ a member of senior management who makes the process authoritarian. ✓✓
– Alternative solutions are generated/ identified and critically evaluated.✓✓	– Various alternatives are considered before deciding on the best one. ✓✓
– Process of analysing a situation to identify strategies to bring about change. ✓✓	– It is part of the problem-solving cycle as decisions need to be taken in each step. ✓✓
– Any other relevant answer related to problem-solving.	– Any other relevant answer related to decision making
Sub-max (2)	Sub-max (2)

NOTE:
1. **The answer does not have to be in a tabular format.**
2. **The differences do not have to link but must be clear.**
3. **Award a maximum of TWO (2) marks if the difference is not clear/Mark either problem-solving or decision making only.**

Max (4)

4.6 Purpose of CSR

- CSR programmes are internal programmes that businesses use to comply✓ with laws and ethics. ✓
- Key areas of concern are protecting the environment, the wellbeing of employees✓ from the community and civil society in general. ✓
- Businesses seek to promote public interest and do away with harmful practices✓ without the need for any formal legislation. ✓
- Business operations address Triple bottom line through CSR programmes✓ by considering its impact on people, profit and planet. ✓
- CSR aims at creating a safe working environment✓ for employees. ✓
- CSR programmes and activities the business undertakes to contribute positively to the community✓ in which the business operates. ✓
- CSR may take the form of a monetary donation✓ to support local organisations. ✓
- Any other relevant answer related to the purpose of CSR.

Max (4)

4.7 Correct procedures to deal with grievances.

4.7.1 Correct procedures to deal with grievances from the scenario.

- She has allowed the aggrieved employees to verbally report incidents to their supervisors. ✓
- Matters are referred to Labour Court/Labour Appeal Court if employees are not satisfied. ✓

NOTE:
1. **Mark the first TWO (2) only.**
2. **Only award marks for responses that are quoted from the scenario.**

(2 x 1) (2)

4.7.2 Other correct procedures to deal with grievances in the workplace.

- Supervisor/manager needs to resolve the issue✓ within 3-5 days. ✓
- Should the employee and supervisor not be able to resolve the grievance✓, the employee may take it to the next level of management.✓
- The employee may move to a more formal process✓ where the grievance must be lodged in writing/completes a grievance form.✓
- The employee must receive a written reply✓in response to the written grievance.✓
- A grievance hearing/meeting must be held✓ with all relevant parties present.✓
- Minutes of the meeting must be recorded, ✓ and any resolution passed must be recorded on the formal grievance form. ✓
- Should the employee not be satisfied, ✓ then he/she could refer the matter to the highest level of management.✓
- Top management should arrange a meeting✓with all relevant parties concerned.✓
- Minutes of this meeting should be filed/recorded, and the outcome/decision must be recorded✓ on the formal grievance form.✓
- Should the employee still not be satisfied, he/she may refer the matter to the CCMA✓ who will make a final decision on the matter ✓
- Any other relevant answer related to other correct procedures to deal with grievances at ME as the workplace.

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

Max (4)

4.8 Benefits of diversity in the workplace.

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

Max (6)
[40

BREAKDOWN OF MARKS

QUESTION 4	MARKS
4.1	4
4.2.1	2
4.2.2	2
4.3	6
4.4	6
4.5	4
4.6	4
4.7.1	2
4.7.2	4
4.8	6
TOTAL	40

TOTAL SECTION B: 80

SECTION C

Answer ONE question in this section.

QUESTION 5: BUSINESS VENTURES (INSURANCE)

5.1 Introduction

- Businesses must determine the market value of the property before taking out the insurance contract to avoid over- or under- insurance. ✓
- Insurance enables businesses to run smoothly as they are compensated for any possible insurable loss that may be incurred/suffered. ✓
- The principles of insurance describe rules and guidelines that govern the insurance industry.✓
- Compensation for Occupational Injuries and Diseases Fund relieves businesses' financial burden by compensating employees for occupational injuries and diseases. ✓
- Any other relevant introduction related to over-insurance or under-insurance/ advantages of insurance for businesses / principles of insurance /Compensation Fund as a type of compulsory insurance.

Any (2 x 1) (2)

5.2 Differences between over-insurance and under-insurance

OVER-INSURANCE	UNDER-INSURANCE
– Property/Assets are insured for more than their actual/market value. ✓✓	– Property/Assets are not insured for their full market value. ✓✓
– The insurer can choose to reinstate the insured instead of making a payment. ✓✓	– The insurer will apply the average clause to determine the amount that will be paid. ✓✓
– The insured will not receive a payout larger than the value of the loss at market value. ✓✓	- The insured will only be paid out for the amount that the goods/assets are insured for. ✓✓
– Any other relevant answer related to over-insurance.	– Any other relevant answer related to under-insurance.
Sub-max (4)	Sub-max (4)

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

Max (8)

5.3 Advantages of insurance for businesses.

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

Max (14)

5.4 Principles of insurance

5.4.1 Indemnity/Indemnification✓✓

- Usually applies to short-term insurance✓, as the insured is compensated for specified/proven harm/loss. ✓
- Insurer agrees to compensate the insured for damages/losses specified in the insurance contract✓, in return for premiums paid by the insured to the insurer. ✓
- Protects the insured against a specified event✓ that may occur. ✓
- Pay-outs from the insurer will only be made, ✓ if the insured can prove the amount of the loss/damage/if there is proof that the specified event took place. ✓
- The amount of compensation is limited to the amount of provable loss/damage✓, even if the amount in the policy/insurance contract is higher. ✓
- The insured must be placed in the same position✓ as before the occurrence of the loss/damage/The insured may not profit from insurance. ✓
- Any other relevant answer related to indemnity/indemnification as a principle of insurance.

Principle (2)
Explanation (2)
Sub-max (4)

5.4.2 Security/Certainty✓✓

- Applies to long-term insurance✓ where the insurer undertakes to pay out an agreed upon amount in the event of loss of life. ✓
- A predetermined amount will be paid out✓ when the insured reaches a predetermined age/or gets injured due to a predetermined event. ✓
- Aims to provide financial security✓ to the insured at retirement/dependents of the deceased. ✓
- Any other relevant answer related to security/certainty as a principle of insurance.

Principle (2)
Explanation (2)
Sub-max (4)

5.4.3 Utmost good faith✓✓

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

Principle (2)
Explanation (2)
Sub-max (4)

5.4.4 Insurable interest✓✓

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

Principle (2)
Explanation (2)
Sub-max (4)

NOTE: Mark the first THREE (3) only.

Max (12)

5.5 The Compensation for Occupational Injuries and Diseases Fund as a type of compulsory insurance.

- The fund covers occupational diseases and workplace injuries. ✓✓
- Compensates employees for injuries and diseases incurred at work. ✓✓
- Compensation paid is determined by the degree of disablement. ✓✓
- The contribution payable is reviewed every few years according to the risk associated with that type of work. ✓✓
- All employers are obliged to register with the compensation fund so that employees may be compensated for accidents and diseases sustained in the workplace. ✓✓
- The fund covers employers for any legal claim that workers may bring against them. ✓✓
- Employers are required to report all accidents within 7 days and occupational diseases within 14 days to the Compensation Commissioner. ✓✓
- Employers are responsible for contributing towards the fund and may not claim money back from employees/deduct contributions from wages. ✓✓
- In the event of the death of an employee because of a work-related accident/ disease, his/her dependant(s) will receive financial support. ✓✓
- Employees do not have to contribute towards this fund. ✓✓
- Employees receive medical assistance provided there is no other party/medical fund involved. ✓✓
- Any other relevant answer related to the Compensation for Occupational Injuries and Diseases Fund as a type of compulsory insurance

Max (12)

5.6 Conclusion

- Businesses should guard against over/under insuring of the property as this may force the insurer to apply other remedies for incurred loss such as reinstatement/ average clause. ✓✓
- Analysing the advantages of insurance is key in eliminating the risk of losing business assets without compensation. ✓✓
- Principles of insurance are important as they outline the responsibilities for both insurer and insured ✓✓
- Businesses are compelled to contribute towards Compensation for Occupational Injuries and Diseases Fund to safeguard against unexpected claims for injuries and diseases that occur in the workplace. ✓✓
- Any other relevant conclusion related to the differences between over-insurance and under-insurance/ the advantages of insurance for businesses/ principles of insurance/COIDA) as a type of compulsory insurance.

Any (1 x 2) (2)

QUESTION 5: BREAKDOWN OF MARK ALLOCATION

DETAILS	MAXIMUM	TOTAL
Introduction	2	Max 32
Differentiate between over-insurance and under-insurance	8	
Advantages of insurance for businesses.	14	
The principles of insurance	12	
The COIDA as a type of compulsory insurance	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 of the requirements are met.
Allocate 0 marks where requirements are not met at all.

QUESTION 6: BUSINESS ROLES (ETHICS AND PROFESSIONALISM)

6.1 Introduction

- Ethical and professional behaviour are viewed as fundamental principles for every business.
- Unethical business practices are immoral practices that maybe harmful to the business and society. ✓
- Businesses need to develop suitable ways to deal with challenges posed by each type of unethical business practice. ✓
- Professional, responsible, ethical and effective business practice ensures good corporate governance, ethical culture and may attract investors. ✓
- Any other relevant introduction related to the differences between ethical and 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 x 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. ✓✓	– Professional behaviour is a certain standard of behaviour/specific level of competence that adheres to an ethical code of conduct. ✓✓
– 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. ✓✓
– Involve following the principles of right and wrong in business activities/practices/dealings.	– Includes guidelines on employees' appearance/communication/attitude/re possibility, 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 differences do not have to link but must be clear.
3. Award a maximum of FOUR (4) marks if the differences are not clear/Mark ethical behaviour or professional behaviour only.

Max (8)

6.3 Types of unethical business practices that pose challenges to businesses.

6.3.1 Unfair advertising ✓✓

- Unfair advertisements could be harmful✓to consumers. ✓
- Deceptive advertising can violate the trust of consumers✓ and destroy business relationships. ✓
- The use of false or misleading statements in advertising can lead to the misrepresentation of the concerned product✓, which may negatively affect consumers. ✓
- Businesses can make unwise advertising choices✓ when they are under pressure to increase their profits. ✓
- Some advertisements may be regarded as discriminatory✓because they exclude/target some sections of the population. ✓
- Any other relevant answer related to how unfair advertising as an unethical business practice pose challenges to businesses.

Unethical business practice (2)
Explanation (2)
Sub-max (4)

6.3.2 Pricing of goods in rural areas✓✓

- Some businesses in the rural areas exploit their customers✓ by adding much more than necessary to their prices. ✓
- Businesses may experience decline in sales✓ due to high cost added into the price of the final product. ✓
- Businesses 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 related to how pricing of goods in rural areas as an unethical business practice pose challenges to businesses.

Unethical business practice (2)
Explanation (2)
Sub-max (4)

6.3.3 Taxation/Tax evasion✓✓

- Businesses may pay heavy fines✓ for evading tax. ✓
- Tax evasion may negatively impact✓ on the business image. ✓
- The accountant may charge 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 related to how taxation/tax evasion as an unethical business practice pose challenges to businesses.

Unethical business practice (2)
Explanation (2)
Sub-max (4)

NOTE: Mark the first THREE (3) only.

Max (12)

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

6.4.1 Unfair advertising

- Businesses must know and understand the Code of Advertising as determined by the Advertising Standard Authority (ASA) ✓ and apply its regulations. ✓
- Business must report ✓ unfair advertisements by competitors to ASA. ✓
- Businesses should be encouraged to keep their advertising fair✓ and in line with the constitution. ✓
- Advertisements should be honest/legal✓ and not abuse consumer's trust/lack of knowledge. ✓
- Advertisements should not contain anything that is discriminatory✓/likely to cause offence/support act of violence. ✓
- Any other relevant answer related to ways in which businesses could deal with unfair advertising as a type of unethical business practice in the workplace.

Sub-max (6)

6.4.2 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 fair/market related 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 pricing of goods in rural areas as a type of an unethical business practice in the workplace.

Sub-max (6)

6.4.3 Taxation/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 taxation/tax evasion as a type of an unethical business practice in the workplace.

Sub-max (6)

Max (16)

NOTE: Mark the first THREE (3) only.

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, e.g. by 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 from embarrassment. ✓✓
- Employers and employees need to comply with legislation regarding equal opportunities/human right 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 the 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 ways in which professional, responsible, ethical and effective business practice should be conducted.

Max 10

6.6 Conclusion

- Businesses should take note of unique features of ethical behaviour compared to professional behaviour. ✓✓
- Unethical business practices such as pricing of goods should be avoided at all cost by businesses ✓✓
- Dealing with each type of unethical business practice is crucial for business sustainability and profitability. ✓✓
- Businesses must explore various ways in which professionally, responsibly, ethically and effective business practice should be conducted to promote good image.✓✓
- Any other relevant conclusion related to the related to the differences between ethical and professional behaviour/how unethical business practices pose challenges to businesses/ ways in which businesses could deal with these types of unethical business practices/ways in which professional, responsible, ethical and effective business practice should be conducted.

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

QUESTION 6: BREAKDOWN OF MARK ALLOCATION

DETAILS	MAXIMUM	TOTAL
Introduction	2	Max 32
Differences between ethical and professional behaviour	08	
The types of unethical business practices pose challenges to businesses	12	
Ways in which businesses could deal with these types of unethical business practices in the workplace	16	
Ways in which professional, responsible, ethical and effective business practice should be conducted	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 only some of the requirements are met.
Allocate 0 marks where requirements are not met at all.

TOTAL MARKS: 150

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