GAUTENG PROVINCE
EDUCATION
REPUBLIC OF SOUTH AFRICA

# JUNE EXAMINATION
# GRADE 12

# 2025

# MARKING GUIDELINES

## BUSINESS STUDIES

## (PAPER 1)

**32 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 province
(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 |
| DH: | Green |
| District Moderator: | Orange |
| Provincial Moderator: | Pink |
| 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. Comprehensive marking guidelines have been provided but this is by no means exhaustive. Due consideration should be given to an answer that is correct, but:

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

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

4. Take note of other relevant answers provided by candidates and allocate marks accordingly. (In cases where the answer is unclear or indicates a measure of 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 subquestion.

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

7. Subtotals to questions must be written in the right-hand margin. Circle the subtotals as indicated by the allocation of marks at the end of each question. 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 subquestions 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 the 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 in depth information, 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, the cognitive verb used, the mark allocation in the marking guidelines and the context of each question.

    Cognitive verbs, such as:

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

12.2 Define, describe, explain, discuss, elaborate, distinguish, differentiate, compare, tabulate, analyse, evaluate, critically evaluate (*list not exhaustive)* require a greater depth of understanding, application and reasoning. Therefore, the marks must be allocated more objectively to ensure that 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 MSM to finalise possible alternative answers.

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

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

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

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

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

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

15. **SECTION C**

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

| | |
|---|---|
| Introduction<br>Content<br>Conclusion | **Maximum: 32** |
| 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?<br>Marks to be allocated using this guide:<br>All headings addressed: 1 (ONE 'A')<br>Interpretation (16 to 32 marks): 1 (ONE 'A') | **2** |
| Synthesis | Are there relevant decisions/facts/responses made based on the questions?<br>Option 1: **Only relevant facts: 2 marks (No '-S')**<br>Where a candidate answers 50% or more (two to four subquestions) of the question with only relevant facts; no '-S' appears in the left margin. Award the maximum of TWO (2) marks for synthesis.<br>Option 2: **Some relevant facts: 1 mark (One '-S')**<br>Where a candidate answers less than 50% (only one subquestion) of the question with only one OR some relevant facts; one '-S' appears in the left margin. Award a maximum of ONE (1) mark for synthesis.<br>Option 3: **Some relevant facts: 1 mark (One '-S')**<br>Where a candidate answers FOUR subquestions, but one/two/three subquestion/s with no relevant facts; one '-S' appears in the left margin. Award a maximum of ONE (1) mark for synthesis.<br>Option 4: **No relevant facts: 0 marks (Two '-S')**<br>Where a candidate answers less than 50% (only one subquestion) of the questions with no relevant facts; two '-S' appears in the left margin. Award a ZERO mark for synthesis. | |
| Originality | Is there evidence of one or two examples, not older than two (2) years, that are based on recent information, current trends and developments? | **2** |
| | **TOTAL FOR INSIGHT:** | **8** |
| | **TOTAL MARKS FOR FACTS:** | **32** |
| | **TOTAL MARKS FOR ESSAY (8 + 32)** | **40** |

**NOTE:**
1. No marks will be awarded for content 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 allocated for layout, if the headings INTRODUCTION and CONCLUSION are not supported by an explanation.

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

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

15.5 Mark all relevant facts until the SUBMAX/MAX mark in a subsection has been attained. Write 'SUBMAX'/'MAX' after the maximum marks have been obtained but continue to read 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 shown in the table below.

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

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

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

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

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

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

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

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

**SECTION A (COMPULSORY)**

**QUESTION 1**

1.1 1.1.1 B ✓✓

1.1.2 A ✓✓

1.1.3 C ✓✓

1.1.4 B ✓✓

1.1.5 D ✓✓

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

1.2 1.2.1 Broad Based Black Economic Empowerment ✓✓

1.2.2 National Consumer Commission ✓✓

1.2.3 induction ✓✓

1.2.4 production ✓✓

1.2.5 fringe benefits ✓✓

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

1.3 1.3.1 E ✓✓

1.3.2 A ✓✓

1.3.3 G ✓✓

1.3.4 J ✓✓

1.3.5 B ✓✓

(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 answers to the FIRST TWO question only.**

**QUESTION 2: BUSINESS ENVIRONMENTS**

2.1 **Pillars of BBBEE**

- Management control ✓
- Ownership ✓
- Enterprise and Supplier Development/(ESD) ✓
- Skills development ✓
- Socio-economic development/Social responsibility ✓

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

2.2 **Rights of employees in terms of the Labour Relations Act/LRA**

- Employees may join a trade union of their choice. ✓✓
- Embark on legal strikes as a remedy for grievances. ✓✓
- Refer unresolved workplace disputes to the CCMA. ✓✓
- Refer unresolved CCMA disputes to the Labour Court on appeal. ✓✓
- Request trade union representatives to assist/represent employees in the grievance/disciplinary hearing. ✓✓
- Trade union representatives may take reasonable time off work with pay to attend to trade union duties. ✓✓
- Establish a workplace forum, where a business has 100 or more employees, to resolve work-related issues. ✓✓

Any other relevant answer related to the rights of employees in terms of the LRA.

**Max.** (6)

2.3 **Skills Development Act**

2.3.1 **Compliance with the Skills Development Act from the scenario**

- ZM encourages employees to improve their skills and to actively engage in learnerships. ✓
- They also assess the skills of employees to determine the areas in which skills development is needed. ✓

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

2.3.2 **Funding of SETAs**

- Skills Development levies are paid by employers to SARS as a collecting agency for the government. ✓✓
- Employers who have a salary bill that exceeds R500 000 per annum, should pay one percent (1%) of their annual salaries as a levy. ✓✓
- The different SETAs receive eighty percent (80%) of the levy for organisational expenses and the remaining twenty percent (20%) is paid to the National Skills Fund. ✓✓
- Donations/Grants are received from the public/businesses/CSI programmes. ✓✓
- Surplus funds received from government institutions. ✓✓
- Funds received from rendering their services. ✓✓

Any other relevant answer related to how SETAs are funded. **Max.** (4)

2.4 **Types of intensive strategies**

**Market penetration** ✓✓

- New products penetrate an existing market at a low price, until it is well known to the customers and then the price increases. ✓
- Businesses focus on selling existing products into existing markets to increase their market share. ✓
- Businesses use market research on existing clients to decide on how to improve their marketing mix. ✓
- Aggressive marketing campaigns such as lowering/reducing prices are used to attract potential/existing clients. ✓
- The business does not modify existing/current products or launch new products during market penetration. ✓
- Embark on an intensive advertising campaign to increase awareness and customer loyalty. ✓
- Employ more sales staff to improve sales/services. ✓

Any other relevant answer related to market penetration as a type of intensive strategy.

Strategy (2)
Discussion (1)
Submax (3)

**Market development** ✓✓
- It is a growth strategy where businesses aim to sell their existing products in new markets. ✓
- Businesses target consumers in a potential market that is outside of its normal target market. ✓
- Increasing sales of existing products by finding new ways to develop new markets. ✓
- Prices are restructured/reviewed to cater for customers/consumers of all income levels. ✓

Any other relevant answer related to market development as a type of intensive strategy.

Strategy (2)
Discussion (1)
Submax (3)

**Product development** ✓✓
- It is a growth strategy where businesses aim to introduce new products into existing markets/modifies an existing product. ✓
- Businesses generate new ideas/develop new products/services for existing/current markets. ✓
- Businesses conduct test marketing/market research to establish whether new products will be accepted by existing customers. ✓
- New products may be different/of a higher quality than those of competitors. ✓

Any other relevant answer related to product development as a type of intensive strategy.

Strategy (2)
Discussion (1)
Submax (3)

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

2.5 2.5.1 **Porter's Five Forces model**

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

| PORTE'S FIVE FORCES MODEL | MOTIVATIONS |
|---|---|
| 1. Bargaining power of buyers/Power of buyers ✓✓ | They assessed how large corporate clients can negotiate for lower software licensing fees. ✓ |
| 2. The threat of substitution/ substitutes ✓✓ | They also evaluated whether their technology solutions can be easily replaced with more affordable alternatives. ✓ |
| Submax (4) | Submax (2) |

**NOTE:**
1. **Mark the first TWO (2) only.**
2. **Award marks for Porter's Five Forces model even if the motivations were incomplete.**
3. **Do not award marks for motivations if the Porter's Five Forces model was incorrectly identified.** **Max.** (6)

2.5.2 **Strategic management process**

**OPTION 1**

- Have a clear vision/mission statement/measurable/realistic objective ✓ 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**

- 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 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.** (4)

2.6 **Prohibition of the employment of children and forced labour as a provision of the Basic Conditions of Employment Act.**

- It is illegal to employ a child ✓ younger than 15 years of age. ✓
- It is also illegal ✓ to force someone to work. ✓
- Businesses may employ children over the age of 15 years, ✓ if employment is not harmful to their health/well-being/education/moral and social development ✓.
- Children/Minors under 18 years of age may not do dangerous work ✓ meant for an adult. ✓

Any other relevant answer related to the Prohibition of Employment of Children and Forced Labour as a provision of the Basic Conditions of Employment Act.

**Max.** (4)

2.7 **Actions regarded as non-compliance with the Employment Equity Act (EEA), 1998 (Act 55 of 1998).**

- Denying people access to the workplace based on gender/race/culture/etc. and treating them unfairly in the workplace. ✓✓
- Treating workers unfairly and incorrectly promoting affirmative action in the workplace. ✓✓
- Refusing to employ a young woman because she would want to have children in future. ✓✓
- Doing HIV testing unless justified by the Labour Court. ✓✓
- Refusing to employ a person because of strong religious/cultural beliefs, or because of a disability. ✓✓
- Harassing and victimisation an employee in any way is regarded as discriminatory according to the EEA. ✓✓

Any other relevant answer related to any actions regarded as non-compliance according to the Employment Equity Act.

**Max.** (4)

**[40]**

**BREAKDOWN OF MARKS**

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

## QUESTION 3: BUSINESS OPERATIONS

3.1 **Examples of employee benefits in the workplace**

- Medical Aid Fund/Health Insurance Fund ✓
- Pension Fund ✓
- Provident Fund ✓
- Funeral benefits ✓
- Car/Travel/Housing/Cellphone/Clothing allowance ✓
- Performance based incentives ✓
- Issuing of bonus shares ✓
- Staff discount/Free or low-cost meals/Canteen facilities ✓

Any other relevant answer related to examples of employee benefits in the workplace.
**NOTE: Mark the first FOUR (4) only.** (4 x 1) (4)

3.2 **Selection procedure as a human resources activity**
**OPTION 1**

- Determine fair assessment criteria on which selection will be based. ✓✓
- Applicants must submit the application forms/curriculum vitae and certified copies of personal documents/IDs/proof of qualifications. ✓✓
- Sort the received documents/CVs according to the assessment/selection criteria. ✓✓
- Screen/Determine which applications meet the minimum job requirements and separate these from the rest. ✓✓
- Preliminary interviews are conducted if many suitable applications were received to identify suitable applicants. ✓✓
- Reference checks/vetting process should be made/followed to verify work experience/criminal records/credit records/qualifications on the CV. ✓✓
- Compile a shortlist of potential candidates identified. ✓✓
- Shortlisted candidates may be subjected to various types of selection tests such as skills tests. ✓✓
- Invite shortlisted candidates for an interview. ✓✓
- A written offer is made to the selected candidate. ✓✓
- Inform unsuccessful applicants about the outcome of their application./Some advertisements indicate the deadline for informing only successful candidates.✓✓

Any other relevant answer related to selection procedure as a human resources activity.

**OR**

**OPTION 2**

- Receive documentation, such as application forms and sort it according to the criteria of the job. ✓✓
- Evaluate CVs and create a shortlist/Screen the applicants. ✓✓
- Check information in the CVs and contact references. ✓✓
- Conduct preliminary sifting interviews to identify applicants who are not suitable for the job, although they meet all requirements. ✓✓
- Assess/Test candidates who have applied for senior positions to ensure the best candidate is chosen. ✓✓
- Conduct interviews with shortlisted candidates. ✓✓
- Offer employment in writing to the selected candidate(s). ✓✓

Any other relevant answer related to the selection procedure as a human resources activity.

**NOTE: The procedure can be in any order.** **Max.** (6)

3.3 **Legal requirements of an employment contract**

3.3.1 **Legal requirements of an employment contract from the scenario.**

- The contract includes a code of conduct and code of ethics. ✓
- CS explained that the employment contract can be renegotiated during the course of employment. ✓

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

3.3.2 **Other legal requirements of an employment contract.**

- Employer and employee must agree ✓ to any changes to the contract. ✓
- No party may unilaterally change ✓ aspects of the employment contract. ✓
- The employer and employee ✓ must both sign the contract. ✓
- The employer must explain the terms and conditions ✓ of the employment contract to the employee. ✓
- It may not contain any requirements that conflict ✓ /do not comply with the BCEA. ✓
- Conditions of employment/duties/responsibilities of the employees ✓ must be clearly stipulated. ✓
- The remuneration package, including benefits, ✓ must be clearly indicated. ✓
- All business policies, procedures and disciplinary codes/rules ✓ can form part of the employment contract. ✓
- The employer must allow the employee to thoroughly read through the contract ✓ before it is signed. ✓

Any other relevant answer related to other legal requirements of an employment contract.

**NOTE: Do not award marks for responses that were quoted in QUESTION 3.3.1.** **Max.** (4)

3.4 **The roles 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 interviewee. ✓✓
- Record interviewees' responses for future reference. ✓✓
- Do not misinform/mislead the 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 the roles of the interviewer during the interview.

**Max.** (4)

3.5 **Differences between quality control and quality assurance**

| QUALITY CONTROL | QUALITY ASSURANCE |
|---|---|
| - System that ensures the desired quality is met by inspecting the final product. ✓✓ | - Checks carried out during and after the production process. ✓✓ |
| - Ensures that finished products meet the required standards. ✓✓ | - Ensures that required standards have been met at every stage of the process. ✓✓ |
| - Process of ensuring that products are consistently manufactured to high standards. ✓✓ | - Processes put in place to ensure that the quality of products/ services/systems adhere to preset standards with minimal defects/delays/shortcomings. ✓✓ |
| - Checks raw materials/employees/ machinery/workmanship/products to ensure that high standards are maintained. ✓✓ | - Ensuring that every process is aimed to get the product 'right the first time' and prevents mistakes from happening. ✓✓ |
| - Includes setting targets/ measuring performance and taking corrective measures. ✓✓ | - The 'building in' of quality as opposed to 'checking of' quality. ✓✓ |
| Any other relevant answer related to quality control. | Any other relevant answer related to quality assurance. |
| Submax. (2) | Submax. (2) |

**NOTE:**
1. **The answer does not have to be in a 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 quality control or quality assurance only.**

**Max.** (4)

3.6 **TQM elements**

3.6.1 **TQM element applied by SFT in the scenario**

Adequate financing and capacity ✓✓ **Max.** (2)

3.6.2 **Other advantages of adequate financing and capacity**

- Large businesses have sufficient financing ✓ to test everything before implementing. ✓
- They can afford to have systems in place ✓ to prevent errors in processes/defects in raw materials/products. ✓
- Large businesses can afford high paid specialists ✓ to conduct advanced training with employees. ✓
- Can afford to purchase quality raw materials ✓ and equipment. ✓

Any other relevant answer related to the advantages of adequate financing and capacity as a TQM element on large businesses.

**NOTE: Do not award marks for a response that is quoted from the scenario.**

**Max.** (4)

3.7 **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.** (6)

3.8 **Roles 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 systems and processes in the workplace. ✓✓
- Improve the quality of products/services/productivity through regular reviews of quality processes. ✓✓
- Monitor/Reinforce strategies to improve the smooth running of business operations. ✓✓
- Increase employees' morale/motivation to boost the team spirit in achieving organisational goals. ✓✓
- Contribute towards the improvement and development of the organisation. ✓✓
- Reduce costs of redundancy and 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/commitment to the organisational goals. ✓✓
- Improve employees' communication at all levels of the business. ✓✓
- Develop a positive attitude/sense of involvement in the 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)

**[40]**

**BREAKDOWN OF MARKS**

| QUESTION 3 | MARKS |
|---|---|
| 3.1 | 4 |
| 3.2 | 6 |
| 3.3.1 | 2 |
| 3.3.2 | 4 |
| 3.4 | 4 |
| 3.5 | 4 |
| 3.6.1 | 2 |
| 3.6.2 | 4 |
| 3.7 | 6 |
| 3.8 | 4 |
| TOTAL | 40 |

## QUESTION 4: MISCELLANEOUS TOPICS

## BUSINESS ENVIRONMENTS

4.1 **Rights as stipulated in the Consumer Protection Act/CPA**

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

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

4.2 **Types of defensive strategies**

**Divestiture** ✓✓

- Disposing/Selling some assets/divisions that are no longer profitable/productive. ✓
- Selling off divisions/product lines with slow growth potential. ✓
- Decreasing the number of shareholders by selling ownership. ✓
- Paying off debts by selling unproductive assets. ✓
- Withdrawing/Divesting their investment share in another business. ✓

Any other relevant answer related to divestiture as a type of defensive strategy.

Strategy (2)
Description (1)
Submax (3)

**Retrenchment** ✓✓

- Terminating the employment contracts/Letting go of employees for operational reasons/to reduce costs/expenses. ✓
- Decreasing the number of product lines/Closing certain departments may result in some workers becoming redundant. ✓

Any other relevant answer related to retrenchment as a type of defensive strategy.

Strategy (2)
Description (1)
Submax (3)

**Liquidation** ✓✓
- Selling all assets/Bringing the business activities to an end to pay creditors due to lack of capital. ✓
- Selling the entire business in order to pay shareholders a fair price for their shares.✓
- Allowing creditors to apply for forced liquidation in order to have their claims settled. ✓

Any other relevant answer related to liquidation as a type of defensive strategy.

Strategy (2)
Description (1)
Submax (3)

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

4.3 **Challenges in the business environments**

| CHALLENGES (4.3.1) | BUSINESS ENVIRONMENTS (4.3.2) |
|---|---|
| 1. Recently, their employees went on strike over disagreements about the annual performance bonus. ✓ | Micro ✓ |
| 2. BF has to close earlier on Fridays due to the rising crime rate. ✓ | Macro ✓ |
| 3. A new competitor, Petals & Posies, started offering cheaper flower arrangements. ✓ | Market ✓ |
| Submax. (3) | Submax. (3) |

**NOTE:**
1. **Mark the first THREE (3) only.**
2. **Do not award marks for challenges that are not fully quoted from the scenario.**
3. **Do not award marks for the business environment if it is not correctly linked to the challenge.** **Max.** (6)

4.4 **Penalties for non-compliance with the National Credit Act**

- The National Credit Regulator (NCR) may impose a fine/penalty on the business for non-compliance.✓✓
- Businesses/credit providers may not charge any fee/interest/other charges under that specific credit agreement. ✓✓
- The court may declare the granting of credit by the business as reckless, and may order consumers not to repay the credit/or part thereof to the business. ✓✓
- Businesses may not demand payment, sue or attach the clients/consumer's salaries/assets to repay debt. ✓✓
- The business bears all costs of removing the negative information of clients/ consumers who were blacklisted as a result of granting credit recklessly. ✓✓
- The business licence may be revoked for reckless granting of credit and gross violations contravening the NCA. ✓✓

Any other relevant answer related to penalties for non-compliance with the National Credit Act. **Max.** (4)

**BUSINESS OPERATIONS**

4.5 **Sources of external recruitment**

- Printed media, e.g. newspapers/flyers/magazines/posters ✓
- Electronic media, e.g. radio/TV ✓
- Social media/Social networks/Internet/Business websites ✓
- Recruitment agencies ✓
- Walk-ins ✓
- Head hunting ✓
- Professional associations ✓
- Networking ✓
- Educational/Training institutions ✓
- Word of mouth ✓
- Billboards ✓

Any other relevant answer related to sources of external recruitment.
**NOTE: Mark the first FOUR (4) only.** (4 x 1) (4)

4.6 **Employment contract**

4.6.1 **Aspects of the employment contract**

- Hours of work ✓
- Probation period ✓

**NOTE: Only award marks for responses that are quoted from the scenario.** (2 x 1) (2)

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

- The employer may dismiss an employee for valid reason(s), ✓ e.g., unsatisfactory job performance, misconduct, etc. ✓
- 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 may decide to leave ✓ and resign voluntarily for better job opportunities. ✓
- An employee may have reached the pre-determined age ✓ for retirement.✓
- Incapacity of an employee to work✓ due to illness/injuries. ✓
- By 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.** (4)

4.7 **Impact of TQM if poorly implemented by businesses**

- Employees may not be adequately trained ✓ resulting in poor quality products. ✓
- Decline in productivity ✓, because of stoppages. ✓
- Businesses may not be able to make necessary changes to products/services ✓ to satisfy the needs of customers. ✓
- Businesses' reputation/image may suffer ✓ because of poor quality/defective goods. ✓
- Setting unrealistic deadlines ✓ that may not be achieved. ✓
- Investors might withdraw investment ✓ if there is a decline in profits. ✓
- Customers will have many alternatives to choose from ✓ and the impact could be devastating to businesses. ✓
- 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 other impacts of TQM if poorly implemented by businesses. **Max.** (6)

4.8 **Quality indicators of the purchasing function**

- Buy raw materials in bulk at lower prices. ✓✓
- Ensure that there is no break in production due to stock shortages. ✓✓
- Have a thorough understanding of supply chain management. ✓✓
- Maintain optimum stock levels to avoid overstocking/reduce out-dated stock. ✓✓
- Monitor and report on minimum stock levels to avoid stock-outs. ✓✓
- Required quantities should be delivered at the right time and place. ✓✓
- Implement and maintain stock control systems to ensure the security of stock. ✓✓
- Effective use of storage space and maintenance of product quality while in storage. ✓✓
- Select reliable suppliers that render the best quality raw materials/capital goods at reasonable prices. ✓✓
- Place orders timeously and do regular follow-ups to ensure that goods are delivered on time. ✓✓
- Effective co-ordination between purchasing and production departments so that purchasing staff understand the requirements of the production process. ✓✓
- Involve suppliers in strategic planning/product design/material selection the quality control process. ✓✓
- Establish relationships with suppliers so that they are in alignment with the business's vision/mission/values. ✓✓

Any other relevant answer(s) related to quality indicators of the purchasing function.

**Max.** (4)

**[40]**

**BREAKDOWN OF MARKS**

| QUESTION 4 | MARKS |
|---|---|
| 4.1 | 4 |
| 4.2 | 6 |
| 4.3.1 | 3 |
| 4.3.2 | 3 |
| 4.4 | 4 |
| 4.5 | 4 |
| 4.6.1 | 2 |
| 4.6.2 | 4 |
| 4.7 | 6 |
| 4.8 | 4 |
| TOTAL | 40 |

**TOTAL SECTION B: 80**

**SECTION C**

**Mark the answers to the FIRST question only.**

**QUESTION 5: BUSINESS ENVIRONMENTS (BUSINESS STRATEGIES)**

5.1 **Introduction**

- Evaluating a business strategy is crucial to determine its effectiveness and keep up with ongoing changes. ✓
- Companies can grow and improve their market position through different integration strategies. ✓
- Businesses encounter challenges from diverse PESTLE factors that can cause interruptions in their daily processes. ✓
- To address these challenges, businesses must remain informed and embrace sustainable practices. ✓

Any other relevant introduction related to steps in strategy evaluation/types of integration strategies/PESTLE factors posing challenges to businesses/ways in which businesses can deal with challenges posed by the PESTLE factors.

**Any** (2 x 1) (2)

5.2 **Steps in strategy evaluation**

- Examine the underlying basis of a business strategy. ✓✓
- Look forward and backwards into the implementation process. ✓✓
- Compare the expected performance with the actual performance. ✓✓
- Determine the reasons for deviations and analyse these reasons. ✓✓
- Take corrective action so that deviations may be corrected. ✓✓
- Set specific dates for control and follow up. ✓✓
- Draw up a table of the advantages and disadvantages of a strategy. ✓✓
- Decide on the desired outcome as envisaged when strategies were implemented. ✓✓
- Consider the impact of the strategic implementation in the internal and external environments of the business. ✓✓

Any other relevant answer related to the steps in strategy evaluation.

**NOTE: Accept steps in any order.** **Max. (10)**

5.3 **Types of integration strategies**

**Forward vertical integration** ✓✓

- A business combines with or takes over its distributors ✓ down the supply chain/production chain. ✓/The business merges with businesses that were once their customers ✓, while still maintaining control of the initial/primary business activity. ✓
- Involves expansion of business activities ✓ to gain control over the direct distribution of the products/services. ✓
- The business takes over the distribution system ✓ and sells products/services directly to consumers/customers. ✓
- Increases profitability ✓ as the intermediary/distributor/middleman is excluded. ✓

Any other relevant answer related to forward vertical integration.

Strategy (2)
Discussion (2)
Submax (4)

**Backward vertical integration** ✓✓

- The business combines with/merges/takes over its suppliers ✓ up the supply chain/production chain. ✓/The business expands its role to fulfil activities/tasks ✓ that were formerly/previously completed by suppliers. ✓
- Aims at decreasing the business's dependency ✓ on the supplier. ✓
- Enables businesses to cut costs ✓ and have influence over the prices/quality/quantity of raw materials. ✓

Any other relevant answer related to backward vertical integration.

Strategy (2)
Discussion (2)
Submax (4)

**Horizontal integration** ✓✓

- A business takes control of/incorporates other businesses ✓ in the same industry/which produces/sells the same/similar goods/services. ✓ / It is the acquisition/takeover of a related business ✓ that operates at the same level of supply chain in the industry ✓
- The aim is to reduce ✓ the threat of competition/substitute products/services. ✓
- Increases the market shares/sales/profits ✓ and enhances production/ distribution. ✓
- The business can strengthen/expand its market share/position ✓ and enhance production/distribution. ✓
- Suitable for businesses that operate in multiple geographical areas ✓ through joint ventures/licensing/franchising. ✓

Any other relevant answer related to horizontal integration.

Strategy (2)
Discussion (2)
Submax (4)
**Max.** (12)

5.4 **PESTLE factors posing challenges to businesses**

5.4.1 **Legal**

- Certain Acts may have a direct impact ✓ on a business, e.g., the CPA/BCEA. ✓
- Legal requirements for operating certain types of businesses ✓ are time-consuming. ✓
- High legal costs involved in obtaining a licence/trademark/patent ✓ may hinder some establishments. ✓
- Legalities of business contracts ✓ may limit business operations. ✓

Any other relevant answer related to how the legal PESTLE factor poses challenges for businesses.

Submax. (4)

5.4.2 **Political**

- Some government policies ✓ may affect businesses. ✓
- Consumer rights organisations may prevent businesses from selling products ✓ if they do not meet certain requirements. ✓
- Trade agreements may prevent businesses from importing ✓ some medicines/products. ✓

Any other relevant answer related to how the political PESTLE factors pose challenges for businesses.

Submax. (4)

5.4.3 **Environmental**

- Chemicals/Ingredients in business' products ✓ may be harmful to customers. ✓
- Measures to dispose of business waste ✓ may be expensive. ✓
- Packaging of some products may not be environmentally friendly ✓ and may not be recyclable. ✓
- The business may not be aware that its current practices ✓ are environmentally unsustainable/contribute to environmental degradation. ✓

Any other relevant answer related to how the environmental PESTLE factor pose challenges for businesses.

Submax (4)
**Max.** (12)

5.5 **Ways in which businesses can deal with challenges posed by the PESTLE factors**

5.5.1 **Legal**

- Comply with all relevant legislation that may impact on businesses. ✓✓
- Comply with the legal requirements for operating businesses, e.g. licence/ trademark registration/patents. ✓✓
- Budget for high legal establishment costs. ✓✓
  Businesses must know the legalities of business contracts so that they comply with all the requirements. ✓✓

Any other relevant answer related to the ways in which businesses can deal with the challenges that are posed by legal PESTLE factor.

Submax (4)

5.5.2 **Political**

- Research recent government policies. ✓✓
- Network and lobby with the NGOs and all consumer rights organisations. ✓✓
- Trade only with countries that have favourable trade agreements with the government. ✓✓

Any other relevant answer related to the ways in which businesses can deal with the challenges that are posed by political PESTLE factors.

Submax (4)

5.5.3 **Environmental**

- Chemicals/Ingredients should be clearly indicated on labels/packaging to inform customers about possible side effects/correct use of products. ✓✓
- Implement cost effective measures to dispose of medical waste. ✓✓
- Implement recycling measures to prevent pollution of the environment/Use packaging that is re-usable/recyclable. ✓✓
- Engage in environmentally sustainable practices such as the conservation/ preservation of natural resources. ✓✓

Any other relevant answer related to the ways in which businesses can deal with the challenges that are posed by environmental PESTLE factors.

Submax. (4)
**Max.** (12)

5.6 **Conclusion**

- Evaluating a business strategy is crucial for ensuring that a company's plans remain effective and adaptable in a constantly changing environment. ✓✓
- By implementing different integration strategies, businesses can enhance their growth and strengthen their market position. ✓✓
- Businesses must also identify challenges posed by various PESTLE factors, which can disrupt operations. ✓✓
- To effectively manage these challenges, businesses need to stay informed about external changes, adopt sustainable practices, and implement proactive strategies. ✓✓

Any other relevant conclusion related to steps in strategy evaluation/types of integration strategies/PESTLE factors posing as challenges/ways in which businesses can deal with challenges posed by the PESTLE factors. **Any** (1 x 2) (2)

**QUESTION 5: BREAKDOWN OF MARK ALLOCATION**

| DETAILS | MAXIMUM | TOTAL |
|---|---|---|
| Introduction | 2 | **Max. 32** |
| Steps in strategy evaluation. | 10 | |
| Types of integration strategies | 12 | |
| PESTLE factors posing as challenges to businesses:<br>o Legal<br>o Political<br>o Environmental | 12 | |
| Ways in which businesses can deal with challenges posed by the PESTLE factors | 12 | |
| Conclusion | 2 | |
| **INSIGHT** | | |
| Layout | 2 | |
| Analysis, interpretation | 2 | |
| Synthesis | 2 | |
| Originality/Examples | 2 | **8** |
| **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 OPERATIONS (HUMAN RESOURCES)

6.1 **Introduction**

- The recruitment procedure enables businesses to employ people whose skills and qualifications are in line with the requirements of the job. ✓
- The human resources manager should prepare the job analysis in order to find suitable candidates for the post. ✓
- Internal recruitment is important and eliminates the process of checking through unsuitable applications and CVs. ✓
- The EEA regulates affirmative action and gives guidance in conducting a fair appointment process in businesses. ✓

Any other relevant introduction related to the recruitment procedure/ components of a job analysis/impact of internal recruitment on businesses/ implications of the Employment Equity Act on the Human resources function. **Any** (2 x 1) (2)

6.2 - **Recruitment procedure**

- The human resource manager 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/description/ to attract suitable candidates. ✓✓
- Choose the method of recruitment, e.g. internal/external, to reach/target the suitable applicants/candidates. ✓✓
- If external recruitment is chosen, the relevant recruitment sources should be selected, e.g. recruitment agencies/tertiary institutions/ newspapers, etc. ✓✓
- Vacancies can be internally advertised via internal email/word of mouth/ posters/staff notice boards. ✓✓
- External recruitment should be considered if internal recruitment is unsuccessful. ✓✓
- If the external recruitment is done, the relevant recruitment source should be selected, e.g. recruitment agencies, tertiary institutions, newspapers. ✓✓
- The advertisement should be prepared with the relevant information, e.g. the name of the company, contact details, contact person, etc. ✓✓
- Place the advertisement in the appropriate media that will ensure that the best candidates apply. ✓✓

Any other relevant answer related to the selection procedure as a human resources activity.

**NOTE: The procedure can be in any order**

**Max.** (10)

6.3 **Components of a job analysis**

**Job description** ✓✓

- Describes the duties/responsibilities ✓ of a specific job. ✓
- A written description of the job ✓ and its requirements./A summary of the nature/type of the job. ✓
- Describes key performance areas/tasks for a specific job, ✓ e.g. job title/ working conditions/relationship of the job with other jobs in the business, etc. ✓

Any other relevant answer related to the job description.

Component (2)
Explanation (4)
Submax (6)

**Job specification** ✓✓
- Describes the minimum acceptable personal qualities/skills/qualifications ✓ needed for the job. ✓
- A written description of specific qualifications/skills/experience ✓ needed for the job. ✓
- Describes key requirements for the person who will fill the position, ✓ e.g. formal qualifications/willingness to travel/work unusual hours, etc. ✓

Any other relevant answer related to the job specification.

Component (2)
Explanation (4)
Submax (6)
**Max.** (12)

6.4 **Impact of internal recruitment on businesses**
**Positives/Advantages**
- Cheaper/Quicker to fill the post ✓ as this method focuses on promoting existing employees. ✓
- Placement is easy ✓, as management knows the employees' skills/personality/ experience/strengths. ✓
- Provides opportunities for career paths ✓ within the business. ✓
- The employee already has an understanding of how the business operates ✓, induction/training is not always necessary. ✓
- Reduces the chances of losing employees ✓, as future career prospects are available. ✓
- Detailed, reliable information can be obtained ✓ from the supervisor's/ employee records. ✓

Any other relevant answer related to the positive impact/advantages of internal recruitment on businesses.

**AND/OR**

**Negatives/Disadvantages**
- Current employees may not bring new ideas ✓ into the business. ✓
- Promoting a current employee may cause resentment ✓ amongst other employees. ✓
- Promotion may disrupt business operations ✓ as it creates open vacancies that need to be filled. ✓
- The number of applicants is limited ✓ to current staff only. ✓
- Employees who do not really have the required skills for the new job ✓ may be promoted. ✓
- Current employees may need to be trained/developed ✓ before they can be promoted, which can be expensive. ✓
- Staff members that are not promoted may feel demotivated ✓ which may hamper productivity. ✓

Any other relevant answer related to the negative impact/disadvantages of internal recruitment on businesses. **Max.** (16)

6.5 **Implications of the Employment Equity Act (EEA) (Act 55 of 1998) on the human resources function**

- Offer equal pay for work of equal value. ✓✓
- Compile employment equity plans that indicate how they will implement affirmative action. ✓✓
- Ensures that affirmative action promotes diversity in the workplace. ✓✓
- The human resources manager must treat employees fairly and promote/provide equal opportunities in the workplace. ✓✓
- Retrain/Develop/Train designated groups through skills development programmes. ✓✓
- Define the appointment process clearly to ensure all parties are well informed. ✓✓
- Display a summary of the Act where employees can clearly see it/have access to it. ✓✓
- Assign a manager to ensure that the employment equity plan will be implemented/regularly monitored. ✓✓
- Report to the Department of Labour on the progress in the implementation of the equity plan. ✓✓
- Conduct medical/psychological tests fairly to employees/when deemed necessary. ✓✓
- Ensures that the workplace represents the demographics of the country at all levels. ✓✓
- Restructure/Analyse current employment policies/practices/procedures to accommodate designated groups. ✓✓

Any other relevant answer related to the implications of the Employment Equity Act (EEA)on the human resources function.

**Max.** (8)

6.6 **Conclusion**

- The correct job analysis is important to avoid the unnecessary cost of re-advertising a vacancy. ✓✓
- Employees are the most important resource in any business and its success is strongly influenced by a good recruitment procedure. ✓✓
- Internal recruitment enables businesses to reduce staff turnover and costs of background checks and training. ✓✓
- Businesses should align the employment contract according to the requirements of EEA to avoid unnecessary legal action. ✓✓

Any other relevant conclusion related to the recruitment procedure/components of a job analysis/impact of internal recruitment on businesses/implications of the Employment Equity Act on the human resources function. **Any** (1 x 2) (2)

**[40]**

**QUESTION 6: BREAKDOWN OF MARK ALLOCATION**

| DETAILS | MAXIMUM | Total |
|---|---|---|
| Introduction | 2 | |
| Recruitment procedure | 10 | |
| Components of a job analysis | 12 | **Max. 32** |
| Impact of internal recruitment on businesses | 16 | |
| Implications of the Employment Equity Act | 8 | |
| Conclusion | 2 | |
| **INSIGHT** | | |
| Layout | 2 | |
| Analysis, interpretation | 2 | |
| Synthesis | 2 | |
| Originality/Examples | 2 | **8** |
| **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 SECTION C: 40**

**TOTAL: 150**