education

Department of Education
FREE STATE PROVINCE

PREPARATORY EXAMINATION

GRADE 12

BUSINESS STUDIES P1

SEPTEMBER 2022

MARKS: 150

MARKING GUIDELINE

These marking guidelines consist of 27 pages.

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NOTES TO MARKERS

PREAMBLE

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

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

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

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

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

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

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

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

4. Take note of other responses provided by candidates, that are relevant within the context of a particular question and allocate marks accordingly. (In cases where the answer is unclear or indicates some understanding, part-marks should be awarded, for example, one mark instead of the maximum of two marks.)

5. The word 'Submax' is used to facilitate the allocation of marks within a question or sub-question.

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

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

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

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

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

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

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

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

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

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

    Cognitive verbs, such as:

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

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

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

14. **SECTION B**

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

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

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

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

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

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

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

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

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

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

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15. SECTION C

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

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

15.2 Insight consists of the following components:

Layout/Structure	Is there an introduction, a body, and a conclusion?	**2**
Analysis and interpretation	Is the candidate able to break down the question into headings/subheadings/interpret it correctly to show understanding of what is being asked? Marks to be allocated using this guide: All headings addressed: 1 (One 'A') Interpretation (16 to 32 marks): 1 (One 'A')	**2**
Synthesis	Are there relevant decisions/facts/responses made based on the questions? Option 1: **Only relevant fact: 2marks (No "-S")** Where a candidate answers 50% or more (two to four sub-questions) of the question with only relevant facts; no '-S' appears in the left margin. Award the maximum of TWO (2) marks for synthesis. Option 2: **Some relevant facts: 1 mark (One "-S")** Where a candidate answers less than 50% (only one sub-question) of the question with only OR some relevant facts; one '-S' appears in the left margin. Award a maximum of ONE (1) mark for synthesis. Option 3: **Some relevant facts: 1 mark (One "-S")** Where a candidate answers FOUR sub-questions, but one/two/three sub-questions with no relevant facts; one "-S" appears in the left margin. Award a maximum of ONE (1) mark for synthesis. Option 4: **No relevant facts: 0 mark (Two "-S")** Where a candidate answers less than 50% (only one sub-question) of the question with no relevant facts; two '-S' appear in the left margin. Award a ZERO mark for synthesis.	**2**
Originality	Is there evidence of examples based on recent information, current trends and developments?	**2**
	TOTAL FOR INSIGHT:	**8**
	TOTAL MARKS FOR FACTS:	**32**
	TOTAL MARKS FOR ESSAY (8 + 32):	**40**

NOTE: 1. No marks will be awarded for contents repeated from the introduction and conclusion.

2. The candidate forfeits marks for layout if the words INTRODUCTION and CONCLUSION are not stated.

3. No marks will be awarded for layout, if the headings INTRODUCTION and CONCLUSION are not supported by an explanation.

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

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

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

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

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

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

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

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

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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.

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SECTION A

QUESTION 1

1.1
1.1.1 D √√
1.1.2 C √√
1.1.3 B √√
1.1.4 A √√
1.1.5 D √√

(5 x 2) (10)

1.2
1.2.1 human resource √√
1.2.2 competitors √√
1.2.3 recruitment √√
1.2.4 unemployment insurance √√
1.2.5 management control √√

(5 x 2) (10)

1.3
1.3.1 F √√
1.3.2 G √√
1.3.3 H √√
1.3.4 I √√
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

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SECTION B

Mark the FIRST TWO questions answers only.

QUESTION 2: BUSINESS ENVIRONMENTS

2.1 **Rights of the consumer according to the CPA**

- Right to choose √
- Right to privacy √
- Right to fair and honest dealings √
- Right to disclosure and information √
- Right to fair/responsible marketing √
- Right to accountability from suppliers √
- Right to fair/just/reasonable terms and conditions √
- Right to equality in the consumer market √
- Right to fair value/good quality/safety √
- Any other relevant answer related to rights of the consumer according to the CPA.

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

2.2 **Meaning of learnerships**

- Agreement between a learner/trainee and an employer/a training provider√ to use the workplace as an active learning environment. √
- Theoretical/Practical training opportunities√ that can lead to a recognised occupational qualification. √
- Structured learning programme√ completed during work hours for a specified period of time. √
- May include employment for a specified period√ after a learnership is completed. √
- Includes a training course with learning material√ as well as practical work experience. √
- Any other relevant answer related to the meaning of learnerships.

Max (4)

2.3 **Types of integration strategies from the scenario**

2.3.1 Forward vertical integration √√

2.3.2 Horizontal integration √√

2.3.3 Backward vertical integration √√

(6)

2.4 **Business sectors from the scenario**

BUSINESS SECTORS	MOTIVATIONS
1. Primary √√	Tshepo, the owner of the business, buys raw chicken from Piet chicken farmer. √
2. Secondary √√	Tshepo Tasty Chicken is well-known for providing high-quality cooked chicken to a wide range of customers. √
3. Tertiary √√	DEC Bank provided TTC with a loan to help them expand their business. √
Submax (6)	Submax (3)

NOTE:
1. **Award marks for the business sectors even if the quotes are incomplete.**
2. **Do not award marks for the motivations if the business sectors were incorrectly identified.**
3. **Accept responses in any order.** **Max (9)**

2.5 **Penalties for non-compliance with COIDA**

- Businesses can be fined√ for refusing to lodge the claim/contravening the Act. √
- Businesses can be forced to make large payments√ if it did not take the necessary precautions according to the Act. √
- They may be forced to pay any recovery costs√ required by the Compensation Fund. √
- Employees may take businesses to court√ for not registering them with the Commissioner of the Compensation Fund. √
- If businesses are found guilty of any misconduct, √ they will have to pay large penalties/face imprisonment. √
- Any other relevant answer related to penalties for non-compliance with COIDA. **Max (6)**

2.6 **Rights of employers in terms of LRA**

- Employers has a right to form √ employer organisations. √
- Form a bargaining council √ for collective bargaining purposes. √
- Employers have the right to lockout employees √ who engage in unprotected/illegal strike/labour action. √
- Dismiss employees who are engaged in an unprotected strike/ misconduct such as intimidation/violence √ during a strike action. √
- Right not to pay an employee √ who has taken part in a protected strike for services/work they did not do during the strike. √
- Any other relevant answer related to the rights of employers in term of the LRA. **Max (6)**

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2.7 **Ways in which businesses can comply with BCEA**

- Workers should only work 9 hours per day in a 5 day work week./ 8 hours per day in a 6 day work week. √√
- Overtime should not exceed 10 hours per week. √√
- Workers can take up to six weeks paid sick leave during a 36-month cycle √√
- Workers must receive double if they work during public holidays/ Sunday √√
- They must have a break of 60 minutes after five hours of work. √√
- Businesses should not employ children under the age of 16. √√
- Any other relevant answer related to ways in which businesses can comply with BCEA.

Max (6)
[40]

BREAKDOWN OF MARKS

QUESTION 2	MARKS
2.1	3
2.2.	4
2.3.1	2
2.3.2	2
2.3.3	2
2.4	9
2.5	6
2.6	6
2.7	6
TOTAL	40

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QUESTION 3: BUSINESS OPERATIONS

3.1 **Sources of internal recruitment**

- Internal e-mails/Intranet/Web sites to staff √
- Word of mouth/Staff meetings √
- Business newsletter/Circulars to staff √
- Internal/Management referrals √
- Notice board of the business/office notice boards √
- Internal bulletins √
- Recommendation of current employees √
- Headhunting within the business/organisational database √
- Any other relevant answer related to sources of internal recruitment.

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

3.2 **Placement procedure**

- Businesses should outline the specific responsibilities of the new position, including the expectations/skills required for this position. √√
- Determine the successful candidate's strengths/ weaknesses/ interests/ skills by subjecting him/her to a range of psychometric tests. √√
- Determine the relationship between the position and the competencies of the new candidate. √√
- Any other relevant answer related to the placement procedure as a human resource activity. **Max. (4)**

3.3 **Induction**

3.3.1 **Aspects of the induction programme from the scenario**

- Safety regulations and rules √
- Tour of the business √

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

3.3.2 **Benefits of the induction procedure**

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

- Employees will be familiar with organisational structures√, e.g., who are their supervisors/low-level managers. √
- Opportunities are created for new employees√ to experience/ explore different departments. √
- New employees will understand their role/responsibilities√ concerning safety regulations and rules. √
- New employees will know the layout of the building/ factory/ offices√ where everything is, which saves production time. √
- Learn more about the business so that new employees understand their roles/responsibilities√ in order to be more efficient. √
- Company policies are communicated√, regarding conduct and procedures/safety and security/employment contract/ conditions of employment/working hours/leave. √
- Realistic expectations for new employees√ as well as the business are created. √
- New employees may feel part of the team√ resulting in positive morale and motivation. √
- Any other relevant answer related to the benefits of the induction for businesses. **Max (6)**

3.4 **Advice on advantages of external recruitment**

- New candidates bring new talents/ideas/experiences/skills into the business. √√
- There is a larger pool of candidates to choose from. √√
- There is a better chance of getting a suitable candidate with the required skills/qualifications/competencies who do not need much training/development which reduces costs. √√
- It may help the business to meet affirmative action and BBBEE targets. √√
- Minimises unhappiness/conflict amongst current employees who may have applied for the post. √√
- Any other relevant answer related to the advantages of external recruitment. **Max (6)**

3.5 **Business functions from given statements**

3.5.1 Financial function √√

3.5.2 Production function √√

(2 x 2) (4)

3.6 **Meaning of TQM**

- TQM is an integrated system/methodology applied throughout the organisation, √which helps to design/produce/provide quality products/services to customers. √
- It is a thought revolution in management, √ where the entire business is operated with customer orientation in all business activities. √
- TQM enables businesses to continuously improve on the delivery of products/ services √ in order to satisfy the needs of customers. √
- Management ensures that each employee is responsible√ for the quality of his/her work/actions. √
- TQM focuses on achieving customer satisfaction √ and looks for continuous improvement in all the business's processes, products and services. √
- TQM takes steps to ensure the full involvement √ and co-operation of all employees in improving quality. √
- Any other relevant answer related to the meaning of TQM **Max (4)**

3.7 **Quality concepts from the scenario**

QUALITY CONCEPTS	MOTIVATIONS
1. Quality management √√	MM uses techniques to improve the quality of its products. √
2. Quality performance √√	They also ensure that all departments work together towards the same quality standards. √
Submax (4)	Submax (2)

NOTE: 1. Award marks for the quality concepts even if the quote is Incomplete.
2. Do not award marks for the motivation if the quality concepts are incorrectly identified.
3. Accept responses in any order. Max (6)

3.8 **Impact of total client/customer satisfaction on large businesses**

Positives/Advantages

- Large businesses use market research/customer surveys√ to measure/ monitor customer satisfaction/analyse customers' needs. √
- Continuously promote√ a positive company image. √
- May achieve a state of total client/customer satisfaction√, if businesses follow sound business practices that incorporate all stakeholders. √
- Strive to understand and fulfil customer expectations√ by aligning cross-functional teams across critical processes. √
- Ensures that cross-functional teams understand their core competencies√ and develop/strengthen them. √
- May lead to higher customer retention/loyalty√ and businesses may be able to charge higher prices. √
- Large businesses may be able to gain access√ to the global market. √
- May lead to√ increased competitiveness/profitability. √

- Any other relevant answer related to the positive impact/advantages of total client/customer satisfaction as a TQM element on large businesses.

AND/OR

Negatives/Disadvantages

- Employees who seldom meet customers √ do not have a clear idea of what will satisfy their needs. √
- Monopolistic companies have an increased bargaining power√ so they do not necessarily have to please customers. √
- Not all employees may be involved /committed√ to total client/customer satisfaction. √
- Any other relevant answer related to the negative impact/disadvantages of total client/customer satisfaction as a TQM element on large businesses. **Max (6)**

[40]

BREAKDOWN OF MARKS

QUESTION 3	MARKS
3.1	2
3.2	4
3.3.1	2
3.3.2	6
3.4	6
3.5	4
3.6	4
3.7	6
3.8	6
TOTAL	40

QUESTION 4: MISCELLANEOUS TOPICS

BUSINESS ENVIRONMENTS

4.1 **Types of leave according to BCEA**

- Annual leave √
- Sick leave √
- Maternity/Adoption leave √
- Family responsibility/Paternity leave√
- Parental leave √

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

4.2 **The role of SETA's in supporting the Skills Development Act**

- Report to the Director-General. √√
- Promote and establish learnerships. √√
- Collect levies and pays out grants as required. √√
- Provide accreditation for skills development facilitators. √√
- Register learnership agreements/learning programmes. √√
- Approve workplace skills plans and annual training reports. √√
- Monitor/Evaluate the actual training by service providers. √√
- Allocate grants to employers, education and training providers. √√
- Oversee training in different sectors of the South African economy. √√
- Develop skills plans in line with the National Skills Development Strategy. √√
- Draw up skills development plans for their specific economic sectors. √√
- Provide training material/programmes for skills development facilitators. √√
- Payout grants to companies that are complying with the requirements of the Skills Development Act. √√
- Promote learnerships and learning programmes by identifying suitable workplaces for practical work experience. √√
- Any other relevant answer related to the role of SETA's in supporting the Skills Development Act **Max (4)**

4.3 **Types of defensive strategies from the scenario**

DEFENSIVE STRATEGIES	MOTIVATIONS
1.Divestiture/Divestment √√	The management of JC sold some of the business assets that are no longer profitable. √
2. Retrenchment √√	They also terminated the employment contracts of some employees for operational reasons. √
Submax (4)	Submax (2)

NOTE: 1. Award marks for defensive strategies even if the quotes is incomplete.
2. Do not award marks for the motivation if the defensive strategies are incorrectly identified.
3. Accept responses in any order. **Max (6)**

4.4. **Ways in which they can comply with the Employment Equity Act**

- Businesses must guard against discriminatory appointments. √√
- Promote equal opportunities and fair treatment. √√
- Implement an employment equity plan. √√
- Implement affirmative action measures to redress disadvantages experienced by designated groups. √√
- Reasonable accommodation of people from designated groups. √
- √
- Ensure that there is equal representation of all racial groups in every level of employment. √√
- Compile employment equity plans that indicate how they will implement affirmative action. √√
- Ensure that affirmative action measures promote diversity in the workplace. √√
- Prepare an employment equity plan in consultation with employees. √√
- Ensure that diversity/inclusivity in the workplace is achieved. √√
- Submit the employment equity plan to the Department of Labour√√
- Retain designated groups, including skills development of such groups. √√
- Assess the racial composition of all employees, including senior management. √√
- Clearly define the appointment process, so that all parties are well informed. √√
- Use certified psychometric tests to assess applicants/employees to ensure that suitable candidates are appointed. √√
- Conduct medical/psychological tests fairly to employees/when deemed necessary. √√
- Assign one or more senior managers to ensure implementation and monitoring of the employment equity plan. √√
- Eliminate barriers that have an adverse impact on designated groups. √√
- Retain/Develop/Train designated groups, including skills development. √√
- Regularly report to the Department of Labour on progress in implementing the plan. √√
- Display a summary of the Act where employees can clearly see/have access to the document. √√
- Restructure/Analyse current employment policies/practices/ procedures to accommodate designated groups. √√
- Any other relevant answer related to ways to comply with the EEA

Max (6)

BUSINESS OPERATIONS

4.5 **Examples of fringe benefits**

- Pension fund √
- Medical aid fund/Health insurance fund √
- Funeral benefit √
- Provident fund √
- Car/Travel/Housing/Cell phone/Clothing allowances √
- Performance based incentives √
- Issuing of bonus shares √
- Staff discount/Free or low cost meal/Canteen facilities √
- Any other relevant examples of fringe benefits.

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

4.6 **Salary determination methods from the scenario**

SALARY DETERMINATION METHODS	MOTIVATIONS
1.Piece meal √√	Andries is paid according to the number of items produced. √
2.Time -related √√	Zenzi is paid for time spent at work. √
Submax (4)	Submax (2)

NOTE: 1. Award marks for salary determination methods even if the quotes are incomplete.
2. Do not award marks for the motivation if the salary determination methods are incorrectly identified.
3. Accept responses in any order. Max (6)

4.7 **Impact of TQM if poorly implemented**

- Setting unrealistic deadlines√ that may not be achieved. √
- Employees may not be adequately trained√ resulting in poor quality products. √
- Decline in productivity, √ because of stoppages. √
- Businesses may not be able to make necessary changes to products/ services√ to satisfy the needs of customers. √
- Business reputation/image may suffer√ because of poor quality/ defective goods. √
- Customers will have many alternatives to choose from√ and the impact could be devastating to businesses. √
- Investors might withdraw investment √ if there is a decline in profits. √
- Decline in sales as more goods are returned√ by unhappy customers. √
- High staff turnover, √ because of poor skills development. √
- Undocumented/Uncontrolled quality control systems/processes could result in errors/ deviations√ from pre-set quality standards. √
- Any other relevant answer related to the impact of TQM if poorly implemented. **Max (4)**

4.8 **Importance of quality circles**

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

Max (6)
[40]

BREAKDOWN OF MARKS

4.1	**4**
4.2	**4**
4.3	**6**
4.4	**6**
4.5	**4**
4.6	**6**
4.7	**4**
4.8	**6**
TOTAL	**40**

TOTAL SECTION B: 80

SECTION C

Mark the FIRST question only.

QUESTION 5: BUSINESS ENVIRONMENTS (BUSINESS STRATEGIES)

5.1 **Introduction**

- Strategies create new opportunities for a business to make money. √
- Businesses should utilise the resources they have to follow the correct strategic management processes. √
- Intensive strategies enable businesses to grow and remain sustainable in the market . √
- Businesses consider intensive strategies when the opportunity for growth has been depleted by changing their product and the market. √
- Successful businesses always conduct research on challenges posed by PESTLE analysis factors and find ways to deal with each factor. √
- Strategy evaluation takes place after the implementation of the strategy and determines whether the implemented strategy resolved the challenges. √
- Any other relevant introduction related to a strategic management/types of intensive strategies/ dealing with technological and economic factors/ steps in strategy evaluation. **Any (2 x 1) (2)**

5.2 **Strategic management process**

OPTION 1

- Have a clear vision, a mission statement and measurable/realistic objectives in place. √√
- Identify opportunities/weaknesses/strengths/threats by conducting environmental scanning/situational analysis. √√
- Tools available for environmental scanning may include a SWOT analysis/Porter's Five Forces model/PESTLE analysis/industrial analysis tools. √√
- Formulate alternative strategies to respond to the challenges. √√
- Develop an action plan, including the tasks to be done/deadlines to be met/resources to be procured, etc. √√
- Implement selected strategies by communicating them to all stakeholders/ organising the business's resources/motivating staff. √√
- Continuously evaluate/monitor/measure strategies 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 PESTLE/ Porter's/SWOT. √√
- Formulate a strategy such as a defensive/retrenchment strategy. √√
- Implement a strategy, using a template such as an action plan. √√
- Control/Evaluate/Monitor the implemented strategy to identify gaps/ deviations in implementation. √√
- Take corrective action to ensure goals/objectives are met. √√
- Any other relevant answer related to the strategic management process.

NOTE: The steps may be in any order. **Max (10)**

5.3 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 prices increase. √
- It is a growth strategy where businesses focus on selling existing products to existing markets. √
- Focuses on gaining a larger share of the market by reducing prices to increase sales/increasing advertising and promotion. √

Strategy: 2
Discussion: 2
Submax (4)

Market Development √√

- It is a growth strategy where businesses aim to sell its existing products in new markets. √
- This strategy involves finding new markets and new ways to distribute product. √

Strategy: 2
Discussion: 2
Submax (4)

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 and develop new products/services. √

Strategy: 2
Discussion: 2
Submax (4)

Any other relevant answers to types of intensive strategies

NOTE: Marks the first THREE (3) only. **Max (12)**

5.4 **Ways in which businesses could deal with challenges posed by technological and economic factors**

5.4.1 **Technological**

- Continuous research on the latest available technology/equipment√ in the market. √
- Train existing/appoint new employees√ to maintain/use new equipment. √
- Compare prices/Select suitable suppliers√ for new equipment at reasonable prices. √
- Businesses must be geared√ for online trading/e-commerce. √
- Any other relevant answer related to ways in which businesses could deal with the challenges posed by technological challenges as a PESTLE factor.

Submax (6)

5.4.2 **Economical**

- Consider decreasing profit margins√ rather than increasing product prices. √
- Borrow money from financial institutions√ when interest rates are favourable. √
- Consider exchange rates√ when trading with other countries. √
- Any other relevant answer related to ways in which businesses could deal with the economic challenges as a PESTLE factor.

Submax (6)
Max (12)

5.5 **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. √√
- Measure the business performance in order to 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. √√
- 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 (12)**

5.6 **Conclusion**

- All levels of management should be involved in the strategic management process to ensure the successful implementation of business strategies. √√
- Different types of strategies can be applied by businesses to remain sustainable. √√
- An in-depth analysis of the challenges posed by economic factors may enable businesses to stay ahead of their competitors. √√

- Businesses should know how to use the latest development in technology in order to satisfy the current customer needs. √√
- The evaluation of strategy enables the business to stay ahead and can give the business a competitive advantage over its competitors. √√
- The PESTLE factors are of great value to a business as they assist to analyse its macro-environment. √√
- Any other relevant conclusion related to a strategic management/types of intensive strategies/ dealing with technological and economic factors/ steps in strategy evaluation. **Any (1 x 2) (2)**

[40]

QUESTION 5: BREAKDOWN OF MARK ALLOCATION

DETAILS	**MAXIMUM**	**TOTAL**
Introduction	**2**	**Max 32**
Strategic management process	**10**	
Types of business strategies	**12**	
Ways in which business can deal with economic and technological factors as PESTLE factors	**12**	
Steps in strategy evaluation	**12**	
Conclusion	**2**	
INSIGHT		**8**
Layout	**2**	
Analysis/Interpretation	**2**	
Synthesis	**2**	
Originality/Examples	**2**	
TOTAL MARKS		**40**

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

QUESTION 6: BUSINESS OPERATIONS (TOTAL QUALITY MANAGEMENT AND HUMAN RESOURCE FUNCTION)

6.1 **Introduction**

- Quality control allows businesses to save money by avoiding the use of poor quality materials. √
- Manufactured goods must be quality assured throughout the production cycle. √
- Every business should have a quality management system that ensure that all systems and processes are carried out correctly and safely. √
- The selection processes enable businesses to identify potential candidates who will contribute significantly to the achievement of business objectives. √
- The interviewee should be well conversant with the job descriptions to be able to answer appropriately to questions. √
- Any other relevant introduction related to quality control and quality assurance/the benefits of a good quality management system/the selection procedure/role of the interviewee during the interview. **Any (2 x 1) (2)**

6.2 **Differences between *quality control* and *quality assurance*.**

Quality control	Quality assurance
- Inspection of the final product to ensure that it meets the required standards. √√	- Carried out during and after the production process to ensure that required standards have been met at every stage of the process. √√
- Includes setting targets/measuring performance and taking corrective measures. √√	- Ensures that every process is aimed at getting the product right the first time and prevents mistakes from happening again. √√
- Checking raw materials/employees/ machinery/ workmanship/ products to ensure that high standards are maintained. √√	- The 'building in' of quality as opposed to 'checking for' quality √√
- Any other relevant answer related to quality control.	- Any other relevant answer related to quality assurance.
Submax (4)	Submax (4)

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

Max (8)

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

- Effective customer services will be rendered√, resulting in increased customer satisfaction. √
- Time and resources√ are also used efficiently. √
- Productivity increases through proper time management√ and using high-quality resources. √
- Products/Services are constantly improved√, resulting in increased levels of customer satisfaction. √
- Vision and mission/Business goals√ may be achieved. √
- The business may achieve 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√ which generally results in happy workers. √
- Increased market share/more customers√ improve profitability. √
- Improved business image√, as there is fewer defects/faulty products/ returns. √
- Any other relevant answer related to the benefits of a good quality management system. **Max (14)**

6.4 **Selection procedure**

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, etc. √
- 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. √
- Reference checks should be made to verify the content of CVs√, e.g. contact previous employers to check work experience. √
- Compile a shortlist√ of potential candidates' identified. √
- Shortlisted candidates may be subjected to various types of selection tests√ e.g., skills tests, etc. √
- 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 adverts indicate the deadline√ for informing only successful candidates.√
- Any other relevant answer related to the steps that should be followed in the selection procedure.

OR

OPTION 2

- Receive documentation, √ e.g., 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 candidates √
- Any other relevant answer related to the steps that should be followed in the selection procedure. **Max (14)**

6.5 **Role of the interviewee during the interview**

- Greet the interviewer by name with a solid handshake and a friendly smile. √√
- Listen carefully to the questions before responding. √√
- Make eye contact and have good posture/body language. √√
- Show confidence and have a positive attitude/be assertive. √√
- Be inquisitive and show interest in the business. √√
- Ask clarity seeking questions. √√
- Show respect and treat the interview with its due importance. √√
- Be honest about mistakes and explain how you dealt with them. √√
- Know your strengths and weaknesses and be prepared to discuss them. √√
- Thank the interviewer for the opportunity given to be part of the interviews. √√
- Any other relevant answer related to the role of the interviewee during the interview. **Max (10)**

6.5 **Conclusion**

- The correct implementation of quality control and quality assurance enables businesses to keep abreast with competition in the market. √√
- A good quality management system approach helps to provide a lean process improvement. √√
- Selection is an important process in hiring good employees and can help increase the overall performance of the business. √√
- The responses of the interviewee enable the employer to determine if an applicant has skills, experience and personality to meet the job
- requirements. √√
- The interview is a process that assists the employer to get to know the candidate better. √√
- Any other relevant conclusion related to quality control and quality assurance/ benefits of a good quality management system/selection procedure/role of the interviewee during the interview.

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

QUESTION 6: BREAKDOWN OF MARK ALLOCATION

DETAILS	MAXIMUM	TOTAL
Introduction	**2**	**Max 32**
Distinguish between quality control and quality assurance	**8**	
Benefits of a good quality system	**14**	
Steps in the selection procedure	**14**	
Role of interviewee during the interview	**10**	
Conclusion	**2**	
INSIGHT		**8**
Layout	**2**	
Analysis/Interpretation	**2**	
Synthesis	**2**	
Originality/Examples	**2**	
TOTAL MARKS		**40**

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

TOTAL SECTION C: 40
GRAND TOTAL: 150

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