KWAZULU-NATAL PROVINCE
EDUCATION
REPUBLIC OF SOUTH AFRICA

NATIONAL SENIOR CERTIFICATE

GRADE 12

BUSINESS STUDIES P1

MARKING GUIDELINE

PREPARATORY EXAMINATION

SEPTEMBER 2021

MARKS: 150

TIME: 2 hours

This marking guideline consists of 26 pages.

Copyright Reserved

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

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

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

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

 Copyright Reserved

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, mention, 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, justify, analyse, evaluate, critically evaluate (*list not exhaustive*) require a greater depth of understanding, application and reasoning. Therefore, the marks must be allocated more objectively to ensure that assessing is conducted according to established norms so that uniformity, consistency and fairness are achieved.

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

 Copyright Reserved

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 or use the word 'Cancel'.

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

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.

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

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

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

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

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

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

Copyright Reserved

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? Marks to be allocated using this guide: Option 1: **Only relevant facts: 2 marks (No '-S')** Where a candidate answers 50% or more (two to four sub-questions) of the question with only relevant facts; no '-S' appears in the left margin. Award the maximum of TWO (2) marks for synthesis. Option 2: **Some relevant facts: 1 (One '-S')** Where a candidate answers less than 50% (only one sub-question) of the question with only OR some relevant facts; one '-S' appears in the left margin. Award a maximum of ONE (1) mark for synthesis. Option 3: **Some relevant facts: 1 mark (One '-S')** Where a candidate writes four questions but one sub-question of the question with no relevant facts; one **'-S'** appears in the left margin. Award a maximum of ONE (1) mark for synthesis.	**2**
	Option 4: **No relevant facts: 0 (Two '-S')** Where a candidate answers less than 50% (only one sub-question) of the question with no relevant facts; two '-S' appears in the left margin. Award a ZERO mark for synthesis.	
Originality	Is there evidence of examples based on recent information, current trends and developments?	**2**
TOTAL FOR INSIGHT: **TOTAL MARKS FOR FACTS:** **TOTAL MARKS FOR ESSAY (8 + 32):**		**8** **32** **40**

Copyright Reserved

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

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

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

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

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

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

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

 Copyright Reserved

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.

Copyright Reserved

SECTION A

1.1

1.1.1 D √√

1.1.2 B√√

1.1.3 C √√

1.1.4 B√√

1.1.5 A√√ **(5x2) (10)**

1.2

1.2.1 Skills Development Levy√√

1.2.2 SWOT√√

1.2.3 piecemeal√√

1.2.4 control √√

1.2.5 marketing √√ **(5x2) (10)**

1.3

1.3.1 F √√

1.3.2 D√√

1.3.3 H√√

1.3.4 A √√

1.3.5 I√√

(5x2) (10)

TOTAL SECTION A: (30)

BREAKDOWN OF MARK ALLOCATION

QUESTION	MARKS
1.1	10
1.2	10
1.3	10
TOTAL	30

Copyright Reserved

SECTION B

Mark only FIRST TWO answers.

QUESTION 2: BUSINESS ENVIRONMENTS

2.1 Types of integration strategies

- Horizontal √
- Forward vertical √
- Backward vertical √

NOTE: **Mark the first THREE only** **(3X1) (3)**

2.2 Purpose of Labour Relations Act/LRA

- Provides a framework/structure for labour relations between employers/ employees/trade unions/employer organisations.√ √
- Promotes/Facilitates collective bargaining at the workplace/at sectorial level. √√
- Promotes workplace forums to accommodate employees in decision making. √√
- Provides for the right to lock-out by the employer as a recourse to lengthy strikes.√√
- Promotes fair labour practice between the employers and employees.√√
- Clarifies the transfer of employment contracts between the existing and new employers.√√
- Promotes simple procedures for the registration of trade unions/employer organisations.√√
- Advances economic development/social justice/labour peace to ensure that the workplace maintains the basic rights of employees.√√
- Establishes the Commission for Conciliation, Mediation and Arbitration/CCMA for dispute resolutions.√ √
- Established Labour Appeal Courts.√√
- Any other relevant answer related to the purpose of the LRA. **Max (6)**

2.3 Legislation

2.3.1 Ways in which MFF is complying with the Employment Equity Act from the scenario

Promote equal opportunities and fair treatment.√
MFF also accommodated people from different designated groups. √
Employees are paid equal for work of equal value. √

NOTE: 1. Mark the first (3) THREE only.
2. Only award marks for responses that are quoted from the scenario.

(3 x 1) (3)

2.3.2 Other ways in which MFF/businesses can comply with the Employment Equity Act/EEA

- Guard against√ discriminatory appointments.√
- Assess the racial composition of all employees√, including senior management.√
- Ensure that there is equal representation of all racial groups√ in every level of employment.√

 Copyright Reserved

- 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.√
- Ensure that diversity/inclusivity√ in the workplace is achieved.√
- Implement affirmative action measures to redress disadvantages experienced √by designated groups.√
- Prepare an employment equity plan√ in consultation with employees.√
- Implement √an employment equity plan.√
- Submit the employment equity plan √to the Department of Labour.√
- Assign one or more senior managers√ to ensure implementation and monitoring of the employment equity plan.√
- Eliminate barriers that have an adverse impact√ on designated groups.√
- Retain/Develop/Train designated groups√, through skills development.√
- Regularly report to the Department of Labour√ on progress in implementing the plan.√
- Any other relevant answer related to ways in which MFF/ businesses can comply with the Employment Equity Act/EEA.

NOTE: Do not award marks for the responses quoted in QUESTION 2.3.1

Max (4)

2.4 Role of SETAs in supporting the Skills Development Act

Develop sector skills plans in line with√ the National Skills Development Strategy.√
Draw up skills development plans √for their specific economic sectors.√
- Approve workplace skills plans√ and annual training reports.√
- Allocate grants√ to employers, education and training providers.√
- Pay out grants to companies√ that are complying with the requirements of the Skills Development Act.√
- Monitor/Evaluate the actual training√ by service providers.√
- Promote and establish√ learnerships.√
- Register√ learnership agreements/learning programmes.√
- Provide training material/programmes√ for skills development facilitators.√
- Provide accreditation√ for skills development facilitators.√
- Oversee training in different sectors√ of the South African economy.√
- Promote learnerships and learning programmes√ by identifying suitable workplaces for practical work experience. √
- Collect levies√ and pay out grants as required.√
- Report √to the Director General. √

-Any other relevant answer related to the role of SETAs in supporting the Skills Development Act/SDA. **Max (6)**

2.5 Business sectors and their environments

2.5.1 Secondary sector√√ (2)

Motivation

Jumbo Tyres specialises in the manufacturing of motor vehicle tyres√ (1)

NOTE: Do award marks for the motivation if the business sector was incorrectly identified. **Max (3)**

 Copyright Reserved

CHALLENGES (2.5.2)	BUSINESS ENVIRONMENTS (2.5.3)	EXTENT OF CONTROL (2.5)
1. JT is experiencing a decline in productivity due to high level of employee absenteeism. √	Micro√	Full control√
2. The suppliers of JT have increased the price of raw materials by 20%.	Market √	Partial/limited/some/little control/can influence the environment √
3. The government has also increased the interest rate making it difficult for JT to borrow money from the bank.	Macro√	No control√
Max (3)	**Max (3)**	**Max (3)**

NOTE: 1. Challenges must be quoted from the scenario.
2. Do not award marks for business environments if it is not linked to the challenges
3. Award marks for the business environments even if the quote is incomplete.
4. The extent of control must be linked to the business environment.
5. Do not award marks for the extent of control if the business environment is not mentioned
6. The order may be different. Max (9)

2.6 **Impact of the National Credit Act/NCA on businesses**

Positives/Advantages

- Lower bad debts√ resulting in better cash flow.√
- Protects businesses√ against non-paying customers.√
- Increases cash sales√ because businesses only grant credit to qualifying customers/more customers are buying in cash.√
- Stamps out reckless lending√ and prevents businesses from bankruptcy.√
- Businesses do thorough credit checks√ and receive up-to-date documentation from the consumer as proof that they can afford the repayment/credit.√
- Credit bureau information is made available to businesses√ so that they can check the credit worthiness of consumers before granting credit.√
- Authorised credit providers√ may attract more customers.√
- Leads to more customers through credit sales√ as they are now protected from abuse.√
- The whole credit process is transparent√, e.g. both businesses and customers know their responsibilities.√
- Any other relevant answer related to the positive impact /advantages on the NCA for businesses.

AND/OR

Negatives/Disadvantages

- A business must make sure that all attempts have been made to recover the debt√ before blacklisting the customer.√

 Copyright Reserved

- Debt collection procedures√ are more complex and expensive.√
- Credit providers cannot collect from consumers√ who are under debt reviews.√
- Credit which has been granted recklessly√ cannot be recovered.√
- Increases the administration burden√ on credit providers.√
- More working capital is needed√ as businesses cannot sell many goods on credit due to stricter credit application processes.√
- Fewer customers buy on credit√ as it is more difficult to obtain credit.√
- Businesses struggle to get credit√ such as bank loans/overdrafts.√ - Businesses that do not comply with the NCA√ may face legal action.√
- Any other relevant answer related to the negative impact /disadvantages of the NCA on businesses. **Max (6)**

BREAKDOWN OF MARK ALLOCATION

QUESTION	MARKS
2.1	3
2.2	6
2.3.1	3
2.3.2	4
2.4	6
2.5.1	3
2.5.2	3
2.5.3	3
2.5.4	3
2.6	6
TOTAL	40

QUESTION 3

3.1 Examples of fringe benefits

- Medical aid/ Health Insurance Fund√
- Pension Fund√
- Provident Fund√
- Funeral benefit√
- Allowances (car/travel/ housing/ cell phone/clothing) √
- Performance based bonus√
- Issuing of bonus shares√
- Staff discount/ free or low cost meal/ canteen facilities √

NOTE: Mark the first FOUR (4) only **(4x1) (4)**

3.2 Role of the interviewer when preparing for an interview

- The interviewer should develop a core set of questions based on the skills/knowledge/ ability required. √√
- Check/read the application/verify the CV of every candidate for anything that may need to be explained.√√
- Book and prepare the venue for the interview.√√ -
  Set the interview date and ensure that all interviews take place on the same date, if possible.√√
- Inform all shortlisted candidates about the date and place of the interview.√√

 Copyright Reserved

- Plan the programme for the interview and determine the time that should be allocated to each candidate. √√
- Notify all panel members conducting the interview about the date and place of the interview.√ √
- Any other relevant answer related to the role of the interviewer when preparing for an interview. **Max (6)**

3.3 Components of a job analysis from the scenario

COMPONENTS OF A JOB ANAYSIS	MOTIVATIONS
1. Job description√√	- Duties and responsibilities of the job
- Job specification√√	- 3 years managerial experience√
Sub max (4)	Sub max (2)

NOTE:
1. **The answer does not have to be in tabular format.**
2. **Award marks for the components of a job analysis even if the quote is incomplete.**
3. **Award marks for the components of a job analysis even if the quote is incomplete/ incorrect.**

Max (6)

3.4 Benefits of induction for businesses

- Allows new employees to settle in quickly√ and work effectively√.
- Ensures that new employees understand rules and restrictions √in the business√.
- New employees may establish relationships with fellow employees√ at different levels. √
- Make new employees feel at ease in the workplace,√ which reduces anxiety/ insecurity/fear.√
- The results obtained during the induction process provide a base √for focused training. √
- Increases quality√ of performance/productivity.√
- Minimises the need√ for on-going 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 √order to be more efficient. √
- Company policies are communicated,√ regarding conduct and procedures/safety and security/employment contract/conditions of employment/working hours. √
- Realistic expectations for new employees √as well as the business are created. √

 Copyright Reserved

- New employees may feel part of the team√ resulting in positive morale and motivation. √
- Employees may have a better understanding of business policies√ regarding ethical/professional conduct/procedures/CSR, etc. √
- Any other relevant answer related to the benefits of induction for businesses.

Max (4)

3.5 Distinction between quality management and quality performance

QUALITY MANAGEMENT	QUALITY PERFORMANCE
- Tools/ Techniques used to design/ improve the quality of the product√√	- Total performance of each department measured against the specified standards√√
- Can be used for accountability within each of the business function√√	- Can be obtained if all departments work together towards the same quality standards√√
- Aims to ensure that the quality of goods/ services√ is consistent/ Focuses on the means to achieve consistency√√	- Quality is measured through physical product / statistical output of processes/ surveys of the users and / or buyers of goods /services√√
- Any other relevant answer related to quality management	- Any other relevant answer related to quality performance
Sub Max (4)	Sub Max (4)

NOTE: 1. The answer does not have to be in tabular format,
2. The distinction must be clear but does not have to be linked.
3. Award a maximum of FOUR (4) marks if the distinction is not clear/ mark either quality management or quality performance only.

Max (8)

3.6 Ways in which TQM can reduce the cost of quality

3.6.1 Ways in which TQM can reduce the cost of quality from the scenario

- The management of VS works closely with suppliers to improve the quality of raw materials √
- They have implemented a pro-active maintenance programme for their equipment to reduce breakdowns √

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

(2x1) (2)

3.6.2 Other ways in which TQM can reduce the cost of quality

- Introduce quality circles √ to discuss ways of improving the quality of work/ workmanship.√
- Schedule activities√ to eliminate duplication of tasks.√
- Share responsibility for quality output√ amongst management and workers.√
- Train employees at all levels√, so that everyone understands their role in quality management.√

Copyright Reserved

- Develop work systems that empower employees√ to find new ways of improving quality.√
- Improve communication about quality challenges/deviations√, so that everyone can learn from experience.√
- Reduce investment on expensive but ineffective inspection procedures in the production process.
- Any other relevant answer related to other ways in which TQM can reduce the cost of quality

NOTE: Do not award marks for responses that were quoted in QUESTION 3.6.1.

Max (6)

3.7 Way in which the quality of performance of the general management function can contribute to the success of the business

- Develop/Implement/Monitor effective strategic plans.√√
- Efficient organisation/allocation of business resources to provide for the successful achievement of long-term and short-term plans.√√
- Structured standards and norms should be in place so that control mechanisms can be implemented.√√
- Learn about/understand changes in the business environment on an on-going basis.√√
- Effectively communicate shared vision, mission and values.√√
- Set direction and establish priorities for their business.√√
- Be prepared to set an example of the behaviour that is expected from employees in terms of ethics as well as productivity.√√
- Be proactive and always seeks to improve competitive advantage over competitors.√√
- Ensure that all departments/the business meet their deadlines/targets.√√
- Any other relevant answer related to the ways in which the quality of performance of the general management function can contribute to the success of the business.

Max (4)

BREAKDOWN OF MARK ALLOCATION

QUESTION	MARKS
3.1	4
3.2	6
3.3.1	6
3.4	4
3.5	8
3.6.1	2
3.6.2	6
3.7	4
TOTAL	40

QUESTION 4: MISCELLANEOUS

4.1 **Porters' Five Forces from given statements**

4.1.1 Threat / Barrier of new entrants in the market√√ **(2)**

4.1.2 Bargaining power of suppliers/ Power of suppliers√√ **(2)**

4.1.3 Competitive rivalry / Power of competitors √√ **(2)**

 Copyright Reserved

4.2 Difference between NSDS and HRDS

National Skills Development Strategy	Human Resources Development Strategy
- - Encourages good quality training in the workplace to ensure on-going development of skills√√	- - Addresses skills shortages in the South African workforce. √√
- - Provides for the participation of government, organised business and labour. √√	- - Aims at achieving faster economic growth/higher employment level and reduced levels of poverty√√.
- - Improves social development√ through economic development√√	- - Promotes social development/social justice and helps to alleviate poverty. √√
- - Indicates how Sector Education and Training Authorities (SETAs) should use the money allocated from the Skills Development Levy. √ √	- - Develops short term and long term workforce skills. √√
- - Increases/Improves access to training programmes. √√	- - Improves the supply of skills. √√
- - Builds/Provides career/vocational guidance/training centers. √√	- - Increases employee participation in lifelong learning√ √
- Any other relevant answer related to the National Skills Development Strategy	- Any other relevant answer related to the Human Resources Development Strategy
Sub Max (2)	Sub Max (2)

NOTE: 1. The answer does not have to be in tabular format,
2. The difference must be clear but does not have to be linked.
3. Award a maximum of TWO (2) marks if the difference is not clear/ mark either National Skills Development Strategy/ Human Resource Development Strategy. **Max (4)**

4.3 Advantages of Consumer Protection Act, 2008 (Act 68 of 28 April 2008) (CPA)on businesses.

- Enables businesses to resolve disputes fairly√ through the National Consumer Commission/Consumer Court/Industrial ombudsmen. √
- Businesses may build a good image √ if they ensure that they do not violate consumer rights. √
- May gain consumer loyalty, √ if they comply with CPA. √
- Businesses may be safeguarded √ from dishonest competitors. √
- Businesses may be protected√ if they are regarded as consumers. √
- Prevents larger businesses√ from undermining smaller ones. √
- Any other relevant answer related to the advantages of CPA. **Max (4)**

 Copyright Reserved

4.4 Defensive strategies from the scenarios

DEFENSIVE STRATEGIES	MOTIVATIONS
1. Divestiture/Divestment √√	HIL sold some of their assets that are no longer profitable. √
2. Liquidation √√	The management of HIL finally decided to sell all the assets to pay creditors. √
Sub-max (4)	Sub-max (2)

NOTE:
1. **Mark the first TWO (2) only.**
2. **Award marks for defensive strategies even if the quote is incomplete.**
3. **Do not award marks for motivations if the defensive strategies were incorrectly identified.** **Max (6)**

4.5 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 contents of CV's, 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 selection procedure as a human resources activity.

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 candidate(s). √√
- Any other relevant answer related to the selection procedure as a human resources activity. **Max (4)**

NOTE: The procedure can be in any order.

 Copyright Reserved

4.6 Types of recruitment methods from the scenario

TYPES OF RECRUITMENT METHODS	MOTIVATIONS
1. Internal recruitment √√	- The vacancy for supervisor is advertised in the business notice board√
2. External recruitment √√	- While the vacancy for financial manager is advertised in the internet and newspapers.√
Sub-max (4)	Sub-max (2)

NOTE:..1. Mark the first TWO (2) only.
2. Award marks for types of recruitment methods even if the quote is incomplete.
3. Do not award marks for motivations if the types of recruitment methods were incorrectly identified. **Max (6)**

4.7 Negative impact TQM poorly implemented

- Lack of training/skills development√ may lead to poor quality products. √
- Decline in sales√, as returns from unhappy customer's increase. √
- Decline in productivity√, because of stoppages. √
- Investors might withdraw investment√, if there is a decline in profits. √
- Bad publicity√ due to poor quality products supplied. √
- High staff turnover√, because of poor skills development. √
- Setting unrealistic deadlines√ that may not be achieved. √
- Businesses may not be able to make/afford the necessary changes√ that will satisfy customers' needs. √
- Loss of customers√ may lead to bankruptcy/closure. √
- Undocumented quality control systems/processes√ could result in error/deviations from pre-set quality standards. √
- Any other relevant answer related to the negative impact of TQM if poorly implemented by businesses. **Max (4)**

4.8 Advantages of continuous improvement to processes and systems on large businesses

- Business have more resources to check on quality performance in each unit. √ √
- Enough capital resources are available for new equipment required for processes and systems. √ √
- Business have a person dedicated to the improvement of processes and systems. √√
- Willing to take risk on/try new processes and systems because they are able to absorb the impact of losing money. √ √
- They can afford to use the services of the quality circles√ to stay ahead of their competitors. √√
- Any other relevant answer related to the advantages of continuous improvement to processes and systems on large businesses. **Max (6)**

 Copyright Reserved

QUESTION 4	MARKS
4.1.1	2
4.1.2	2
4.1.3	2
4.2	4
4.3	4
4.4	6
4.5	4
4.6	6
4.7	4
4.8	6
TOTAL	40

QUESTION 5

5.1 Introduction

- Businesses should always conduct the strategic management process as they operate in a dynamic environment that poses many challenges. √
- The implementation of business strategies enable businesses to respond to challenges presented by business environments. √
- Intensive strategies aims to increase sales and market share through intensive efforts to improve long-term growth market environment. √
- Businesses should continuously review their strategies so that they can have a competitive advantage in the market. √
- Any other relevant introduction related to the strategic management process/ challenges posed by PESTLE analysis factors/types of intensive strategies/strategy evaluation steps. **Any (2x1) (2)**

5.2 Strategic management process

OPTION 1

- Have a clear vision, 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 business challenges. √√
- Develop (an) action plan(s) ,including the tasks to be done/deadlines to be met/resources to be procured , etc. √√
- Organise the business resources and motivate staff. √√
- Implement selected strategies by communicating it to all stakeholders. √√
- Continuously evaluate/monitor/measure strategies√ in order to take corrective action. √√
- Any other relevant answer related to the strategic management process.

 Copyright Reserved

OR

OPTION 2

- Review the vision statement. √√
- Analyse/Re-examine 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 (12)**

5.3 Challenges posed by the PESTLE analysis factors

5.3.1 Economic factors

- Inflation / interest may negatively impact√ on businesses√
- Loans may be expensive√ due to high interest rate√
- Fluctuation in foreign industry√ may restrict import√
- Any other relevant answer related to how economic factors as a PESTLE element may pose challenge to a business. Sub max (4)

5.3.2 Social factors

- Customers may not be able to afford products√ due to low income levels√.
- Businesses may not be conversant with the local language√ of their customers. √
- High crime rate may affect trading hours of businesses√ resulting in decreased profit√
- Some customers may prefer to spend their money on medical bills√ for treatment of chronic illnesses√
- Any other relevant answer related to how the social factor as a PESTLE element may pose challenge to businesses. Sub max (4)

Max (8)

5.4 Types of intensive strategies

5.4.1 Market development√√

- A process of exploring/ finding/ searching new markets√ for existing products. √
- Targeting consumers in a potential market that is outside√ normal target market. √
- Changing the way the products are distributed√ to reach a different market. √
- Businesses sell their existing products to new markets√ .e.g opening business new branches in other areas. √
- Any other relevant answer related to market development as a type of intensive strategies.

Strategy (2)
Discussion: (4)
Sub max (6)

 Copyright Reserved

5.4.2 Product development√√

- Businesses generate new ideas√ and develop a new product or service√.
- Business may improve/change packaging of current products√ so they look and seem different and appeal to the market√
- The introduction of a new product or service into existing markets√.e.g powdered soap manufacturer introduces a new powdered soap which also has a fabric softener. √
- Any other relevant answer related to product development as a type of intensive strategies.

Strategy (2)

Discussion : (4)
Sub max (6)

5.4.3 Market penetration√√

- Businesses use aggressive marketing campaigns√, e.g low prices to attract competitors' clients/ attempt to persuade consumers that are already buying their products to continue supporting them.
- Increase the market share of existing products/Promote new products that have become well established. √
- Reduce prices to increase sales√
- Any other relevant answer related to market penetration as a type of intensive strategies

Strategy : (2)
Discussion : (4)
Sub max : (6)

NOTE: Mark the first THREE (3) only. **Max (16)**

5.5 Steps in strategy evaluation

- Examine the underlying basis of a business strategy√√
- Look forward and backwards into the implementation process√ √
- Compare expected performance with actual performance√√
- Measure business performance in order to determine the reasons for deviation and analyse these reasons √ √
- Take corrective action so that deviations may be corrected √√
- Set specific dates for control and follow up√√
- Draw up 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 steps businesses should consider when evaluating strategies..

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

 Copyright Reserved

5.6 Conclusion

- The strategic management process enables businesses to stay ahead of competitors and increase their market share. √√
- Businesses must develop/formulate strategies that will address the challenges.√√
- The implementation of intensive strategies may allow businesses to recover from unstable economic conditions.√√
- Strategy evaluation enable businesses to keep abreast with changes in the business environments.√√
- Any other relevant conclusion related to the strategic management process/ challenges posed by PESTLE factors/intensive strategies/strategy evaluation.

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

QUESTION 5 BREAKDOWN OF MARK ALLOCATION

DETAILS	MAXIMUM	
Introduction	**2**	
Strategic management process	**12**	**MAX 32**
Challenges posed by the following PESTLE factors	**8**	
Types of intensive strategies	**16**	
Strategy evaluation	**10**	
Conclusion	**2**	
INSIGHT		
Layout	**2**	**8**
Analysis, interpretation	**2**	
Synthesis	**2**	
Originality, examples	**2**	
TOTAL		**40**

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

Copyright Reserved

QUESTION 6 (HUMAN RESOURCES AND QUALITY OF PERFORMANCE)

6.1 Introduction

- Recruitment enables businesses to employ people whose skills and qualifications are in line with the requirement of the job.√
- The employment contract must be in line with legal requirements stated in Basic Conditions of Employment Act√
- A monitoring and evaluation system and quality assurance process should be put in place to prevent product defects and other issues√
- Businesses must carefully select experts from different department so that they can develop a turnaround strategy on issues related quality. √
- Any other relevant introduction related to the recruitment procedure/legal requirements of an employment contract/impact of monitoring and evaluating quality processes/ importance of quality circles. **Any (2x1) (2)**

6.2 Recruitment procedure

- The human resource manager (HRM) should prepare the job description in order to identify recruitment needs. √√
- HRM should indicate the job specification/description/key performance areas to attract suitable candidates. √√
- Prepare a job analysis, which includes job specification and job description. √√
- A decision whether to recruit internally should be made to identify suitable candidates from within the business. √√
- If internal recruitment is unsuccessful, external recruitment should be considered. √√
- 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 recruitment procedure.

NOTE: The procedure can be in any order. Max (12)

6.3 Legal requirement an employment contract

- Employment contract is an agreement√ between the employer and the employee and is legally binding. √
- Employer and employee must agree√ to any changes to the contract. √
- Aspects of the employment contract can be renegotiated√ during the course of employment. √
- No party may unilaterally change aspects√ of the employment contract. √
- The employer and employee√ must both sign the contract. √
- The employment contract should include√ a code of conduct and code of ethics. √
- The employer must explain the terms and conditions√ of the employment contract to the employee. √
- It may not contain any requirements√ that are in conflict with the BCEA. √
- Conditions of employment/duties/responsibilities of the employees√ must be stipulated clearly. √
- The remuneration package/including√ benefits must be clearly indicated. √

 Copyright Reserved

- The employer must allow the employee to thoroughly read through the contract√ before it is signed. √
- Any other relevant answer related to the legal requirement of an employment contract

Max (12)

6.4 Impact of monitoring and evaluating quality processes

Positives/Advantages

- Prevents product defects√ and minimises wastage/customer complaints.√
- Good quality checks/procedures minimises√ the replacement/breakdown of equipment/machinery on a regular basis.√
- May be equipped to get things done right√ the first time.√
- Improve performance√ and maintain high quality standards.√
- Improve current and future management√ of quality outputs/outcomes/impact.√
- Provide clear indication about quality aspects√ that are contributing to the achievement of goals/targets.√
- Support management√ to acquire information needed to make informed decision about processes.√
- Cost of production is reduced√ as deviations from set standards can be corrected.√
- Strategies are revised√ in order to improve the quality of the product and services/business image.√
- Allows for quality control checks and procedures√ at key points.√
- Key performance indicators are carefully selected√ to monitor and evaluate the outcome.√
- Benchmarking is used to find best practices√ in order to determine the competitive position of the business.√
- Quality circles meet on regular basis√ to evaluate the progress in terms quality.√
- Continuous research is conducted on latest developments√ to ensure that TQM planning is up to date.√
- Any other relevant answer related to the positive impact/advantages of monitoring and evaluating quality processes as a TQM element.

AND/OR

Negatives/ Disadvantages

- Large businesses are often divided√ and the departments work in silos. √
- It is difficult to get everyone√ to communicate. √
- It often takes longer√ to detect problems or respond to weaknesses √
- It is not viable √ to check quality of all the products √
- Any other relevant answer related to the negatives/disadvantages impact of monitoring and evaluating quality processes as a TQM element.

Max (12)

6.5 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 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. √√

 Copyright Reserved

- Reduce costs of redundancy in the long run. √√
- Increase employees' morale/motivation. √√
- Quality circles discuss ways of improving the quality of work/workmanship. √√
- Contribute towards the improvement and development of the organisation. √√
- Reduce costs/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 organisation and its 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 (10)**

6.6 Conclusion

- Employees are the most important resource in the business therefore correct number and suitable employees should be recruited√√
- Employment contract is a binding legal agreement therefore it is important that both employer and employee sign it√√
- Proper monitoring and evaluation tools must be used to ensure that quality products is produced. √√
- The management should allow quality circle to hold meetings periodically so that deviations from set standards can be identified earlier. √√
- Any other relevant conclusion related to the recruitment procedure/legal requirements of an employment contract/ impact of monitoring and evaluating quality processes/importance of quality circles. **Any (1x2) (2)**

[40]

Copyright Reserved

QUESTION 6 BREAKDOWN OF MARK ALLOCATION

DETAILS	MARKS	
Introduction	**2**	**MAX 32**
Recruitment procedure	**12**	
Legal requirements of an employment contract	**12**	
Impact of monitoring and evaluating quality processes as a TQM element	**12**	
Importance of quality circles	**10**	
Conclusion	**2**	
		8
INSIGHT		
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 where all requirements are not met at all.

TOTAL SECTION C: 40
GRAND TOTAL: 150