GAUTENG PROVINCE
EDUCATION
REPUBLIC OF SOUTH AFRICA

# JUNE EXAMINATION
# GRADE 12

# 2024

# MARKING GUIDELINES

## BUSINESS STUDIES

## (PAPER 1)

**29 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 |
| HOD: | Green |
| District Moderator: | Orange |
| Provincial Moderator: | Pink |

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 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 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 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, 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 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 allocated in the marking guidelines.

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 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 mark (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 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 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 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 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 C ✓✓

1.1.2 B ✓✓

1.1.3 D ✓✓

1.1.4 A ✓✓

1.1.5 B ✓✓

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

1.2 1.2.1 double ✓✓

1.2.2 debt counsellors ✓✓

1.2.3 placement ✓✓

1.2.4 assurance ✓✓

1.2.5 unemployment insurance ✓✓ (5 x 2) **(10)**

1.3 1.3.1 E ✓✓

1.3.2 D ✓✓

1.3.3 J ✓✓

1.3.4 B ✓✓

1.3.5 C ✓✓

(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 questions only.**

## QUESTION 2: BUSINESS ENVIRONMENTS

2.1 **Types of intensive strategies**

- Market development ✓
- Product development ✓
- Market penetration ✓

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

2.2 **Strategic management process**

**OPTION 1**

- There must be a clear vision/mission statement/measurable/realistic goal in place. ✓✓
- Identify opportunities/weaknesses/strengths/threats by doing an environmental/ situation analysis. ✓✓
- Instruments available for environmental analysis may include a SWOT analysis/ Porter's Five Forces model/PESTLE analysis/industrial analysis tool. ✓✓
- Formulate alternative strategies to respond to the challenges. ✓✓
- Develop (an) action plan (s) that must include the tasks to be performed/ deadlines to be met/resources to be obtained. ✓✓
- Implement selected strategies by passing them on to all stakeholders/organising business resources/motivating staff. ✓✓
- Continuous evaluation/monitoring/measurement of strategies to take affirmative action. ✓✓

Any other relevant answer related to the strategic management process.

**OR**

**OPTION 2**

- Businesses must review/analyse/retest their vision/mission statement. ✓✓
- Perform an environmental analysis using models such as SWOT/PESTLE/Porter's Five Forces. ✓✓
- Formulate a strategy, such as a defensive/retrenchment strategy. ✓✓
- Implement a strategy, use a template as an action plan. ✓✓
- Control/Evaluate/Monitor the implemented strategy to identify gaps/deviations in the implementation. ✓✓
- Take corrective steps to ensure that goals/objectives are achieved. ✓✓

Any other relevant answer related to the strategic management process.

**Max.** (6)

2.3 **Challenges in the business environments** (4)

| CHALLENGES 2.3.1 | ENVIRONMENT 2.3.2 |
|---|---|
| a) They are struggling to pay off their loan to the bank, due to the continued increase in interest rates. ✓ | Macro ✓ |
| b) The management noticed that their mission statement is quite old and needs to be updated. ✓ | Micro ✓ |
| Max (2) | Max (2) |

**NOTE:**
1. **Mark the first TWO (2) 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 linked to the challenge**.

2.4 **Rights of employers in terms of the LRA**

- 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 terms of the LRA.

**Max.** (6)

2.5 **Pillars of BBBEE**

2.5.1 Management control ✓✓

2.5.2 **Application of management control on businesses**

- Appoint black people ✓ in senior executive positions/to management. ✓
- Involve black employees ✓ in decision-making processes. ✓
- Ensure and prioritise black female representation ✓ in management. ✓
- Businesses score points in both management and ownership when selling more than 25 % of their shares ✓ to black investors so that some of them can become directors. ✓

Any other relevant answer related to the implication of management control as a BBBEE pillar for businesses.

**NOTE: Do not award marks for responses that were quoted in the scenario.** **Max. (6)**

2.6 **PESTLE elements**

2.6.1 **Legal**

- Legal requirements for operating certain types of businesses ✓ are time-consuming. ✓
- High legal costs involved in obtaining a license/trademark/patent/ copyright ✓ may prevent the establishment of some businesses. ✓
- Certain acts may have a direct impact ✓ on business operations, e.g., as EEA/BCEA. ✓
- Legalities of business contracts ✓ may limit business operations. ✓

Any other relevant answer related to how the legal factor as a PESTLE element pose challenges to businesses. **Max.** (4)

2.6.2 **Social**

- Customers may not be able to afford products ✓ due to low-income levels/high unemployment. ✓
- Businesses may not be conversant with the language ✓ of their customers. ✓
- Some customers may prefer to spend their money on medical bills ✓ for the treatment of chronic illnesses. ✓
- High crime rates may affect the trading hours of businesses ✓ resulting in decreased profit. ✓

Any other relevant answer related to how the social factor as a PESTLE element pose challenges to businesses. **Max.** (4)

2.7 **Steps in evaluating a strategy**

- 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 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 that must be considered when evaluating strategies.

**NOTE: Accept steps in any order.** **Max.** (6)

**[40]**

**BREAKDOWN OF MARKS**

| QUESTION 2 | MARKS |
|---|---|
| 2.1 | 2 |
| 2.2 | 6 |
| 2.3.1 | 2 |
| 2.3.2 | 2 |
| 2.4 | 6 |
| 2.5.1 | 2 |
| 2.5.2 | 6 |
| 2.6.1 | 4 |
| 2.6.2 | 4 |
| 2.7 | 6 |
| TOTAL | 40 |

## QUESTION 3: BUSINESS OPERATION

3.1 **Salary determination methods**

- Piecemeal ✓
- Time-related ✓

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

3.2 **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. ✓✓
- 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 should be made to verify the contents 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 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 adverts indicate the deadline for informing only successful candidates. ✓✓

Any other relevant answer related to the selection procedure as a human resource 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. ✓✓

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

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

3.3 **Interviews**

3.3.1 **Role of the interviewer before the interview from the scenario**

- He has prepared a set of questions that will be asked during the interviews. ✓
- He has also booked a suitable venue for the interviews. ✓

**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 **The purpose of an interview as a human resources activity.**

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

Any other relevant answer related to the purpose of an interview as a human resource activity**.** **Max.** (4)

3.4 **Meaning of total quality management/TQM**

- TQM is an integrated system/methodology applied throughout the organisation which helps ✓ to design/produce/provide quality products/services to customers. ✓
- A thought revolution in management ✓, where the entire business is operated with customer orientation in all business activities. ✓
- 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. ✓
- Focuses on achieving customer satisfaction ✓ and looks for continuous improvement in all the business's processes, products and services. ✓
- Takes steps to ensure the full involvement ✓ and cooperation of all employees in improving quality. ✓

Any other relevant answers related to the meaning of total quality management **Max.** (4)

3.5 **Quality concepts from the scenario** (6)

| QUALITY CONCEPTS | MOTIVATIONS |
|---|---|
| **3.5.1.** Quality performance ✓✓ | FFC ensures that all departments work together in order to obtain the same quality standards. ✓ |
| **3.5.2.** Quality management ✓✓ | The manager of FFC uses various techniques to improve the quality of their products. ✓ |
| Submax (4) | Submax (2) |

**NOTE:**
1. **The answer does not have to be in tabular format.**
2. **Award marks for the quality concepts even if the quotes were incomplete.**
3. **Do not award marks for the motivations if the quality concepts were incorrectly identified.**

**Max.** (6)

3.6 **PDCA model/steps**

**Plan** ✓✓

- The business should identify the problem. ✓
- Develop a plan for improvement to processes and systems. ✓
- Answer questions such as 'what to do' and 'how to do it'. ✓
- Plan the new method and approach. ✓

Step (2)
Description (1)
Submax (3)

**Do** ✓✓

- Implement the change on a small scale. ✓
- Implement the processes and systems. ✓
- During this step, the implementors aim to effectively/accurately execute the change based on the plan/method. ✓
- This step is essential in determining whether the change has viability/potential. ✓

Step (2)
Description (1)
Submax (3)

**Check/Analyse** ✓✓

- Use data to analyse the results of change. ✓
- Determine whether it made a difference. ✓
- Check whether the processes are working effectively. ✓
- Assess, plan and establish if it is working/if things are going according to plan. ✓

Step (2)
Description (1)
Submax (3)

**Act as needed** ✓✓

- Institutionalise the improvement. ✓
- Devise strategies on how to continually improve. ✓
- If the change is successful, implement it on a wider scale. ✓
- The business should continuously revise the process. ✓

Step (2)
Description (1)
Submax (3)

Any other relevant answer related to how businesses can apply the steps of the PDCA model to improve the quality of their products.

**NOTE: Accept the steps in any order** **Max.** (6)

3.7 **Quality indicators of the financial function**

- Obtain capital ✓ from the most suitable/available/reliable sources. ✓
- Negotiate better interest rates ✓ in order to keep financial costs down. ✓
- Draw up budgets ✓ to ensure sufficient application of monetary resources. ✓
- Keep financial records up to date ✓ to ensure timely/accurate tax payments. ✓
- Analyse strategies ✓ to increase profitability. ✓
- Invest surplus funds ✓ to create sources of passive income. ✓
- Implement financial control measures/systems ✓ to prevent fraud. ✓
- Implement credit granting/debt collecting policies ✓ to monitor cash flow. ✓
- Draw up accurate financial statements ✓ timeously/regularly. ✓
- Accurately analyse and interpret ✓ financial information. ✓
- Invest in strategies that will assist the business ✓ to remain profitable. ✓
- Avoid over/under-capitalisation ✓ so that financial resources will be utilised effectively. ✓

Any other relevant answers related to the quality indicators of the financial function.

**Max.** (4)

3.8 **Impact of fringe benefits on businesses**

**Positives/Advantages**

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

Any other relevant answer related to the positive impact/advantages of fringe benefits to businesses.

**AND/OR**

**Negatives/Disadvantages**

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

Any other relevant answer related to the negative impact/disadvantages of fringe benefits on businesses. **Max.** (6)

**[40]**

**BREAKDOWN OF MARKS**

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

## QUESTION 4: MISCELLANEOUS TOPICS

## BUSINESS ENVIRONMENTS

4.1 **Porter's Five Forces**

- Bargaining power of suppliers/power of suppliers ✓
- Bargaining power of buyers/power of buyers ✓
- Threats/Barriers of new entrants to the market ✓
- Competitive rivalry/power of competitors ✓
- Threat of substitution/substitutes ✓

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

4.2 **Types of diversification strategies**

4.2.1 Horizontal diversification ✓✓ (2)

4.2.2 Conglomerate diversification ✓✓ (2)

4.3 **Actions regarded as non-compliance by the EEA**

- Denying people access to the workplace ✓, based on the grounds of any form of discrimination such as gender, race, culture, religion and language. ✓
- Treating workers unfairly ✓ and incorrectly promoting affirmative action in the workplace. ✓
- Refusing to employ young women ✓ because they would choose to have children in the future. ✓
- Conducting HIV testing ✓ unless the testing is justified by the Labour Court. ✓
- Refusing to employ a person ✓ because of strong religious or cultural beliefs, or because of a disability. ✓
- Harassing and victimisation of an employee ✓ in any form are regarded as discriminatory according to the EEA. ✓

Any other relevant answer related to actions regarded as non-compliance by the EEA. **Max.** (6)

4.4 **Ways in which businesses could promote the right to fair and honest dealings as stipulated in the Consumer Protection Act (CPA)**

- Suppliers may not use physical force or harass customers. ✓✓
- Suppliers may not give misleading/false information. ✓✓
- Businesses may not promote pyramid schemes and/or chain-letter schemes. ✓✓
- Businesses may not overbook/oversell goods/services and then not honour the agreement. ✓✓

Any other relevant answer related to the right to fair and honest dealings as stipulated in the CPA. **Max.** (6)

**BUSINESS OPERATIONS**

4.5 **FOUR aspects that should be included in an employment contract.**

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

Any other relevant answer related to aspects that should be included in an employment contract.
**NOTE: Mark the first FOUR (4) only.** (4 x 1) (4)

4.6 **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 decided to leave ✓ by resigning voluntarily for better job opportunities. ✓
- An employee may have reached the predetermined age ✓ for retirement. ✓
- Incapacity to work ✓ due to illness/injuries. ✓
- The duration of the employment contract ✓ expires/comes to an end. ✓
- By mutual agreement ✓ between the employer and employee. ✓

Any other relevant answer related to the reasons for the termination of an employment contract. **Max.** (6)

4.7 **Quality circles**

4.7.1 **Roles of quality circles as part of continuous improvement to processes and systems from the scenario**

- The management of GF requested quality circles to investigate problems related to poor-quality products. ✓
- They also increase productivity through regular reviews of quality processes. ✓

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

4.7.2 **Other roles of quality circles as part of the continuous improvement to processes and systems**

- Solve problems related to quality ✓ and implement improvements. ✓
- Ensure that there is no duplication ✓ of activities/tasks in the workplace. ✓
- Make suggestions for improving ✓ processes and systems in the workplace. ✓
- Monitor/Reinforce strategies ✓ to improve the smooth running of business operations. ✓
- Increase employees' morale ✓ and motivation. ✓
- 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 working relationship ✓ between the employer and employee. ✓
- Improve employees' loyalty ✓ and commitment to the organisational goals. ✓
- Improve employees' communication ✓ at all levels of the business. ✓
- Develop a positive attitude/sense of involvement ✓ in decision-making processes of the services offered. ✓

Any other relevant answer related to the role of quality circles as part of continuous improvement to processes and systems.

**NOTE: Do not award marks for responses that were quoted from the scenario in QUESTION 4.7.1.** **Max.** (4)

4.8 **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. ✓✓
- 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/more customers improve profitability. ✓✓
- Improves business image as there are less defects/returns. ✓✓
- Improves the financial sustainability of the business as clients are retained. ✓✓

Any other relevant answer related to the benefits of a good quality management system. **Max.** (4)

**[40]**

**BREAKDOWN OF MARKS**

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

**TOTAL SECTION B: 80**

**SECTION C**

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

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

5.1 **Introduction**

- The Skills Development Act is there to improve the quality of life of workers and their prospects of work. ✓
- The function of the Sector Education and Training Authority (SETA) is there to help the SDA facilitate skills development. ✓
- The NSDS aims to encourage the development of skills and competencies in the South African workforce. ✓
- Skills development also has a positive impact on the individual's overall wellbeing and sense of self-worth. ✓
- Businesses need to ensure that they comply with the SDA to avoid penalties. ✓

Any other relevant introduction related to the role of the SETA's/purpose of the NSDS/impact of the SDA/ways to comply with the SDA. **Any** (2 x 1) (2)

5.2 **Role of SETAs**

- Report to the Director General. ✓✓
- Promote and establish learnerships. ✓✓
- Collect levies and pay 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/training providers. ✓✓
- Oversee training in different sectors of the South African economy. ✓✓
- Develop sector 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. ✓✓
- Pay out grants to businesses that are complying with the requirements of the Skills Development Act. ✓✓
- Identify suitable workplaces for practical work experience. ✓✓

Any other relevant answer related to the role of SETAs in supporting the SDA. **Max.** (10)

5.3 **Purpose of the National Skills Development Strategy/NSDS**

Increase access to programmes ✓ that train people. ✓

- Promote the public FET college system that has programmes to meet the skills needed ✓ by SETA's/local/regional/provincial/national organisations. ✓
- Address the low level of language and mathematical skills ✓ among the youth and adults. ✓
- Make better use ✓ of workplace-based skills development. ✓
- Encourage/Support ✓ small business/community-training groups/NGO's/worker-initiated training initiatives. ✓
- Increase the skills of the public sector ✓ to improve service delivery. ✓
- Build ✓ career/vocational guidance/training centres. ✓
- Guides work ✓ of SETA's/the use of the National Skills Fund. ✓
- Sets out the responsibilities ✓ of other education and training stakeholders. ✓
- Provides for the participation ✓ of government/organised business/organised labour. ✓
- Improves social development ✓ through economic development. ✓

Any other relevant answer related to the purpose of the NSDS. **Max.** (12)

5.4 **Impact of the SDA on businesses**

**Positives/Advantages**

- Increases the number of skilled employees ✓ in areas where these skills are scarce. ✓
- Trains employees ✓ to improve productivity in the workplace. ✓
- Increases global competitiveness ✓ as more employees are trained with upgraded, relevant and scarce skills. ✓
- Encourages ongoing skills development and learning ✓ to sustain the improvement of skills development. ✓
- Increases investment in education and training ✓ in the labour market. ✓
- Increases the return on investment ✓ in education and training. ✓
- Improves employment opportunities ✓ and labour movement. ✓
- Self-employment ✓ and entrepreneurship are promoted. ✓
- Workplace discrimination ✓ can be addressed through training. ✓
- Workplace is used as an active learning environment ✓ where employees can gain practical job experience. ✓
- Businesses may claim back some of the costs of training ✓ as a refund from relevant SETA's. ✓
- Improves quality products/service delivery ✓ as businesses employ more skilled workers. ✓

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

**AND/OR**

**Negatives/Disadvantages**

- The SDA process is prescriptive/requires a large amount of paperwork/ administration ✓ which can cost time/money. ✓
- Skills Development Levy could be an extra burden ✓ to financially struggling businesses. ✓
- It may be monitored/controlled by government departments ✓ that do not have education/training as their key priorities. ✓
- Many courses offered by companies may not have unit standards ✓ that relate to the course content. ✓
- Many service providers that offer training services ✓ are not SAQA accredited. ✓
- Many businesses may not support ✓ this government initiative. ✓
- Implementation of the SDA can be difficult ✓ to monitor and control. ✓
- Employees are expected to attend learnerships during work hours ✓ which could affect the production process/productivity. ✓
- Costly for businesses to employ a person ✓ to implement/manage/control learnerships. ✓
- The time/money spent on improving employee skills is wasted ✓ if they leave the business. ✓
- Only companies with a staff payroll over R500 000 per annum ✓ can claim the Skills Development levy. ✓

Any other relevant answer related to the negative impact/disadvantages of the SDA on businesses. **Max.** (14)

5.5 **Ways in which businesses can comply with SDA**

- Businesses/Employers who collect PAYE should register with the relevant SETAs. ✓✓
- One percent (1%) of an employer's payroll has to be paid over to the SETA. ✓✓
- Businesses should register with SARS in the area in which their business is classified (in terms of the SETA). ✓✓
- Employers should submit a workplace skills plan and provide evidence that it was implemented. ✓✓
- Businesses with more than 50 employees must appoint a skills development facilitator. ✓✓
- Assess the skills of employees to determine areas in which skills development are needed. ✓✓
- Encourage employees to participate in learnerships and other training programmes. ✓✓
- Provide all employees with the opportunity to improve their skills. ✓✓
- Display a summary of the SDA in the business where it is visible to all employees.

Any other relevant answer related to ways in which businesses can comply with the SDA. **Max.** (10)

5.6 **Conclusion**

- SETA's are there to help the Skills Development Act to expand the knowledge and competencies of the labour force. ✓✓
- The NSDS was set up to make sure skills training in South Africa runs smoothly and effectively. ✓✓
- Businesses should consistently evaluate the impact of skills development to ensure that it is implemented well. ✓✓
- Skills development can improve the efficiency of the labour force in the overall production and empower individuals. ✓✓
- Complying to the SDA can result in life-changing opportunities for the employee and better business opportunities for the employer. ✓✓

Any other relevant conclusion related to the role of SETA's/purpose of NSDS/ impact of SDA/ways to comply with the SDA. **Any** (1 x 2) (2)

**[40]**

**QUESTION 5: BREAKDOWN OF MARK ALLOCATION**

| DETAILS | MAXIMUM | TOTAL |
|---|---|---|
| Introduction | **2** | **Max 32** |
| Role of SETA's | **10** | |
| Purpose of NSDS | **12** | |
| Impact of SDA | **14** | |
| Compliance to the SDA | **10** | |
| Conclusion | **2** | |
| **INSIGHT** | | **8** |
| Layout | **2** | |
| Analysis/Interpretation | **2** | |
| Synthesis | **2** | |
| Originality/Examples | **2** | |
| **TOTAL MARKS** | | **40** |

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

## QUESTION 6: BUSINESS OPERATIONS (HUMAN RESOURCES FUNCTION)

6.1 **Introduction**

- Recruitment makes it possible to attract the best applicants with the required skills, qualifications and competency to fill vacancies in a business. ✓
- Reliable recruitment procedures and systems should be in place to ensure that businesses achieve their goals. ✓
- External recruitment helps to promote the business itself and create a positive public image. ✓
- Training is a planned, organised activity where employees gain knowledge and skills to improve their abilities/job performance. ✓
- Businesses should ensure that induction is done before the employee starts in his/her new position. ✓

Any other relevant introduction related to the recruitment procedure/impact of external recruitment/importance of training /benefits of induction. **Any** (2 x 1) (2)

6.2 **Recruitment procedure**

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

Any other relevant answer related to the recruitment procedure. **Max.** (12)

6.3 **Impact of external recruitment**

**Positives/Advantages**

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

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

**AND/OR**

**Negatives/Disadvantages**

- Information on CV's/from referees ✓ may not be reliable. ✓
- Many unsuitable applications can slow down ✓ the selection process. ✓
- New candidates generally take longer to adjust ✓ to a new work environment. ✓
- External sources can be expensive, ✓ such as recruitment agencies' fees/ advertisements in newspapers/magazines. ✓
- The selection process may not be effective ✓ as an incompetent candidate may be chosen. ✓
- Recruitment process takes longer as background checks must be conducted/is time-consuming due ✓ to the lengthy process of finding a suitable candidate. ✓
- In-service training may be needed which decreases productivity ✓ during the time of training. ✓
- External recruitment may limit promotion/growth opportunities ✓ that could lead to resentment amongst employees. ✓

Any other relevant answer related to the negative impact/disadvantages of external recruitment on businesses. **Max.** (14)

6.4 **Importance of training in human resources**

- An employee who receives the necessary training ✓ can perform in their job/improve performance in their job. ✓/Employees are more knowledgeable ✓ and can perform tasks more efficiently. ✓
- The investment in training that a business ✓ makes shows employees that they are valued/appreciated. ✓
- An effective training program allows employees ✓ to strengthen/improve/ enhance their skills. ✓
- Productivity usually increases ✓ when the human resources function implements training courses. ✓
- Overall profitability of the business will improve ✓ because of effective/regular training. ✓
- Ongoing training and upskilling of the workforce ✓ encourages creativity. ✓

- Contributes positively ✓ towards the aims/compliance of the SDA. ✓

Any other relevant answer related to the importance of training in human resources.

**Max.** (10)

6.5 **Benefits of induction**

- Allows new employees to settle in quickly and work effectively. ✓✓
- Ensures that new employees understand rules/restrictions in the business. ✓✓
- New employees may establish relationships with fellow employees resulting in good teamwork. ✓✓
- New employees may feel at ease/welcome 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 which promotes the effective use of working methods/resources. ✓✓
- Minimises/Decreases the need for ongoing training and development. ✓✓
- Employees will be familiar with the organisational structure/the various departments with their supervisors and low-level managers. ✓✓
- Opportunities are created for new employees so that they 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/procedures/safety and security/employment contract/conditions of employment/working hours/leave. ✓✓
- Employees may have a better understanding of ethical/professional conduct/ procedures/CSR. ✓✓
- 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. ✓✓
- Reduces the staff turnover as new employees have been inducted properly. ✓✓

Any other relevant answer related to the benefits of induction for businesses. (10)

6.6 **Conclusion**

- Recruitment serves as a key tool in shaping the workplace and ensuring that the business is moving toward its goals efficiently. ✓✓
- Effective external recruitment is essential for the success of any business. ✓✓
- Implementing training programmes in the workplace will help employees feel like the company is invested in them. ✓✓
- When employees undergo training, it improves their skills and knowledge of the job and builds their confidence in their abilities. ✓✓
- Induction helps build the foundations for creating an accepting, inclusive and respectful work environment. ✓✓

Any other relevant conclusion related to the recruitment procedure/impact of external recruitment/importance of training/benefits of induction. **Any** (1 x 2) (2)

**[40]**

**QUESTION 6: BREAKDOWN OF MARK ALLOCATION**

| DETAILS | MAXIMUM | TOTAL |
|---|---|---|
| Introduction | **2** | **Max 32** |
| Recruitment procedure | **12** | |
| Impact of external recruitment | **14** | |
| Importance of training | **10** | |
| Benefits of induction | **10** | |
| Conclusion | **2** | |
| **INSIGHT** | | **8** |
| Layout | **2** | |
| Analysis/Interpretation | **2** | |
| Synthesis | **2** | |
| Originality/Examples | **2** | |
| **TOTAL MARKS** | | **40** |

LASO – for every component:
Allocate 2 marks if all requirements are met.
Allocate 1 marks if only some of the requirements are met.
Allocate 0 marks where requirements are not met at all.

**TOTAL SECTION C: 40**

**TOTAL: 150**