GAUTENG PROVINCE
EDUCATION
REPUBLIC OF SOUTH AFRICA

JUNE EXAMINATION
GRADE 12

2024

MARKING GUIDELINES

BUSINESS STUDIES

(PAPER 2)

28 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 provincial markers
(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:

Educator:	Red
HOD/HD:	Green
District Moderator:	Orange

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
- Is original
- Use a different approach

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.

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 (neither positive nor negative) stance, e.g. Positive: '*The autocratic leadership style provides strong leadership ✓which makes new employees feel confident and safe.' ✓.*

    11.2 When 'critically evaluate' is used, candidates are expected to respond in either a positive/negative manner or take a neutral (neither positive or negative) stance. In this instance candidates are also expected to their responses with more depth, e.g. '*The autocratic leadership style provides strong leadership ✓which makes new employees feel confident and safe ✓, as expectations/roles are clearly explained to avoid confusion'. ✓*

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

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

    Cognitive verbs, such as:

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

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

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

14. **SECTION B**

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

NOTE:
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 responses and consult with the Internal Moderator for approval.

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 one word answers or are quoted directly from a scenario/case study. This applies to SECTIONS B and C in particular (where applicable).**

15. **SECTION C**

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

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

15.2 Insight consists of the following components:

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

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

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

3. **No marks will be 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 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

QUESTION 1

1.1 1.1.1 A ✓✓

1.1.2 C ✓✓

1.1.3 D ✓✓

1.1.4 B ✓✓

1.1.5 D ✓✓

(5 x 2) (10)

1.2 1.2.1 management ✓✓

1.2.2 debentures ✓✓

1.2.3 unfair advertising ✓✓

1.2.4 responsibility ✓✓

1.2.5 brainstorming ✓✓

(5 x 2) (10)

1.3 1.3.1 G ✓✓

1.3.2 F ✓✓

1.3.3 A ✓✓

1.3.4 B ✓✓

1.3.5 H ✓✓

(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 VENTURES

2.1 **Types of preference shares**

- Participating preference shares ✓
- Non-participating preference shares/Ordinary preference shares ✓
- Cumulative preference shares ✓
- Non-cumulative preference shares ✓
- Redeemable preference shares ✓
- Non-redeemable preference shares ✓
- Convertible preference shares ✓
- Non-convertible preference shares ✓

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

2.2 **Advantages of the charismatic leadership style**

- Expert at selling vision and achieving excellent results. ✓✓
- Employees are motivated as the leader is energetic/inspiring. ✓✓
- Inspires loyalty/hard work among employees. ✓✓
- Employees are motivated to exceed the expectations and overcome their fears.✓✓

Any other relevant answer related to the advantages of the charismatic leadership style. **Max.** (4)

2.3 **Investments**

2.3.1 **Simple interest calculation**

FORMULA: Interest = P x R x T ✓
R10 000 x 8% ✓ x 2 years ✓
= R1 600 ✓✓✓✓

OR

Compound interest calculation
Option 1

FORMULA: $P(1 + i)^n$ ✓
$R10\ 000(1+8/100)^2$✓
=R11 664 – R10 000✓
= R1 664 ✓✓✓✓

Option 2

FORMULA: $P(1 + i)^n$ ✓
(Year 1) R10 000 x 8/100 = R800 ✓
(Year 2) R10 000 + R800 = R10 800 x 8/100= R864 ✓
= R800 + R864 = R1664 ✓✓✓✓

NOTE:
1. **Award full marks (4) if the answer is correct and no workings are shown.**
2. **If formula and workings were shown correctly, but the final answer is wrong, award a maximum of THREE (3) marks.**
3. **If the workings and the answer are incorrect, award a maximum of ONE mark for the correct formula.**

Max. (4)

2.3.2 **Mutual funds/Stokvels**

- It is an informal savings scheme ✓ to which a relatively small group of people contribute. ✓
- Each member takes a turn to draw from the scheme/fund/stokvel ✓ for their own personal gain. ✓
- No/Small return on investment, ✓ as contributions are distributed monthly to one of the members. ✓
- It encourages people to save each month ✓ for a specific reason. ✓
- Banking fees are shared by the members, ✓ resulting in low cost of investment per member. ✓
- In times when it is hard to get bank loans, ✓ stokvel pay-outs may come in handy. ✓
- A stokvel is usually managed by a trustworthy chairman/treasurer, ✓ who will be responsible for keeping records and managing the bank account. ✓
- Members usually discuss how the money will be invested ✓ and agree on the risks they are willing to take. ✓

Any other relevant answer related to mutual funds/stokvels as a type of investment opportunity. **Max.** (4)

2.4 **Impact of Government/RSA Retail Savings Bonds as a form of investment**
Positives/Advantages

- Guaranteed returns, ✓ as interest rate is fixed for the whole investment period. ✓
- Interest rates are market related ✓ and attract more investors. ✓
- Interest can be received twice a year ✓ making it a viable investment option. ✓
- Investment may be easily accessible, ✓ as cash may be withdrawn after the first twelve months. ✓
- Low risk/Safe investment, ✓ as it is invested with the South African Government which cannot be liquidated. ✓
- It is an affordable type of investment ✓ for all levels of income earners including pensioners. ✓
- Retail bonds are easily/conveniently obtained ✓ electronically/from any Post Office/directly from the National Treasury. ✓
- No charges/costs/commissions payable ✓ on this type of investment. ✓
- Interest is usually higher ✓ than on fixed deposits. ✓
- Retail bonds are listed ✓ on the capital bond markets/on the JSE. ✓

- Investors younger than 18 years/Minors may invest with the help of a legal guardian, ✓ which encourages saving from a young age. ✓

Any other relevant answer related to the positive impact/advantages of Government/ RSA Retail Savings Bonds as a form of investment.

AND/OR

Negatives/Disadvantages

- Retail bonds cannot be ceded to banks ✓as security for obtaining loans. ✓
- A minimum of R 500 must be invested, ✓ which may be difficult for some small investors to accumulate. ✓
- Retail bonds are not freely transferable ✓ amongst investors. ✓
- Investors need to have valid SA identification/should be older than 18 years, ✓ which may discourage foreigners/young people to invest. ✓
- Penalties are charged for early withdrawals, ✓ if the savings is less than 12 months old. ✓

Any other relevant answer related to the negative aspects/disadvantages of the Government/RSA Retail Savings Bonds as a form of investment. **Max.** (6)

2.5 **Role of personal attitude in successful leadership**

- Positive attitude releases leadership potential ✓ for personal growth. ✓
- A leader's good attitude can influence ✓ the success of the business. ✓
- Leaders must know their strengths and weaknesses ✓ to apply their leadership style effectively. ✓
- Great leaders understand that the right attitude ✓ will create the right atmosphere. ✓
- Leaders' attitude may influence ✓ employees'/teams' thoughts/behaviour. ✓
- Leaders should model the behaviour ✓ that they want to see in team members. ✓
- Successful leaders consider the abilities/skills ✓ of team members to allocate tasks/roles effectively. ✓
- Enthusiasm produces confidence in a leader ✓ and inspires them to work even harder. ✓
- A positive attitude is critical for good leadership ✓ because good leaders will stay with the task regardless of difficulties/challenges. ✓
- Successful leaders and employees ✓ have a constant desire to work and achieve personal/professional success. ✓
- Leaders with a positive attitude know that ✓ there is always more to learn/space to grow. ✓

Any other relevant answer related to the role of personal attitude in successful leadership. **Max.** (6)

2.6 **Types of leadership style**

2.6.1 **Type of leadership style from the scenario**
Autocratic leadership style ✓✓ (2)

2.6.2 **Advantages of the autocratic leadership style on businesses**
- Work gets done ✓ in time/on schedule. ✓
- Line of command/communication is clear ✓ as it is top-down/followers know exactly what to do. ✓
- Direct supervision and strict control ✓ ensure high quality products/service. ✓
- Provides strong leadership ✓ which makes new employees feel confident and safe. ✓
- Works well in large companies ✓ where consultation with every employee is impractical. ✓
- Clear guidance can be given ✓ to low-skilled/inexperienced/new staff. ✓
- There is no uncertainty regarding the source of instructions✓, which comes directly from the leader. ✓

Any other relevant answer related to the advantages of the autocratic leadership style on businesses.

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

2.7 **Transactional leadership style**
This leadership style can be applied:
- When the business wants to maximise employee performance. ✓✓
- When deadlines must be met on short notice/under pressure. ✓✓
- When workers have a low morale. ✓✓
- When the strategies/business structures do not have to change. ✓✓
- When productivity levels are very low/not according to targets. ✓✓

Any other relevant answer related to the advantages of the transactional leadership style on businesses. **Max.** (6)
[40]

BREAKDOWN OF MARKS

QUESTION 2	MARKS
2.1	**4**
2.2	**4**
2.3.1	**4**
2.3.2	**4**
2.4	**6**
2.5	**6**
2.6.1	**2**
2.6.2	**4**
2.7	**6**
TOTAL	**40**

QUESTION 3: BUSINESS ROLES

3.1 **Examples of ethical behaviour in the workplace**

- Using fair advertising ✓
- Not using child labour ✓
- Treating all employees equally ✓
- Paying fair wages ✓
- Operating within the law ✓
- Business deals are conducted openly. ✓
- Not engaging in illegal business practices ✓
- Ensuring that the environment is not polluted ✓
- Adopting codes of good ethical practice ✓
- Establishing corporative social responsibility initiatives ✓
- Encouraging employees to adopt ethical behaviour ✓
- Clients' and employees' information is not disclosed/used for the benefit of the business ✓
- Shareholders' and employees' personal interests and business interests do not conflict with one another ✓
- The business tells the truth during a public relations crisis to overcome the issue they are facing. ✓
- Businesses keep promises to their employees, partners, and customers. ✓
- The business shows loyalty when they make decisions that will also benefit their staff, partners, investors, and customers. ✓
- The business shows fairness when it exercises its power justly to all its stakeholders. ✓

Any other relevant answer related to examples of ethical behaviour in the workplace.

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

3.2 **Types of unethical business practices from the statements given**

3.2.1 Abuse of work time. ✓✓

3.2.2 Unauthorised use of workplace funds and resources. ✓✓ (2 x 2) (4)

3.3 **King Code principle**

3.3.1 **King Code principle from the scenario**
Transparency ✓✓ (2)

3.3.2 **Other ways in which FTL can apply transparency**

- Staffing and other processes ✓ should be open and transparent. ✓
- Employees/Shareholders/Directors should be aware ✓ of the employment policies of the business. ✓
- Auditing and other reports must be accurate/available ✓ to shareholders/employees. ✓
- Regular audits should be done ✓ to determine the effectiveness of the business. ✓

- Business deals should be conducted openly ✓ so that there is no hint/sign of dishonesty/corruption. ✓
- Businesses should give details of shareholders' voting rights to them ✓ before/at the Annual General Meeting (AGM). ✓
- The board of directors must report on both the negative and positive impact of the business ✓ on the community/environment. ✓
- The board should ensure ✓ that the company's ethics are effectively implemented. ✓

Any other relevant answers related to ways in which FTL can apply the King Code principle identified.

NOTE: **1. Do not award marks for responses quoted from the scenario.**
2. Accept relevant facts if transparency was incorrectly identified as an answer in QUESTION 3.3.1

Max. (4)

3.4 **Ways in which businesses could deal with sexual harassment as a type of unprofessional business practice**

- Provide a framework ✓ for corrective action. ✓
- Educate employees ✓ on sexual harassment matters. ✓
- Formulate a policy ✓ regarding sexual harassment. ✓
- Implement internal complaints ✓ and disciplinary procedures. ✓
- Ensure compliance ✓ with the law/business code of conduct. ✓
- Ensure that all employees are familiar ✓ with the code of ethics of sexual abuse. ✓
- Create a good working environment ✓ where all employees' rights and dignity are respected. ✓
- Internal investigation should be done in order ✓ to determine the seriousness of the harassment. ✓
- Serious cases/matters on sexual harassment should be reported to the appropriate institutions ✓ such as the South African Police Services (SAPS). ✓

Any other relevant answers related to ways in which businesses could deal with sexual harassment as a type of unprofessional business practice. **Max.** (6)

3.5 **Meaning of creative thinking**

- Creative thinking is the ability to think of original ✓ and innovative ideas. ✓
- It focuses on exploring ideas/generating possibilities ✓ and looking for many answers. ✓
- Successful businesses always encourage employees to come up with new ideas ✓ and new ways of doing things in the workplace. ✓

Any other relevant answers related to the meaning of creative thinking. **Max.** (4)

3.6 **Advantages of creative thinking in the workplace**

- Better/Unique/Unconventional ideas/solutions ✓ are generated. ✓
- May give the business a competitive advantage ✓ if unusual/unique solutions/ ideas/strategies are implemented. ✓
- Complex business problems ✓ may be solved. ✓
- Productivity increases as management/employees may quickly generate multiple ideas ✓ which utilises time and money more effectively. ✓

- Managers/Employees have more confidence ✓ as they can live up to their full potential. ✓
- Managers will be better leaders ✓ as they will be able to handle/manage change(s) positively and creatively. ✓
- Managers/Employees can develop a completely new outlook ✓, which may be applied to any task(s) they may do. ✓
- Leads to more positive attitudes ✓ as managers/employees feel that they have contributed towards problem solving. ✓
- Improves motivation ✓ amongst staff members. ✓
- Managers/Employees have a feeling of great accomplishment ✓ and they will not resist/obstruct the process once they have personally solved a problem/contributed towards the success of the business. ✓
- Managers/employees may keep up with fast changing technology ✓ which may lead to an increased market share. ✓
- Stimulates initiative from employees/managers ✓, as they are continuously pushed out of their comfort zone. ✓
- Creativity may lead to new inventions ✓ which improves the general standard of living/attracts new investors. ✓
- Businesses can continuously improve on product development ✓ by exploring new ways to enhance growth. ✓

Any other relevant answer related to the advantages of creative thinking in the workplace. **Max.** (6)

3.7 **Problem-solving steps**

3.7.1 **Identify the problem**

- Acknowledge ✓ that there is a problem. ✓
- Identify ✓ the exact problem. ✓
- Break down the problem into smaller parts ✓ that are easier to solve separately. ✓
- Get information and suggestions from everyone who may be affected ✓ in order to identify the exact problem. ✓

Any other relevant answer related to identifying the problem as a problem-solving step. **Max.** (2)

3.7.2 **Develop an action plan**

- Arrange the necessary resources ✓ and delegate tasks. ✓
- Establish a timeline for implementation ✓ and set deadlines. ✓

Any other relevant answer related to developing an action plan as a problem-solving step. **Max.** (2)

3.8 **The positive impact of force field analysis as a problem-solving technique**

- Employees feel included ✓ and understood. ✓
- Employees develop ✓ and grow with the business. ✓
- It provides a visual summary of all the various factors supporting ✓ and opposing a particular idea. ✓
- Informed decisions can be made ✓ as forces for and against are critically evaluated. ✓
- Enables businesses to strengthen the driving forces ✓ and weaken the restraining forces. ✓

- Businesses are able to have an idea of the timeline required ✓ and the requirements of additional resources. ✓

Any other relevant answer related to the positive impact of force field analysis as a problem-solving technique **Max.** (6)

BREAKDOWN OF MARKS

QUESTION 3	MARKS
3.1	4
3.2.1	2
3.2.2	2
3.3.1	2
3.3.2	4
3.4	6
3.5	4
3.6	6
3.7.1	2
3.7.2	2
3.8	6
TOTAL	40

QUESTION 4: MISCELLANEOUS TOPICS

BUSINESS VENTURES

4.1 **Meaning of leadership**

- The ability of an individual or a group of individuals ✓ to influence and guide followers or other members of an organisation. ✓
- Leadership is the act of inspiring subordinates to perform ✓ in order to achieve goals. ✓
- It cannot be taught, ✓ although it may be learned as it is an inborn trait. ✓
- Involves establishing a clear vision and sharing it ✓ with others so that they can willingly follow. ✓
- A leader steps up in times of crisis ✓ and is able to think and act creatively in difficult situations. ✓
- Leaders perform important functions within an organisation✓ and are therefore critical in achieving an organisations goals. ✓
- Leaders have a broad outlook ✓ of an organisation. ✓
- Leaders focus on the vision and mission ✓of the business. ✓
- Leaders consider employees as people first✓, before relating to them as employees. ✓

Any other relevant answer related to the meaning of leadership. **Max.** (4)

4.2 **Situational leadership theory**

- Different leadership characteristics are needed ✓ for different situations. ✓
- The task/situation dictates the leadership style that should be applied, ✓ so leaders are adaptable/flexible/self-assured. ✓
- Effective application of this theory may enable leaders ✓ to accomplish their goals. ✓

- Relationships between leaders and employees ✓ are based on mutual trust/ respect/loyalty/integrity/honesty. ✓
- Leaders have the ability to analyse the situation/get the most suitable people in the right positions ✓ to complete tasks successfully. ✓
- Leaders analyse group members/objectives/time constraints, ✓ to adopt a suitable/relevant leadership style. ✓
- May lead to conflict ✓ when leaders use different leadership styles/when managing employees in different situations. ✓
- The success of this theory depends on the kind of relationship ✓ that exists between the leader and followers/subordinates/employees. ✓

Any other relevant answer related to the situational leadership theory. **Max.** (4)

4.3 **Factors to be considered when making an investment decision from the scenario.**

INVESTMENT DECISIONS FACTORS	MOTIVATIONS
1. Liquidity ✓✓	They are considering investing in a type of investment that can easily be converted to cash. ✓
2. Investment period ✓✓	The management of VM is aware that the duration of the investment may influence the return on investment. ✓
Submax (4)	Submax (2)

NOTE:
1. **Mark the first TWO (2) only.**
2. **The answer does not have to be in tabular format.**
3. **Award marks for investment decisions even if the quotes were incomplete.**
4. **Do not award marks for the motivations if the investment decisions were incorrectly identified.**

Max. (6)

4.4 **Impact of fixed deposit**

Positives/Advantages

- Interest is earned at a fixed rate ✓ regardless of changes in the economic climate. ✓
- The period of investment ✓ can be over a short/medium/long term. ✓
- Investors can choose the investment period ✓ that suits them. ✓
- Principal amount plus interest earned is paid out ✓ on the maturity date. ✓
- Ensures financial discipline ✓ as investors cannot withdraw their funds before the maturity date. ✓
- Investors earn a better return on investment ✓ than on an ordinary savings account. ✓
- The higher the principal amount/the longer the investment period, ✓ the higher the interest rate offered by a financial institution. ✓

Any other relevant answer related to the positive impact/advantages of the fixed

AND/OR

Negatives/Disadvantages

- The investor cannot withdraw their funds ✓ before the maturity date. ✓
- Low returns ✓ compared to other investments. ✓
- May not outperform the effect ✓ of inflation over a long term. ✓
- Penalties may be charged ✓ for early withdrawal. ✓

Any other relevant answer related to the negative impact/disadvantages of fixed deposits. **Max.** (6)

BUSINESS ROLES

4.5 **Meaning of professional behaviour**

- Set of standards ✓of expected behaviour.✓ /Specific level of competence ✓ and adherence to an ethical code of conduct. ✓
- Includes guidelines on employee's ✓ appearance/communication/ responsibility. ✓
- Ability/skills expected of a person ✓ who is employed to the job ✓/suitable for a job/profession ✓ done for payment. ✓
- Focuses on upholding the reputation ✓ of a business/profession. ✓
- Focuses on developing a moral compass ✓for decision making.✓
- Applying the code of conduct ✓ of that profession/business. ✓
- Refers to what is right/wrong/acceptable ✓in a business. ✓

Any other relevant answer related to the meaning of professional behaviour. **Max.** (4)

4.6 **Problem-solving technique**

4.6.1 **Problem-solving technique used by Nimrod Paints from the scenario**

- Brainstorming ✓✓ (2)

4.6.2 **The advantages of brainstorming as a problem-solving technique**

- People get ideas from others ✓ and build on them. ✓
- Stimulates creative thinking ✓ in the workplace. ✓
- Better solutions are developed ✓ through collective contributions. ✓
- Combinations of ideas/improvements can be chosen ✓ after all the ideas have been written down. ✓
- Employees are motivated ✓ as they are allowed to contribute to problem solving. ✓
- Productivity increases ✓ if the business generates ideas that use time and money more effectively. ✓
- Managers will be better leaders ✓ because they will be able to manage change creatively. ✓
- Creativity may lead to new inventions ✓, which may improve the general standard of living. ✓

Any other relevant answer related to the advantages of brainstorming as a problem-solving technique. **Max.** (4)

4.7 **Challenges posed by unfair advertising as an unethical business practice**

- Unfair advertisements could be harmful ✓ to consumers. ✓
- The use of false or misleading statements in advertising leading to misrepresentation of the concerned product ✓, which may negatively affect consumers. ✓
- Businesses can make unwise advertising choices ✓ when they are under pressure to increase their profits. ✓
- Some advertisements may be regarded as discriminatory ✓ because they exclude/target some sections of the population. ✓
- Deceptive advertising can violate the trust of consumers✓ and destroy business relationships. ✓

Any other relevant answer related to how unfair advertising as an unethical business practice poses challenges to businesses. **Max.** (6)

4.8 **Ways in which professional, ethical and effective business practice should be conducted.**

- Mission statement should include the values of equality/respect. ✓✓
- Businesses should develop equity programmes/promotes strategies to ensure that all employees are treated equally regardless of status/rank/power. ✓✓
- Treat workers with respect/dignity by recognising work well done/the value of human capital. ✓✓
- Plan properly and put preventative measures in place. ✓✓
- Pay fair wages/salaries which are in line with the minimum requirements of the BCEA. ✓✓/Remunerate employees for working overtime/during public holidays. ✓✓
- Engage in environmental awareness programmes ✓✓/Refrain from polluting the environment by disposing of toxic waste legally. ✓✓
- Refrain from starting a venture using other businesses' ideas that are protected by law. ✓✓
- Business decisions and actions must be clear/transparent to all stakeholders. ✓✓
- Businesses should be accountable/responsible for their decisions and actions/ patent rights. ✓✓
- Hire honest/trustworthy accountants/financial officers with good credentials. ✓✓
- Regular/Timeous payment of taxes. ✓✓
- All workers should have access to equal opportunities/positions/ resources. ✓✓
- Ensure that employees work in a work environment that is conducive to safety/ fairness and free from embarrassment. ✓✓
- Employers and employees need to comply with legislation with regards to equal opportunities/human rights in the workplace. ✓✓
- Training/Information/Business policies should include issues such as diversity/ discrimination/harassment. ✓✓
- Employers should respond swiftly and fairly to reported incidents of discrimination in the workplace. ✓✓

- Orders/Tasks should be given respectfully and allow the recipient/employee to have a say in the way that tasks should be performed. ✓✓
- Draw up a code of ethics/conduct. ✓✓
- On-going development and training for all employees. ✓✓
- Performance management systems/Appraisal systems should be in place. ✓✓
- Adequate internal controls/monitoring/evaluation. ✓✓

Any other relevant answer related to ways in which professional, ethical and effective business practice should be conducted. **Max.** (4)

[40]

BREAKDOWN OF MARKS

QUESTION 4	MARKS
4.1	4
4.2	4
4.3	6
4.4	6
4.5	4
4.6.1	2
4.6.2	4
4.7	6
4.8	4
TOTAL	40

TOTAL SECTION B: 80

SECTION C

Mark the answers to the FIRST question only.

QUESTION 5: BUSINESS VENTURES (INVESTMENT: SECURITIES)

5.1 **Introduction**

- The JSE is a formal market, trading in shares, comprising of all the public companies that have been listed. ✓
- Shares give investors the opportunity to obtain a part in the ownership of a company. ✓
- Unit trusts consist of a number of different shares and securities put together and managed by a fund manager. ✓
- Investors can prepare for and finance their future needs by using unit trusts. ✓
- Risk refers to the chance that the invested amount may reduce in value/lost in total over a period of time, due to unforeseen circumstances. ✓

Any other relevant introduction related to the rights of ordinary shareholders/ functions of the Johannesburg Securities Exchange JSE/impact of unit trusts and risk and investment period as factors that should be considered when making investment decisions. **Any** (2 x 1) (2)

5.2 **Rights of ordinary shareholders**

Shareholders have a right to:

- vote at the Annual General Meeting. ✓✓
- attend the Annual General Meeting to learn about the company's performance. ✓✓
- receive interim and annual reports. ✓✓
- claim on company assets in the event of bankruptcy after all other creditors and preferential shareholders have been paid. ✓✓

Any other relevant answer related to the rights of ordinary shareholders. **Max.** (6)

5.3 **Functions of the Johannesburg Securities Exchange/JSE**

- Raises primary capital ✓ by encouraging new investments in listed companies. ✓
- Mobilises the funds of insurance companies ✓ and other institutions. ✓
- Regulates the market ✓ for trading in shares. ✓
- Plans, researches and advises ✓ on investment possibilities. ✓
- Ensures that the market operates ✓ in a transparent manner. ✓
- Provides protection for investors ✓ through strict rules/legislation. ✓
- Encourages short-term investment ✓ as shares can be sold at any time. ✓
- Facilitates electronic trading ✓ of shares/STRATE. ✓/Channels financial resources ✓ into productive economic activities. ✓
- Enhances job creation ✓ and increases economic growth/development. ✓
- Any other relevant answer related to the functions of the Johannesburg Securities Exchange/JSE. **Max.** (14)

5.4 **Impact of unit trusts**

Positives/ Advantages

- Easy to cash in ✓ when an investor needs money. ✓
- A small amount can be invested ✓ per month. ✓
- Generally, beats inflation ✓ on the medium/long term. ✓
- Lowers the potential risk, ✓ allows more people to invest in the fund. ✓
- Managed by a fund manager ✓ who buys shares on the stock exchange/JSE. ✓
- Safe investments, ✓ as it is managed according to rules and regulations. ✓
- The investor has a variety to choose from/a wider range of shares ✓ from lower to higher degrees of risk. ✓
- Easy to invest in, as investors simply complete ✓ a few relevant forms or invest online. ✓
- Fluctuations in unit trust rates of return are often not so severe ✓ because of diversity of the investment fund. ✓
- Offers competitive returns in the form of capital growth ✓ and dividend distribution. ✓
- Fund managers are knowledgeable/experts/reliable/trustworthy ✓ as they are required to be accredited to sell unit trusts. ✓

Any other relevant answer related to the positive impact/advantages of unit trust.

AND/OR

Negatives/Disadvantages

- Share prices ✓ may fluctuate. ✓
- Unit trusts are not allowed to borrow, ✓ therefore reducing potential returns. ✓
- Not good for people who want to invest ✓ for a short period. ✓
- Not good for people who want to avoid risks ✓ at all costs. ✓
- If blue chip companies do not continue on their growth path, ✓ the growth of unit trusts will also be affected and will not render the expected returns. ✓
- Bid/Ask prices exist with the price that you can buy a unit for ✓ usually higher than the price you can sell it for – making investment less liquid. ✓

Any other relevant answer related to the negative impact/disadvantages of unit trust. **Max.** (14)

5.5 **Factors that should be considered when making investment decisions:**

5.5.1 **Risk**

- Shares have low/medium risk over a longer investment period. ✓✓
- Shares with higher risks have a greater potential for higher returns. ✓✓
- Ordinary shares have the highest risk as the investor may lose the full/part of the investment when the company is dissolved/bankrupted/ liquidated. ✓✓
- Preference shareholders' risk is lower, as they have preferential claims on the assets of the liquidated company/may receive some compensation before ordinary shareholders. ✓✓
- Share prices are linked to factors that investors cannot control, such as economic conditions/operational success of the company, etc. ✓✓
- Share prices are volatile/unstable/unpredictable/may increase/decrease sharply within hours which contribute to the uncertainty of the value of an investment in shares on the short term. ✓✓

Any other relevant answer related to risk as an investment decision factor.

Sub max (6)

5.5.2 **Return on investment**

- Refers to income from the investment, namely interest/dividends/ increased capital growth on the original amount invested. ✓✓
- High risk investments yield higher returns. ✓✓
- Generally, there will be a direct link between risk and return. ✓✓
- The return should be expressed as net after-tax gains on the investment. ✓✓
- Returns can be in the form of capital gains where the asset appreciates in value over time. ✓✓

Any other relevant answer related to return on investment as an investment decision factor.

Sub max (6)

Max. (12)

5.6 **Conclusion**

- Businesses should invest extra cash to generate more income rather than leaving it in the businesses' current account. ✓✓
- Dividends paid out on ordinary shares will attract more people to invest in a company through JSE. ✓✓
- Anyone can invest in unit trusts as it can be considered one of the most viable forms of investment. ✓✓
- Various factors must be considered before choosing to invest in any business. ✓✓

Any other relevant introduction related to the rights of ordinary shareholders/ functions of the Johannesburg Securities Exchange JSE/impact of unit trusts and risk and investment periods as factors that should be considered when making investment decisions. **Any** (1 x 2) **(2)**

[40]

QUESTION 5: BREAKDOWN OF MARK ALLOCATION

DETAILS	MAXIMUM	TOTAL
Introduction	**2**	**Max 32**
Rights of ordinary shareholders	**6**	
Functions of JSE	**14**	
Impact of unit trust's	**14**	
Factors to be considered when making investments	**12**	
Conclusion	**2**	
INSIGHT		
Layout	**2**	**8**
Analysis, interpretation	**2**	
Synthesis	**2**	
Originality/Examples	**2**	
TOTAL MARKS		**40**

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

QUESTION 6: BUSINESS ROLES (CREATIVE THINKING AND PROBLEM-SOLVING)

6.1 Introduction

- Decision making forms part of the problem-solving process as it enables businesses to find suitable solutions to problems. ✓
- Businesses apply various problem-solving techniques depending on the nature and complexity of their problems. ✓
- The Delphi technique enables businesses to obtain various objective solutions to problems. ✓
- A force-field analysis enables businesses to consider various factors before changes are made. ✓
- Problem-solving techniques enable businesses to develop strategies to solve complex business problems. ✓
- Creative thinking enables businesses to plan ahead and find new ways of doing things. ✓

Any other relevant introduction related to the differences between decision making and problem-solving/application of force field analysis and nominal group technique/ impact of Delphi technique/ways to create an environment that promotes creative thinking.

Any (2 x 1) (2)

6.2 Differences between problem-solving and decision-making

PROBLEM SOLVING	DECISION MAKING
- Problems can be solved by a group/ team or an individual team member. ✓✓	- It is often done by one person/a member of senior management who makes it authoritarian. ✓✓
- Alternative solutions are generated/ identified and critically evaluated. ✓✓	- Various alternatives are considered before deciding on the best one. ✓✓
- Process of analysing a situation to identify strategies to bring about change. ✓✓	- It is part of the problem-solving cycle as decisions need to be taken during each step✓✓
(Any other relevant answer related to problem-solving)	(Any other relevant answer related to decision making)
Sub Max. (4)	Sub Max. (4)

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

Max. (8)

6.3 Application of the force field analysis and nominal group technique

6.3.1 Application of the force field analysis

- Describe the current situation/problem ✓ and the desired situation. ✓
- List all driving/pros and restraining/con forces ✓ that will support and resist change. ✓
- Allocate a score to each force using a numerical scale ✓, where 1 is weak and 5 is strong. ✓
- Weigh up the positives and negatives ✓ then decide if the project is viable. ✓
- Choose the force with the highest score ✓ as the solution. ✓
- If the project is viable ✓, find ways to increase the forces for change. ✓
- Identify priorities ✓ and develop an action plan. ✓

Any other relevant answer related to the application of force field analysis to solve business problems.

Sub max (8)

6.3.2 Application of the nominal group technique

- Encourage group to clearly define the problem/to improve the quality of their products ✓ due to various complaints so that all the small groups can work on the same problem. ✓
- The business must divide the employees ✓ into smaller groups. ✓
- Request each employee to silently brainstorm/generate many ideas on his/her own ✓, on how the quality of the product can be improved and to write it down. ✓
- Each employee in the small group has the opportunity to present one of his/her ideas/solutions ✓ with a short explanation. ✓
- Appoint one employee to write the ideas/solutions ✓ on a large sheet of paper/capture solutions electronically for all to see. ✓
- Allow each employee to give a second solution ✓ until all possible solutions have been recorded. ✓
- Encourage employees to ask clarity seeking ✓ questions. ✓
- Discourage criticism of ideas/solutions ✓ as this may prevent others from giving their solutions. ✓
- The business must eliminate ideas ✓ that are duplicated/ similar. ✓
- Each employee must read through all the suggestions ✓ and anonymously rate them giving the highest points for the best solution. ✓
- Collect the ratings ✓ and calculate total points. ✓
- Small groups must present one solution to the large group ✓ that was deemed best according to the scores/votes in their small groups. ✓

Any other relevant answer related to the application of the nominal group technique to solve business problems.

Sub max (8)

Max. (16)

6.4 **Impact of the Delphi technique**

Positives/Advantages

- Businesses may use a group of experts ✓ without bringing them together. ✓
- The experts will give the business clear ideas/solutions ✓ on how to improve on productivity/profitability. ✓
- Information received from experts can be used ✓ to solve complex business problems. ✓
- Experts may give honest/credible opinions ✓ as they do not have a direct/personal interest in the business. ✓
- Conflict may be avoided ✓ especially if all employees are knowledgeable and well qualified. ✓
- Dominating employees may not take over the process ✓ as they do not form part of the problem-solving process. ✓
- It reduces noise levels in an office environment ✓ since there is no group discussion. ✓

Any other relevant answer to related to the positive impact/advantages of the Delphi-technique on businesses.

AND/OR

Negatives/Disadvantages

- It is an expensive technique to use ✓ due to high administrative costs. ✓
- Not all experts are willing/interested ✓ to give feedback/complete questionnaires. ✓
- Some experts might not have an in-depth knowledge ✓ of certain topics. ✓
- Experts' suggestions may not be considered by some employees ✓ so consensus may not be reached. ✓
- May be time consuming/complicated to analyse data ✓ received from experts. ✓

Any other relevant answer related to the negative impact/disadvantages of the Delphi technique on businesses **Max.** (12)

6.5 **Ways in which business can create an environment that promotes creative thinking in the workplace**

- Encourage alternative ways of working/doing things. ✓✓
- Encourage staff to come up with new ideas/opinions/solutions. ✓✓
- Respond enthusiastically to all ideas and never let anyone feel less important. ✓✓
- Place suggestion boxes around the workplace and keep communication channels open for new ideas. ✓✓
- Emphasise the importance of creative thinking to ensure that all staff know that management want to hear their ideas. ✓✓
- Make time for brainstorming sessions to generate new ideas, e.g., regular workshops/generate more ideas/build on one another's ideas. ✓✓
- Train staff in innovative techniques/creative problem-solving skills/mind-mapping/lateral thinking. ✓✓
- Encourage job swops within the organisation/studying how other businesses are doing things. ✓✓

- Introduce incentives for staff members who come up with useful, creative ideas. ✓✓
- Make sure that the working environment is free from distractions like high noise levels. ✓✓

Any other relevant answer related to ways in which business can create an environment that promotes creative thinking in the workplace **Max.** (10)

6.6 **Conclusion**

- Problem-solving and creative thinking skills allow businesses to make informed decisions and identify future business opportunities. ✓✓
- Businesses must know how to apply problem-solving techniques in order to select relevant techniques to deal with problems that arise. ✓✓
- Creative thinking enables businesses to adapt quickly to the constant changes in the market. ✓✓
- A business environment that promotes creative thinking may experience reduced voluntary turnover as employees' creative thinking skills are developed. ✓✓
- The Delphi technique enables businesses to obtain inputs from a panel of experts, resulting in best decision-making. ✓✓

Any other relevant conclusion related to the differences between decision making and problem-solving/application of force field analysis and nominal group technique/impact of Delphi technique/ways to create an environment that promotes creative thinking.

Any (1 x 2) (2)

QUESTION 6: BREAKDOWN OF MARK ALLOCATION

DETAILS	MAXIMUM	TOTAL
Introduction	**2**	**Max 32**
Differences between problem-solving and decision-making	**8**	
Application of the nominal group technique	**16**	
Impact of the Delphi technique	**12**	
Ways in which businesses can create an environment that promotes creative thinking in the workplace	**10**	
Conclusion	**2**	
INSIGHT		
Layout	**2**	**8**
Analysis, interpretation	**2**	
Synthesis	**2**	
Originality/Examples	**2**	
TOTAL MARKS		**40**

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

TOTAL SECTION C: 40
TOTAL: 150

ADDENDUM TO BSTD JUNE MARKING GUIDELINE 2024 PAPER 2		
Question	**Addititions reviewed**	**Reasons**
1.2.4	• Award full marks for the following responses instead of responsibility: ○ social responsibility/transparency ✓✓	Appears as social responsibility in the word box instead of responsibility as a King Code principle.
3.3.1	• Award full marks for transparency ✓✓	The answer is based on the last bullet in the scenario.