KWAZULU-NATAL PROVINCE

EDUCATION
REPUBLIC OF SOUTH AFRICA

NATIONAL SENIOR CERTIFICATE

GRADE 12

BUSINESS STUDIES

MARCH 2025

COMMON ASSESSMENT MEMO

MARKS: 100

This marking guidelines consist of 24 pages.

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NOTES TO MARKERS

PREAMBLE

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

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

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

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

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

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

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

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

6. Subtotals to questions must be written in the right-hand side 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.

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

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8. 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.

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

10. The differentiation between 'evaluate' and 'critical evaluate' can be expressed as follows:

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

    10.2 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.

11. 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:

    11.1 Advise, name, state, identify, quote, 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.

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

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

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13. SECTION B

13.1 If for example, FIVE facts are required, mark the candidates' FIRST FIVE responses and ignore the rest of the responses. Indicate by drawing a line across the unmarked portion or use the word 'Cancel'.

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

13.2 If two facts are written in one sentence, award the candidate FULL credit point above still applies.

13.3 If candidates are required to provide their own examples/views, brainstorm this at memo discussions.

13.4 Use of the cognitive verbs and allocation of marks:

13.4.1 If the number of facts are specified, questions that require candidate 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.

13.4.2 If the number of facts requires 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.

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

14. SECTION C

14.1 The breakdown of the mark allocation of the essays is as follows:

Introduction	Maximum: 32
Content	
Conclusion	
Insight	8
TOTAL	40

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14.2 Insight consists of the following components:

Layout/Structure	Is there an introduction, body and 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 must 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 sub-question) of the question with only OR some relevant facts; one - 'S' appears in the left margin. Award a maximum of ONE (1) mark for synthesis. Option 3: **Some relevant facts: 1 mark (One – 'S')** Where a candidate answers FOUR sub-questions, but one/two/three sub-questions with no relevant facts; one – 'S' appears in the left margin. Award a maximum of ONE (1) mark for synthesis. Option 4: No relevant facts: 0 mark (Two – 'S') Where a candidate answers less than 50% (only one sub-question) of the questions with no relevant facts; two – 'S' appears in the left margin. Award a ZERO- mark 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 development?	**2**
		TOTAL FOR INSIGHT: 8 **TOTAL MARKS FOR FACTS: 32** **TOTAL MARKS FOR ESSAY 8+ 32: 40**

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

(2) The candidate forfeits marks layout in 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.

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

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

14.5 Mark all the 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"

14.6 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

14.7 When awarding marks for facts, take notes of the sub-maximum indicated, especially if candidates do not make use of the same headings. Remember, headings and sub-headings are encouraged and contribute to insight (See MARK BREAKDOWN at the end of each question.)

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

14.9 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.

14.10

14.10.1 Award TWO marks for complete sentences. Award ONE for phrases, incomplete sentences and vague answers.

14.10.2 With effect from November 2015, the TWO marks will not necessarily 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.

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

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SECTION A: (COMPULSORY)

QUESTION 1

1.1

1.1.1 D✓✓

1.1.2 A✓✓

1.1.3 B✓✓

1.1.4 C✓✓

1.1.5 C✓✓ (5 x 2) (10)

1.2

1.2.1 C✓✓

1.2.2 A✓✓

1.2.3 Question removed

1.2.4 E ✓✓

1.2.5 F✓✓ (4 x 2) (8)

TOTAL SECTION A: 18

BREAKDOWN OF MARKS

QUESTION 1	MARKS
1.1	10
1.2	8
TOTAL	18

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SECTION B

Answer any **TWO** questions from this Section.

QUESTION 2: BUSINESS ENVIRONMENTS

2.1 Types of leave according to Basic Conditions of Employment Act

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

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

2.2 Ways in which businesses can comply with the COIDA

- Businesses should provide a healthy/safe working environment ✓✓
- Ensure that the premises/equipment/machinery is in good working condition. ✓✓
- Register with the Compensation Commissioner and provide the particulars of the business. ✓✓
- Report all incidents causing death/injury/illness of employees. ✓✓
- Levies must be paid to the Compensation Fund. ✓✓
- Keep records of employees' income and details of work for four years. ✓✓
- Submit returns of earnings by no later than 1 March annually. ✓✓
- Allow regular assessment of the workplace by inspectors in order to determine the level of risk their employees are exposed to. ✓✓
- Employers may not make deductions for COIDA from employees' remuneration packages. ✓✓
- Businesses must ensure that claims are lodged within twelve months of the date of the accident. ✓✓
- Any other relevant answer related to ways in which businesses can comply with COIDA

Max (4)

2.3.1 Identification of the Act from the scenario:

- Broad-Based Black Economic Empowerment Act (BBBEE) (NO. 53 OF 2003, as Amended in 2013) / BBBEE. ✓✓ **Max (2)**

2.3.2 Impact of the BROAD-BASED BLACK ECONOMIC EMPOWERMENT ACT (BBBEE) (NO. 53 OF 2003, AS AMENDED IN 2013 on businesses
Positives/Advantages

- Encourages businesses to address the demands✓ for redress/equity directly. ✓
- Provides a variety of business codes✓ to improve employment equity. ✓
- Provides for human resources development✓ through training and development.
- A good BEE rating improves the image✓ of the business. ✓
- Fronting is discouraged, as it may lead to the disqualification✓ of a business's entire scorecard/BBBEE status. ✓
- Promotes enterprise development, by developing entrepreneurial skills of designated people✓ to start their own businesses ✓
- Businesses that comply with BBBEE regarding the pillars will be rated high on the BEE scorecard✓/may get government tenders/may attract other BBBEE business partners/suppliers. ✓
- Businesses will have a good overview of how it is performing in comparison to other businesses✓ in the rest of the country. ✓
- By focusing on BBBEE, the business will show commitment towards the social✓/education/economic developments in the community/country. ✓
- Once rated, the business will understand how to develop BBBEE strategies that will increase its BBBEE ratings✓ on an annual basis. ✓
- Share prices of BBBEE compliant businesses are likely to increase✓ as they attract more business. ✓
- Businesses that support Small, Micro, Medium Enterprises (SMMEs), may Increase ✓ their own BBBEE ratings ✓
- Complying with BBBEE requirements gives businesses experience/exposure✓ to be able to provide better employment opportunities/staff development. ✓
- Any other relevant answer related to the positive impact of BBBEE on businesses

AND/OR

Negative/Disadvantages

- Businesses could experience large financial implications/penalties✓ if they do not comply with BBBEE. ✓
- Processes may lead to corruption/nepotism✓ if not monitored properly. ✓
- Processes and procedures may be costly for a business as there are many legal requirements✓ for scoring enough points to be compliant. ✓
- Investment/Ownership issues can cause unhappiness✓ amongst existing shareholders/owners. ✓
- Provides for preferential procurement, ✓ so certain businesses may be excluded from supplying goods/services. ✓
- Businesses will have to spend money in areas covered by five BBBEE pillars✓ to obtain a good BBBEE rating. ✓
- Businesses that want to do business with the government✓ must have their BEE status assessed annually. ✓
- Businesses have to go through the process of having their BBBEE compliance measured/verified ✓by an independent BEE verification agency. ✓
- Many businesses have been disadvantaged due to BBBEE ratings✓ as they may not be able to meet all the scoring. ✓
- Any other relevant answer related to the negative impact of BBBEE on businesses. **Max (4)**

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2.4 Purpose of the Skills Development Act

- Develops the skills of people in South Africa✓ in order to improve productivity.✓
- Invests in education and training✓ of the South African workforce. ✓
- Improves the chances of getting a job✓ for previously disadvantaged people. ✓
- Encourages workers✓ to participate in learning programmes. ✓
- Redresses imbalances of the past ✓through education and training. ✓
- Encourages businesses to improve the skills✓ of their workers. ✓
- Provides the systematic implementation of strategies✓ on a national, sector and workplace basis. ✓
- Any other relevant answer related to purpose of the Skills Development Act.

Max (4)

2.5 Actions regarded as non-compliance by the CPA

- Denying customers proper information about the product/services. ✓✓
- Treating customers differently based on gender/age/race. ✓✓
- Charging unfair prices for the same goods and services. ✓✓
- Varying the quality of goods when selling in different areas. ✓✓
- Prioritising any consumer group over another when marketing/selling. ✓✓
- Any other relevant answer related to actions regarded as non-compliance by the CPA.

Max (4)

[20]

BREAKDOWN OF MARKS

QUESTION 2	MARKS
2.1	2
2.2	4
2.3.1	2
2.3.2	4
2.4	4
2.5	4
TOTAL	20

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QUESTION 3: BUSINESS OPERATIONS

3.1 Sources of internal recruitment

- Internal e-mails/Intranet/web sites to staff. ✓
- Word of mouth/Staff meetings. ✓
- Business newsletters/circulars to staff. ✓
- Internal/management referrals. ✓
- Notice boards of the business. ✓
- Internal bulletins. ✓
- Recommendation by current employees/staff. ✓
- Head hunting within the business/organisational database. ✓

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

3.2 Reasons for termination of an employment contract.

- The employer may dismiss an employee for valid reason(s) such as unsatisfactory job performance/misconduct. ✓✓
- Employer may no longer have work for redundant employees/ cannot fulfil the contract restructuring. ✓✓
- The employer may retrench some employees due to insolvency/ may not be able to pay the employees. ✓✓
- Employees may decide to leave/resign voluntarily for better job opportunities✓✓
- An employee may have reached the pre-determined age for retirement. ✓✓
- Incapacity of an employee to work due to illness/injuries. ✓✓
- By a mutual agreement between the employer and the employee. ✓✓
- The duration of the employment contract expires// come to an end. ✓✓
- Any other relevant answer related to reasons for termination of the employment contract.

Max (4)

3.3 Role of interviewer during the interview

- Allocate the same amount of time✓ to each candidate. ✓
- Introduce members of the interviewing panel✓ to each candidate/interviewee. ✓
- Make the interviewee✓ feel at ease. ✓
- Explain the purpose of the interview✓ to the panel and the interviewee. ✓
- Record interviewees' responses✓ for future reference. ✓
- Do not misinform/mislead✓ the interviewee. ✓
- Avoid discriminatory/controversial types of questions✓ such as asking a female candidate about family planning/having children. ✓
- Provide an opportunity for the interviewee✓ to ask questions. ✓
- Close the interview by thanking the interviewee✓ for attending the interview. ✓
- Any other relevant answer related to the role of interviewer during the interview

Max (4)

3.4 Purpose of induction

3.4.1 Purpose of induction from the scenario:

- Communication of information about the products/services offered by the business. ✓
- Communication of business policies regarding ethical/professional conduct/ conditions of employment, etc. ✓

NOTE: Do not award marks if answers are not quoted from the scenario.

Max (2)

3.4.2 Benefits of induction

- Allows new employees to settle in quickly✓ and work effectively. ✓
- Ensures that new employees understands ✓rules and restrictions in the business. ✓
- New employees may establish relationships✓ with fellow employees at different levels. ✓
- Make new employees feel at ease in the workplace✓, which reduces anxiety/ insecurity/fear. ✓
- The results obtained during the induction process✓ provide a base for focused training. ✓
- Increases the quality of performance/productivity ✓which promotes the effective use of working methods/resources. ✓
- Minimises/Decreases the need✓ for on-going training and development. ✓
- Employees will be familiar with the organisational structure✓, such as who are their immediate supervisors/low level managers. ✓
- Opportunities are created for new employees✓ to experience/explore different departments. ✓
- New employees will understand their role/responsibilities✓ concerning safety regulations and rules. ✓
- New employees will know the layout of the building/factory/offices✓ which saves production time. ✓
- Learn more about the business so that new employees understand✓ their roles/responsibilities to be more efficient. ✓
- Company policies are communicated✓, regarding conduct and procedures /safety and security/employment contract/conditions of employment/working hours/leave. ✓
- Realistic expectations for new employees✓ as well as the business are created.
- New employees may feel part of the team ✓resulting in positive morale and motivation. ✓
- Employees may have a better understanding✓ of business policies regarding ethical/professional conduct/procedures/CSR. ✓
- Reduces the staff turnover ✓as new employees have been inducted properly. ✓
- Any other relevant answer related to benefits of induction.

Max (4)

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3.5 Importance of training/skills development in HRM.

- The employee who receives the necessary training is able to perform in their job. ✓✓
- The investment in training that a company makes shows employees that they are valued. ✓✓
- An effective training program allows employees to strengthen their skills. ✓✓
- Productivity usually increases when the human resources function implements training courses. ✓✓
- Ongoing training and up skilling of the workforce, encourages creativity. ✓✓
- Any other relevant answer related to importance of training/skills development in HRM

Max (4)

[20]

BREAKDOWN OF MARKS

QUESTION 3	MARKS
3.1	2
3.2	4
3.3	4
3.4.1	2
3.4.2	4
3.5	4
TOTAL	20

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QUESTION 4: MISCELLANEOUS TOPICS

BUSINESS OPERATIONS

4.1 Aspects that should be included in an employment contract:

- Personal details of the employee. ✓
- Details of the business/employer such as the name and address. ✓
- Job title/Position✓
- Job description such as duties/responsibilities and working conditions✓
- Job specification such as 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 such as normal time and overtime. ✓
- Remuneration such as weekly or monthly pay. ✓
- Benefits/Fringe benefits/Perks/Allowances. ✓
- Leave such as sick/maternity/annual/adoption leave. ✓
- Employee deductions such as compulsory/non-compulsory. ✓
- Duration/Period of employment contract/Details of termination/Expiry date of an employment contract. ✓
- Probation period.
- Signatures of both the employer and employee. ✓
- List of documents that form part of the contract such as the appointment letter/ code of conduct/ethics. ✓
- Disciplinary policy such as rules and disciplinary procedure for unacceptable behaviour. ✓
- Any other relevant answer related to the aspects that should be included in an employment contract.

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

4.2 Type of recruitment from the scenario

4.2.1 External recruitment ✓✓ **(1 x 2)(2)**

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 ✓ and 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. ✓
- Any other relevant answer related to the positive impact of external recruitment.

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AND / OR

Negatives/Disadvantages

- Information on CV's/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 ✓ and an incompetent candidate may be chosen. ✓
- Recruitment process takes longer/is more expensive ✓ as background checks must be conducted. ✓
- In-service training may be needed ✓ which decreases productivity during the time of training. ✓
- Any other relevant answer related to the negative impact of external recruitment.

Max (6)

BUSINESS ROLES

4.3 Problem-solving steps

- Identify the problem. ✓
- Define the problem. ✓
- Identify possible solutions/alternatives to the problem. ✓
- Evaluate the alternative solutions. ✓
- Choose/Select the most appropriate alternative. ✓
- Develop an action plan. ✓
- Implement the suggested solution/action plan. ✓
- Monitor the implementation of the solution/action plan. ✓
- Evaluate the implemented solution/action plan. ✓

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

2: Steps may be in any order. **(2 x 1) (2)**

4.4 Application of force-field analysis as a problem-solving technique

- Describe the current situation/problem✓ and the desired situation. ✓
- List all driving/pros and restraining/cons 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 application of force-field analysis as a problem-solving technique. **Max (4)**

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4.5 Ways in which a business can create an environment that stimulates/ promote creative thinking:

- 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 such as regular workshops/ generate more ideas/build on one another's ideas. ✓✓
- Place suggestion boxes around the workplace and keep communication channels open for new 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. ✓✓
- Encourage employees to develop/come up with new/unique ideas/alternative ways of working/doing things. ✓✓
- Reward creativity by offering reward schemes to employees/Introduce incentives for staff members for teams/individuals that came up with creative ideas. ✓✓
- Respond enthusiastically to all ideas and never let anyone feel less important. ✓✓
- Make the working environment conducive to creativity, free from distractions/ high noise levels. ✓✓
- Any other relevant answer related to ways in which a business can create an environment that stimulates/promote creative thinking

Max (4)

[20]

BREAKDOWN OF MARKS

QUESTION 4	MARKS
4.1	2
4.2.1	2
4.2.2	6
4.3	2
4.4	4
4.5	4
TOTAL	20

TOTAL SECTION B: 40

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SECTION C

Answer ONE question from this section.

QUESTION 5: BUSINESS ENVIRONMENTS (LEGISLATION)

5.1 Introduction

- The Act was introduced to protect consumers in the credit market and to make credit services more accessible. ✓
- Businesses should always ensure that the rights of consumers are protected to maintain good business image. ✓
- The Act has a positive and negative impact on both clients and the credit providers. ✓
- Businesses must explore various ways to comply with the requirements of the Act. ✓
- Any other relevant introduction related to the of purpose of NCA/ consumer rights as stipulated in the NCA/ impact of NCA on businesses/ways to comply with NCA. **Any (2 x 1) (2)**

5.2 Purpose of the NCA

- Promote a fair but competitive credit market. ✓✓
- Makes provision for the establishment of the National Credit Regulator/NCR ✓✓
- Promotes the social and financial interest of consumers. ✓✓
- Ensure that consumers know what is included in their credit contracts. ✓✓
- Ensure registrations of credit bureau and debt counselling services. ✓✓
- Prevent discrimination and ensure credit is available to all consumers. ✓✓
- Any other relevant answer related to purpose of the NCA **Max (8)**

5.3 Consumer rights as stipulated in the NCA.

- Apply for credit✓ and to be free from discrimination. ✓
- Receive information in plain✓ and understandable language. ✓
- Receive documents ✓as required by the Act. ✓
- Receive pre-agreement documentation✓ before concluding any credit transaction ✓
- Obtain reasons✓ for credit being refused. ✓
- Fair and responsible✓ marketing. ✓
- Access and challenge credit records✓ and information. ✓
- Choose which goods they will buy and return✓ such goods if they are not satisfied. ✓
- Surrender/Return goods to the credit provider✓ in order to settle the outstanding amount/debt. ✓
- Apply for debt review/counseling✓ if the consumers cannot afford to repay their debts. ✓
- Receive protection✓ of their personal information. ✓
- Receive protection from being held accountable for the use of their credit facility✓ after they reported the loss/theft. ✓
- Refuse✓ a credit limit increase. ✓
- Any other relevant answer related to consumer rights as stipulated in the NCA. **Max (16)**

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5.4 Impact of the NCA on businesses

Positives/Advantages

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

AND/OR

Negative/Disadvantages

- Businesses can no longer carry out ✓credit marketing. ✓
- Businesses struggle to get credit✓ such as bank loans/overdrafts ✓
- Businesses that do not comply with the NCA✓ may face legal action. ✓
- Debt collection procedures are more complex✓ and expensive. ✓
- Fewer customers buy on credit as it is more difficult ✓to obtain credit. ✓
- Increases the administration burden✓on credit providers✓/The paperwork and administrative process required by the act are costly✓and time consuming. ✓
- Leads to loss of sales as many consumers may no longer qualify ✓to buy on credit. ✓
- The business needs to appoint additional staff✓ to deal with the extra administration. ✓
- Should the credit agreement be declared reckless✓ the business can forfeit the outstanding debt and the goods. ✓
- Businesses that are official credit providers, ✓ must submit a compliance report every year. ✓
- A business must make sure that all attempts have been made to recover the debt✓ before blacklisting the customer. ✓
- Credit providers cannot collect from consumers✓ who are under debt reviews. ✓
- More working capital is needed as businesses cannot sell many goods on credit ✓due to stricter credit application processes. ✓
- Any other relevant answer related to the negative impact of the NCA. **Max (14)**

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5.5 Ways in which businesses can comply with the NCA

- Offer applicants pre-agreement statements. ✓✓
- Disclose all costs of loan/No hidden costs should be charged/added. ✓✓
- Obtain credit records/checks of clients before granting loans. ✓✓
- Businesses should be registered with the National Credit Regulator. ✓✓
- Submit an annual compliance report to the National Credit Regulator. ✓✓
- Conduct affordability assessment to ensure the consumer has the ability to meet his/her obligation. ✓✓
- Conduct credit check with a registered credit bureau and consult with National Credit Register. ✓✓
- Businesses must have procedures in place to comply with the provision of the Financial Intelligence Centre Act (FICA). ✓✓
- Credit providers must have procedures in place to comply with the provision of the Financial Intelligence Centre Act (FICA). ✓✓
- Verify the identity of clients, report suspicious transactions/train staff on their obligations in terms of FICA. ✓✓
- Any other relevant answer related to ways in which businesses can comply with the NCA

Max (8)

5.6 Conclusion

- National Credit Act helps businesses and clients to manage credit effectively. ✓✓
- The NCA makes provision for consumer rights that businesses should observe to avoid penalties. ✓✓
- Businesses must analyse in details both the positive and negative impact of NCA. ✓✓
- Businesses that comply with National Credit Act are likely to enjoy the benefits. ✓✓
- Any other relevant conclusion related to the purpose of NCA/ consumer rights as stipulated in the NCA/ impact of NCA on businesses/ ways to comply with NCA.

Any (1 x 2) (2)

QUESTION 5: BREAKDOWN OF MARK ALLOCATION

DETAILS	MAXIMUM	TOTAL
Introduction	2	Max 32
Purpose of the NCA	8	
Consumer rights as stipulated in the NCA.	16	
Impact of the NCA on businesses	14	
Ways in which businesses can comply with the NCA	8	
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.

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QUESTION 6: BUSINESS ROLES (ETHICS AND PROFESSIONALISM)

6.1 Introduction

- Business management must be aware of the differences between ethical behaviour and professional behaviour. ✓
- King Code principles of good corporate governance are applied to direct and control the company in the most effective, professional, responsible and ethical manner. ✓
- Unprofessional business practices are detrimental to business growth and stability. ✓
- Businesses should use various strategies to avoid unnecessary overcharging of products and services in rural areas. ✓
- Any other relevant introduction related to differences between ethical behaviour and professional behaviour /application of King Code principles of good corporate governance/challenges posed by unprofessional business practice/ strategies to deal with pricing of goods as a type of unethical business practice. **Any (2 x 1) (2)**

6.2 Differences between ethical behaviour and professional behavior

Ethical behaviour	Professional behaviour
- Refers to the principles of right and wrong/acceptable in society. ✓✓	- Refers to what is right/wrong/ acceptable in a business. ✓✓
- Conforms to a set of values that are morally acceptable. ✓✓	- Professional behaviour is a certain standard of behaviour/specific level of competence that adheres to an ethical code of conduct. ✓✓
- Forms part of a code of conduct to guide employees to act ethically. ✓✓	- Applying a code of conduct of a profession or business. ✓✓
- Focuses on developing a moral compass for decision making. ✓✓	- Focuses on upholding the reputation of a business/profession. ✓✓
- Involves following the principles of right and wrong in business activities/practices/dealings. ✓✓	- Includes guidelines on employees' appearance/communication/attitude/ responsibility, etc. ✓✓
- Any other relevant answer related to ethical behaviour	- Any other relevant answer related to professional behaviour
Sub max (6)	Sub max (6)

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 maximum of SIX (6) marks if differences are not clear/ Mark either ethical behaviour or professional behaviour only.

Max (12)

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6.3 Ways in which businesses can apply King Code principles for good corporate governance

6.3.1 Transparency

- Decisions/Actions must be clear✓ to all stakeholders. ✓
- 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 answer related to transparency as a principle of good corporate governance.

Sub max (8)

6.3.2 Accountability

- There must be regular communication✓ between management and stakeholders. ✓
- Businesses should be accountable/ responsible✓ for their decisions/actions. ✓
- Company should appoint internal and external auditors✓ to audit financial statements. ✓
- The board should ensure that the company's ethics✓ are effectively implemented. ✓
- Businesses should present accurate annual reports✓ to shareholders at the Annual General Meeting (AGM). ✓
- Top management should ensure that other levels of management are clear✓ about their roles and responsibilities to improve accountability. ✓
- Any other relevant answer related to accountability as a principle of good corporate governance.

Sub max (8)
Max 16

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6.4 Challenges posed by types of unprofessional business practices to businesses

6.4.1 Unauthorised use of workplace funds and resources✓✓

- Fraud increases the cost of doing business✓ and undermine the competitiveness of a business✓
- Discourages investors as fraud and corruption increases the risk✓ of investment. ✓
- The business can experience substantial loss✓ if it goes unchecked. ✓
- Any other relevant answer related to challenges posed by unauthorized use of workplace funds and resources to businesses

Unprofessional business practice (2)
Explanation (4)
Sub max (6)

6.4.2 Sexual harassment✓✓

- The affected party may stay away regularly✓ from work. ✓
- Businesses could lose female employees✓ and attract/retain less female applicants. ✓
- Sexual harassment causes discomfort/humiliation✓ and negatively affects work relations in the workplace✓
- A victim may be severely traumatised, ✓ and this may affect other employees' emotionally. ✓
- The affected party is normally reluctant to report the incident ✓ due to fear of victimisation which can reduce productivity. ✓
- Any other relevant answer related to challenges posed by sexual harassment to businesses

Unprofessional business practice (2)
Explanation (4)
Sub max (6)

6.4.3 Abuse of work time✓✓

- It may result in employees' often abusing✓ work time. ✓
- Abuse of work time could result in losing customers✓ or not meeting deadlines. ✓
- Wasting time costs the business money✓ and affects productivity. ✓
- Abuse of work time results in a decline in profits✓ which could damage the financial wealth of the business. ✓
- Effective customer services may not be rendered✓ resulting in the negative image of the business. ✓
- Any other relevant answer related to challenges posed by abuse of work time to businesses.

Unprofessional business practice (2)
Explanation (4)
Sub max (6)

Max 12

NOTE: Mark the first TWO only

6.5 Strategies to deal with pricing of goods in rural areas as a type of unethical business practice.

- Work together with suppliers to share delivery costs to remote rural areas. ✓✓
- Businesses can buy in bulk to get a discount to avoid charging high prices. ✓✓
- Charge fair market related /fair/affordable prices for goods and services. ✓✓
- Avoid unethical business practices to attract customer loyalty. ✓✓
- A business may lobby with other businesses in the area to convince government to improve infrastructure in the rural area. ✓✓
- Investigate cost-effective ways of transporting products/Hire a large truck to combine deliveries to shop owners in the same area. ✓✓
- Any other relevant answer related to pricing of goods in rural areas as a type of unethical business practice.

Max 10

6.6 Conclusion

- Ethical and professional behaviour contribute towards good public image ✓✓
- Businesses establish a solid reputation through application of King Code principles such as transparency and accountability. ✓✓
- Businesses must discourage conducts of unprofessional business practice in the workplace to minimise its impact. ✓✓
- Developing proper strategies to deal with pricing of goods in rural areas may increase business sustainability and profitability. ✓✓
- Any other relevant conclusion related to the differences between ethical behaviour and professional behaviour /application of King Code principles of good corporate governance/challenges posed by unprofessional business practice/ strategies to deal with pricing of goods as a type of unethical business practice.

Any (1 x 2) (2)

[40]

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QUESTION 6: BREAKDOWN OF MARK ALLOCATION

DETAILS	MAXIMUM	TOTAL
Introduction	2	Max 32
Differences between ethical behaviour and professional behaviour	12	
King code principles for good corporate governance o Transparency o Accountability	12	
Challenges posed by any TWO unprofessional business practices	12	
Strategies to deal with pricing of goods in rural areas	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.

TOTAL MARKS: 100

NOTE: Learner mark ÷ 98 x 100

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