KWAZULU-NATAL PROVINCE

EDUCATION

REPUBLIC OF SOUTH AFRICA

GRADE 12

NATIONAL SENIOR CERTIFICATE

BUSINESS STUDIES P1

SEPTEMBER 2022

PREPARATORY EXAMINATION

MARKING GUIDELINE

MARKS: 150

This marking guideline consist of 29 pages.

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NOTES TO MARKERS

PREAMBLE

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

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

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

Marker:	Red
Senior Marker:	Green
Deputy Chief Marker:	Brown
Chief Marker:	Pink
Internal Moderator:	Orange
DBE Moderator:	Turquoise

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

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

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

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

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

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

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

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

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

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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 a 'R'.

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

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

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

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

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

    Cognitive verbs, such as:

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

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

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

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14. **SECTION B**

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

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

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

14.3 If candidates are required to provide their own examples/views, brainstorm this at the marking centre to finalise alternative answers.

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

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

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

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

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

14.5 **ONE mark may be awarded for answers that are easy to recall, requires one word answers or is 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 the mark allocation for the essays is as follows:

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

15.2 Insight consists of the following components:

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

NOTE:
1. **No marks will be awarded for contents repeated from the introduction and conclusion.**
2. **The candidate forfeits marks for layout if the words INTRODUCTION and CONCLUSION are not stated.**
3. **No marks will be awarded for layout, if the headings INTRODUCTION and CONCLUSION are not supported by an explanation.**

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

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

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

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

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

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

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

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

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

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15.10.2 With effect from November 2015, the TWO marks will not necessarily appear at the end of each completed sentence. The ticks (√) will be separated and indicated next to each fact, e.g. 'Product development is a growth strategy √, where businesses aim to introduce new products into existing markets.'√

This will be informed by the nature and context of the question, as well as the cognitive verb used.

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

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SECTION A

QUESTION 1

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

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

1.2
1.2.1 Compensation for Occupational Injuries and Diseases Act✓✓
1.2.2 learnerships✓✓
1.2.3 competitors✓✓
1.2.4 specification✓✓
1.2.5 administration✓✓

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

1.3
1.3.1 H ✓✓
1.3.2 J✓✓
1.3.3 G✓✓
1.3.4 I ✓✓
1.3.5 A ✓✓

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

TOTAL SECTION A: 30

BREAKDOWN OF MARKS

QUESTION 1	MARKS
1.1	10
1.2	10
1.3	10
TOTAL	30

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SECTION B

Mark the FIRST TWO answers only.

QUESTION 2: BUSINESS ENVIRONMENTS

2.1 **Types of defensive strategies**

- Retrenchment✓
- Divestiture/ divestment✓
- Liquidation✓
- **NOTE: Mark the first TWO (2) only.** **(2X1)(2)**

2.2 **Strategic management process**

Option 1

- Have a clear vision, a mission statement and measurable/realistic objectives in place. ✓✓
- Identify opportunities/weaknesses/strengths/threats by conducting environmental scanning/situational analysis. ✓✓
- Tools available for environmental scanning may include a SWOT analysis/Porter's Five Forces model/PESTLE analysis/industrial analysis tools. ✓✓
- Formulate alternative strategies to respond to the challenges. ✓✓
- Develop (an) action plan(s), including the tasks to be done/deadlines to be met/resources to be procured, etc. ✓✓
- Implement selected strategies by communicating it to all stakeholders/organising the business's resources/motivating staff. ✓✓
- Continuously evaluate/monitor/measure strategies in order to take corrective
- action. ✓✓
- Any relevant answer related to the strategic management process.

Option 2

- Review/Analyse/Re-examine their vision/mission statement. ✓✓
- Conduct an environmental analysis using models such as PESTLE/ PORTER'S/SWOT. ✓✓
- Formulate a strategy such as a defensive/retrenchment strategy. ✓✓
- Implement a strategy, using a template such as an action plan. ✓✓
- Control/Evaluate/Monitor the implemented strategy to identify gaps/deviations in implementation. ✓✓
- Take corrective action to ensure goals/objectives are met. ✓✓
- Any other answer related to the strategic management process.

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

2.3 **BBBEE Pillars**

2.3.1 Social responsibility/Socio economic development✓✓ **(2)**

2.3.2 Management control✓✓ **(2)**

2.4 **Types of integration strategies**

Forward vertical integration ✓✓

- The business combines business with or takes over its distributors. ✓
- Involves expansion of business activities to gain control over the direct distribution of the products. ✓
- Increases profitability as the distributor/intermediary/ middleman is excluded. ✓
- Any other relevant answer related to forward integration/forward vertical integration as an integration strategy

Strategy (2)
Description (1)
Sub max (3)

Backward vertical integration ✓✓

- The business combines business with or take over its suppliers. ✓
- The aim is to decrease the business's dependency on the supplier. ✓
- Enables businesses to cut costs and have influence over the prices/quality/quantity of raw materials of goods. ✓
- Any other relevant answer related to backward vertical integration/backward integration as an integration strategy

Strategy (2)
Description
Sub max (3)

Horizontal integration ✓✓

- A business takes control of/ incorporates other businesses in the same industry/which produce/sell the same goods/services. ✓
- The aim is to reduce the threat of competition /substitute products/services. ✓
- Increases market share/sales and profits. ✓
- Suitable for businesses that operates multiple geographical areas through joint ventures/licencing/franchising. ✓
- Any other relevant answer related to horizontal integration as an integration strategy.

Strategy (2)
Description (1)
Sub max (3)

NOTE: Mark the first TWO (2) only. **Max (6)**

2.5.1 **Consumer rights according to NCA in the scenario.**

- SB offered Sindy pre-agreement statement before concluding any credit transaction ✓
- Sindy received information in plain and understandable language. ✓

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

(2x1) (2)

2.5.2 **Other rights of consumers according to the National credit Act/NCA**

- Apply for credit ✓and be free from discrimination. ✓
- Obtain reasons for credit✓ being refused. ✓
- Fair and responsible✓ marketing. ✓
- Access and challenge the credit record✓ and information. ✓
- Choose which goods they will buy ✓and return such goods if they are not satisfied. ✓
- Apply debt review /counselling✓ if the consumers cannot afford to repay their debts. ✓
- Receive protection✓ of their personal information. ✓
- Refuse a credit limit✓ increase✓
- Receive protection from being held accountable✓ for use of their credit facility after they reported the loss/theft. ✓
- Surrender / return goods to the credit provider✓ in order to settle the outstanding amount or debt. ✓
- Any other relevant answer to other rights of consumers according to the National Credit Act /NCA
- **NOTE: 1. Do not award marks for responses that were quoted in QUESTION 2.5.1** **Max (4)**

2.6 **Advantages of diversification strategies**

- More products can be sold to existing customers✓ and additional/more new markets can be established. ✓
- Businesses gain more technological capabilities✓through product modification√
- Reduce the risk of relying only✓on one product. ✓
- Diversification into number of industries or product line can help create a balance✓during economic fluctuations. ✓
- Businesses produce more output using less inputs as one factory may be used√ to manufacture more products. ✓
- Increases sales✓and business growth. ✓
- Any other relevant answer related to the advantages of diversification strategies.

Max (6)

2.7 **Penalties for non-compliance with the Consumer Protection Act**

- A contract be rendered void✓ or a fine/ term of direct imprisonment may be imposed. ✓
- Businesses may face fines or imprisonment✓ for a period not exceeding 10 years✓
- Government agencies may conduct audits✓ or even enact fines or even dissolves your business entirely. ✓
- Businesses may be forced to compensate consumers✓ in line with the extent to which rights have been violated. ✓
- A contract be rendered void✓ or a fine/ term of direct imprisonment may be
- imposed. ✓

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- Businesses may face fines or imprisonment✓ for a period not exceeding 10 years✓
- Government agencies may conduct audits✓ or even enact fines or even dissolves your business entirely. ✓
- Businesses may be forced to compensate consumers✓ in line with the extent to which rights have been violated. ✓
- Any other relevant answer related to penalties for non-compliance with the Consumer Protection Act.

Max (4)

2.8 **Steps in strategy evaluation**

- Examine the underlying basis of a business strategy. ✓✓
- Look forward and backward into implementation process. ✓✓
- Compare expected performance with the actual performance. ✓✓
- Take corrective action so that deviations may be corrected. ✓✓
- Set specific dates for control and follow up. ✓✓
- Draw up table of the advantages and disadvantages of a strategy. ✓✓
- Decide on the desired outcome as envisaged by the strategy. ✓✓
- Consider the impact of the strategic implementation in the internal and external environments of the business. ✓✓
- Compare expected results in order to determine reasons for deviations and analyse these reasons. ✓✓
- Any other relevant answer related to steps that businesses should consider when evaluating a strategy.

Max (6)

BREAKDOWN OF MARKS

QUESTION 2	MARKS
2.1	2
2.2	6
2.3	4
2.4	6
2.5.1	2
2.5.2	4
2.6	6
2.7	4
2.8	6
Total	40

QUESTION 3: BUSINESS OPERATIONS

3.1 **Aspects that should be included in an induction programme**

- Introduction to key people and immediate colleagues. ✓
- Safety regulations and rules. ✓
- Overview of the business. ✓
- Tour of the premises. ✓
- Discussion of the employment contract and conditions of service. ✓
- Discussion of employee benefits. ✓
- Information about the business products/services. ✓

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- Meeting with senior management who will explain the company's vision/value descriptions/daily tasks. ✓
- Conditions of employment, e.g. working hours/leave application process/disciplinary procedures, etc. ✓
- Administration details on systems/processes/logistics. ✓
- Discussion of personnel policies, e.g. making private phone calls/using the Internet, etc. ✓
- Corporate social responsibility programmes. ✓

Any other relevant answer related to aspects that should be included in an induction programme.

NOTE: Mark first TWO only **(2x1) (2)**

3.2 **Screening as part of the selection process**

- Check application documents against the requirements of the job. ✓✓
- Candidates who meet the minimum requirements are separated from others. ✓✓
- Do background/credit/reference checks of applicants who qualify for the job. ✓✓
- Prepare a shortlist of suitable candidates after screening. ✓✓
- Any other relevant answer related to screening as part of the selection process.

Max (4)

3.3 **Type of recruitment**

3.3.1 Internal recruitment✓✓ **(2)**

3.3.2 **Impact of internal recruitment**

Positive / advantages

- Cheaper/Quicker✓ to fill the post. ✓
- Provides opportunities for career paths✓within the business. ✓
- Reduces the chances of losing employees✓ as future career prospects are available. ✓
- Placement is easy, ✓ as management knows the employees' skills/personality/ experience/strengths. ✓
- The employee already has an understanding of how the business operates. ✓ Induction/Training is not always necessary.✓
- Detailed, reliable information can be obtained✓from the supervisors/ Employee records. ✓
- Any other relevant answer related to the positive impact / advantages of internal recruitment on businesses.

AND/OR

Negative/Disadvantages

- Current employees may not bring✓ new ideas into the business. ✓
- Promoting a current employee may cause resentment✓ amongst other employees. ✓
- Promotion may disrupt business operations✓ as it creates open vacancies that need to be filled. ✓
- Employees who do not really have the skills for the new job ✓ may be promoted✓
- The number of applicants from which to choose✓is limited to existing staff only. ✓
- It is possible to promote certain employees✓ who do not really have the required skills for the new job. ✓

- Current employees may need to be trained/ developed✓ before they can be promoted, which can be expensive. ✓
- Staff that is not promoted may feel demotivated✓ which may hamper productivity✓
- Any other relevant answer related to the negative impact / disadvantages of internal recruitment on businesses.

NOTE: Accept relevant facts if the recruitment method was incorrectly identified as an answer in QUESTION 3.3.1 **Max (6)**

3.4 **Legal requirements of an employment contract**

- Employer and employee must agree to any changes to the contract. ✓✓
- Aspects of the employment contract can be renegotiated during the course of employment. ✓✓
- No party may unilaterally change aspects of the employment contract. ✓✓
- The employer and employee must both sign the contract. ✓✓
- The employment contract should include a code of conduct and code of ethics. ✓✓
- The employer must explain the terms and conditions of the employment contract to the employee. ✓✓
- It may not contain any requirements that are in conflict with the BCEA. ✓✓
- Conditions of employment/duties/responsibilities of the employees must be stipulated clearly. ✓✓
- The remuneration package/including benefits must be clearly indicated. ✓✓
- All business policies, procedures and disciplinary codes/rules can form part of the employment contract. ✓✓
- The employer must allow the employee to thoroughly read through the contract before it is signed. ✓✓
- Any other relevant answer related to legal requirements of employment contract.

Max (6)

3.5 **Meaning of quality management**

- Refer to techniques/tools used to design/ improve✓ the quality of a product. ✓
- Can be used for accountability ✓within each of the business functions. ✓
- Aims to ensure that the quality of goods/services is consistent/Focuses✓ on the means to achieve consistency. ✓
- Any other relevant answer related to the meaning of quality management.

Max (4)

3.6 **TQM elements**

TQM ELEMENTS	MOTIVATIONS
1 Total Client/Customer Satisfaction✓✓	The management of DDL conducts a monthly survey requesting customer feedback on quality of their products. ✓
2 Continuous Skills Development/ Education and Training✓✓	They also ensure that their employees attend workshops on a regular basis to increase productivity. ✓
Sub max (4)	Sub max (2)

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

Max (6)

3.7 **Impact of TQM if it is poorly implemented by business**

- Setting unrealistic deadlines✓ that may not be achieved. ✓
- Employees may not be adequately trained✓resulting in poor quality products. ✓
- Decline in productivity, ✓ because of stoppages. ✓
- Businesses may not be able to make necessary changes of products/services.✓ to satisfy the needs of customers. ✓
- The reputation of the business may suffer✓because of faulty / poor quality goods. ✓
- Bad publicity✓ due to poor quality products supplied. ✓
- Customers will have many alternatives to choose from✓ and the impact could be devastating to businesses. ✓
- Investors might withdraw investment✓ if there is a decline in profits. ✓
- Decline in sales✓ as more goods are returned by unhappy customers. ✓
- High staff turnover, ✓ because of poor skills development. ✓
- Undocumented/Uncontrolled quality control systems/processes could result in errors/ deviations✓ from pre-set quality standards. ✓
- Any other relevant answer related to the impact of TQM if it is poorly implemented by businesses. **Max (6)**

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3.8 **Quality indicators of financial function**

- Obtain capital from the most suitable/available/reliable sources. ✓✓
- Negotiate better interest rates in order to keep financial cost 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 answer related to quality indicators of financial function.

Max (4)

[40]

BREAKDOWN OF MARKS

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

QUESTION 4: MISCELLANEOUS TOPICS

BUSINESS ENVIRONMENTS

4.1 **Business environments and extent of control**

BUSINESS ENVIRONMENTS	EXTENT OF CONTROL
1. Micro environment✓	Full control✓
2. Market environment✓	Partial/Some/Limited/Less/Little control/Can influence✓
3. Macro environment✓	No control✓
Sub max (3)	Sub max (3)

NOTE:
1. **Mark the first THREE (3) business environments only.**
2. **The answer does not have to be in tabular format.**
3. **Award marks for the business environment even if the extent of control is not indicated /incorrect.**
4. **The extent of control must be linked to the business environment.**
5. **The answer can be in any order.**

Max (6)

4.2 **Compliance with Basic Conditions of Employment Act/ BCEA**

4.2.1 **Ways in which ZT complied with the BCEA from the scenario**

- Management ensures that employees are paid twice for working on public holidays.✓
- The employees of ZT are not allowed to work for more than 45 hours a week. ✓

NOTE: 1. Mark the first TWO (2) only.
2. Only award marks for responses that are quoted from scenario. (2x1) (2)

4.2.2 **Other ways in which businesses can comply with the BCEA**

- Workers should only work 9 hours per day in a 5 day work week. /8 hours per day in a 6 day work week. ✓✓
- Overtime should not exceed 10 hours per week. ✓✓
- Workers should be allowed to take leave, e.g. sick leave, maternity leave, etc ✓✓
- Employees must have a break of 60 minutes after five hours of work. ✓✓
- Businesses should not employ children under the age of 16 /force employees to work overtime. ✓✓
- Employees should be remunerated a stipulated amount at a stipulated date. ✓✓
- Employees should be given a notice of termination of employment contract depending on period of employment. ✓✓
- Any other relevant answer related to other ways in which businesses can comply with the BCEA. **Max (6)**

4.3 **Impact of the Labour Relations Act/LRA on businesses**

Positive impact/Advantages

- Promotes a healthy relationship✓ between the employer and employees. ✓
- Protects the rights of businesses✓ in labour related issues. ✓
- Labour disputes are settled quicker✓ and are less expensive. ✓
- Workplace forums can add value to businesses✓ if it functions properly. ✓
- Protect employers who embark on lawful lock-outs✓ when negotiations between parties fail. ✓
- LRA provides for the principles of collective bargaining ✓and puts structures in place with which disputes in the workplace can be settled. ✓
- Provides specific guidelines for employers✓ on correct and fair disciplinary procedures. ✓
- Employers and employees have guidelines✓ regarding correct and fair dismissal procedures. ✓
- Provides mechanisms✓ such as statutory councils/collective bargaining/ CCMA. ✓
- Employers are entitled to compensation from the Labour Court √if they suffered damages as a result of unprotected strikes. ✓
- Any other relevant answer related to positive impact/advantages of LRA on businesses.

AND/OR

Negative impact/Disadvantages

- Reduced global competitiveness✓ due to lower productivity. ✓
- Productivity may decrease✓if employees are allowed to participate in the activities of trade unions during work time. ✓
- Costs of labour increases✓ because of legal strikes. ✓
- Employers may not get a court interdict✓ to stop a strike. ✓
- Employers may have to disclose information about workplace issues to union representatives✓ that could be the core of their competitive advantage. ✓
- Employers may not dismiss employees at will, ✓ as procedures have to be followed. ✓
- Many employees take advantage of the right to strike✓without acknowledging their responsibilities. ✓
- Many employees and employers do not understand/respect✓ the Labour Relations Act. ✓
- Strike actions always result in loss of production✓ for which employers may not claim. ✓
- Some trade unions may not promote the mandate of their members ✓but embark on industrial action, which is harmful to labour relations between employers and employees. ✓
- Some businesses may feel that the LRA gives employees too much power✓ as it creates lengthy procedures such as consulting with workplace forums. ✓
- Labour disputes and bargaining council processes become disruptive/ time consuming ✓and can lead to a decrease in productivity in businesses. ✓
- Any other relevant answer related to negative impact /disadvantages of the LRA.

Max (6)

BUSINESS OPERATIONS

4.4 **Examples of fringe benefits**

- Medical Aid Fund/Health Insurance Fund✓
- Pension Fund✓
- Provident Fund✓
- Funeral benefits✓
- Car/Travel/Housing/Cell phone/Clothing allowance√
- Performance based incentives✓
- Issuing of bonus shares✓
- Staff discount/Free or low cost meal/Canteen facilities✓

NOTE: Mark the first FOUR **(4X1)(4)**

4.5 **Salary determination methods**

Time-related✓✓

- Workers are paid according to the amount of time/hours they spend at work/ on a task✓
- Workers with the same experience/ qualifications are paid on salary scales regardless of amount of work done✓
- Many private and public sectors use this method✓
- Any other relevant answer related to time-related as a salary determination method.

Heading (2)
Discussion (1)
Sub max (3)

Piecemeal✓✓

- Workers are paid according to the number of items / units produced / action performed. ✓
- Workers are not remunerated for the number of hours worked, regardless of how long it takes them to make the item. ✓
- Mostly used in factories particularly in the textile/ technology industries. ✓
- Any other relevant answer related to piecemeal as a salary determination method

Heading (2
Discussion (1)
Sub max (3)

NOTE: Mark the first TWO (2) only. **Max (6)**

4.6 **Ways in which TQM can reduce cost of quality**

4.6.1 **Ways in which TQM can reduce the cost of quality from the scenario.**

- Auto Manufacturers shares responsibility for quality output amongst management and workers. ✓
- AM schedules activities to eliminate duplication of task. ✓

NOTE: 1. Mark the first TWO (2) only.
2. Only award marks for responses that are quoted from the scenario. **(2X1) (2)**

4.6.2 **The contribution of the purchasing function to the success of a business**

- Buy raw materials✓ in bulk at lower prices. ✓
- Select reliable suppliers that render the best quality raw materials/capital goods✓ at reasonable prices. ✓
- Place orders timeously and regular follow-ups✓ to ensure that goods are delivered on time. ✓
- Effective co-ordination between purchasing and production departments✓ so that purchasing staff understand the requirements of the production process. ✓
- Required quantities should be delivered ✓at the right time and place. ✓
- Implement and maintain stock control systems to ensure the security of stock.
- Maintain optimum stock levels✓ to avoid overstocking/reduce out-dated stock. ✓
- Monitor and report on minimum stock levels✓ to avoid stock-outs. ✓
- Effective use of storage space✓ and maintain product quality while in storage. ✓
- Involve suppliers✓ in strategic planning/product design/material selection/quality control process. ✓
- Ensure that there is no break in production✓ due to stock shortages. ✓
- Establish relationships with suppliers so that they are in alignment✓ with the business's vision/mission/values. ✓
- Have a thorough understanding ✓of supply chain management. ✓
- Any other relevant answer related to the contribution of the purchasing function to the success of a business. **Max (4)**

4.7 **The role of quality circles as part of continuous improvement to processes and systems**

- They investigate/solve problems related to quality and implement improvements. ✓✓
- Ensures that there is no duplication of activities/tasks in the workplace. ✓✓
- Make suggestions for improving systems and processes in the workplace. ✓✓

- Improve the quality of products/services/productivity through regular reviews of quality processes. ✓✓
- Monitor/Reinforce strategies to improve the smooth running of business operations. ✓✓
- Reduce costs of redundancy in the long run. ✓✓
- Quality circles discuss ways of improving the quality of work/workmanship. ✓✓
- Contribute towards the improvement and development of the organisation. ✓✓
- Reduce costs/wasteful efforts in the long run. ✓✓
- Increase the demand for products/services of the business. ✓✓
- Create harmony and high performance in the workplace. ✓✓
- Build a healthy workplace relationship between the employer and employee. ✓✓
- Improve employees' loyalty and commitment to the business and its goals. ✓✓
- Improve employees' communication at all levels of the business. ✓✓
- Develop a positive attitude/sense of involvement in decision making processes of the services offered. ✓✓
- Any other relevant answer related to the role of quality circles in improving processes and systems.

Max (4)
[40]

BREAKDOWN OF MARKS

QUESTION 4	MARKS
4.1.	6
4.2.1	2
4.2.2	6
4.3	6
4.4	4
4.5	6
4.6	6
4.7	4
TOTAL	40

TOTAL SECTION B: 80

SECTION C

Mark the FIRST only.

QUESTION 5: BUSINESS ENVIRONMENTS (LEGISLATION)

5.1 **Introduction**

- SETAs were established to develop a series of sector skills plans within a clearly defined framework of the National Skills Development Strategy. ✓
- The Skill Development Act 97 of 1998(SDA) was introduced in response to the demand to redress and equity. ✓
- The Act gives the right to workers who have had little or no formal education to acquire skills and training in the workplace✓
- Businesses must develop guidelines on implementation of the SDA to avoid penalties for non-compliance. ✓
- Any other relevant introduction related to the role of SETAs/ purpose of SDA/ impact of SDA on businesses/ ways in which business can comply with SDA.

Any (2 x 1) (2)

5.2 **Role of SETAs in supporting the Skills Development Act**

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

Max (12)

5.3 **Purpose of the Skills Development Act/SDA**

- Develops the skills of people in South Africa✓ in order to improve productivity. ✓
- Invests in education and training✓ of workers. ✓
- 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. ✓
- Any other relevant answer related to the purpose of the Skills Development Acts/SDA.

Max (10)

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5.4 **Impact of the SDA on businesses**

Positives/Advantages

- Trains employees to improve productivity✓ in the workplace. ✓
- Promotes self-employment✓ and black entrepreneurship.✓
- Increases the return on investment✓ in education and training. ✓
- Workplace is used as an active learning environment✓ where employees can gain practical job experience✓
- Business could become globally✓ more competitive. ✓
- Increases the number of skilled employees✓ in areas where these skills are scarce. ✓
- Encourages on-going skills development and learning✓ to sustain the improvement of skills development. ✓
- Improves employment opportunities and labour movement of workers✓ from previously disadvantaged groups. ✓
- BBBEE-compliant businesses can improve their products/service✓ delivery as they employ more skilled workers. ✓
- Workplace discrimination✓ can be addressed through training. ✓
- Any other relevant answer related to positive impact of the SDA on businesses

AND/OR

Negative/Disadvantages

- Increases cost as the process✓ requires a large amount of paper work. ✓
- Only companies with staff payroll over R500 000 per annum✓can claim the Skills Development levy. ✓
- Implementation of the SDA can be difficult✓ to monitor and control. ✓
- Skills programmes may not always address✓ training needs of employees. ✓
- Skills Development Levy could be an extra burden✓ to financially struggling businesses. ✓
- It may be monitored and controlled by government departments✓ that do not have education and training as their key priorities. ✓
- The SETAs may not be well organised and 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. ✓
- 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 and control learnerships. ✓
- The time and money spent on improving employee skills is wasted✓if they leave the business. ✓
- Any other relevant answer related to negative impact of the SDA on businesses

Max (14)

5.5 **Ways in which businesses can comply with the Skills Development Act**

- Employers who collect PAYE should register with SETAs✓✓
- One per cent 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. ✓✓
- Any other relevant answer related ways in which businesses can comply with the Skills Development Act/SDA. **Max (10)**

5.6 **Conclusion**

- SETAs in South Africa encourage skills development in specific economic sectors such as agriculture/ banking/ finance etc. ✓✓
- SETAs assist people to find funding options and avenues to gain new skills while they are working. ✓✓
- The SDA provides learnerships that lead to recognised occupational qualifications. ✓✓
- Businesses that comply with the SDA are more likely to build a positive image and strengthen stakeholders relationship. ✓✓
- Any other relevant conclusion related to the role of SETAs/purpose of SDA/ impact of SDA on businesses/ways in which business can comply with SDA.

Any (2x1) (2)

QUESTION 5: BREAKDOWN OF MARK ALLOCATION

DETAILS	MAXIMUM	TOTAL
Introduction	**2**	
Role of SETAs	**12**	
Purpose of the SDA	**10**	**Max 32**
Impact of SDA	**14**	
Ways to comply with SDA	**10**	
Conclusion	**2**	
INSIGHT		
Layout	**2**	
Analysis/Interpretation	**2**	**8**
Synthesis	**2**	
Originality/Examples	**2**	
TOTAL MARKS		**40**

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

QUESTION 6: BUSINESS OPERATIONS (QUALITY OF PERFORMANCE)

6.1 **Introduction**

- A quality management system is a collection of business processes focused on achieving quality policy and quality objectives to meet customer requirements/expectations. ✓
- Adequate financing and capacity promote the TQM elements in large businesses. ✓
- Quality control can inspire employees to create high quality product. ✓

- Quality assurance helps business to provide products that meet the expectations of the business which satisfy customers. ✓
- The production function should always develop ways of improving the quality of products and minimise product rejects. ✓
- The general management should be well conversant with activities of each department in order to provide proper guidance.
- Any other relevant introduction related to the benefits of good quality management system/differences between quality control and quality assurance/ impact of adequate financing and capacity/quality indicators the general management and/ production function.

Any (2 x 1) (2)

6.2 **Benefits of good quality management systems**

- 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✓✓
- Any other relevant answer related to benefits of good quality management system

Max (10)

6.3 **Differences between quality management and quality performance**

QUALITY CONTROL	QUALITY ASSURANCE
- System that ensures the desired quality is met ✓by inspecting the final product. ✓	- Checks carried out during and after ✓the production process✓
Ensure that finished products meet✓ the required standards. ✓	- Ensures that required standards have been met✓ at every stage of the process. ✓
- Process of ensuring that products are consistently manufactured✓ to high standards. ✓	Processes put in place to ensure that the quality of products/services/systems adhere✓ to pre -set standards with minimal defects/delays/short-comings. ✓
- Checking raw materials/employees/ Machinery/ workmanship/products✓ to ensure that high standards are maintained. ✓	Ensuring that every process is aimed at getting the product right the first time✓ and prevent mistakes from happening. ✓
- Includes setting targets/measuring performance ✓and taking corrective measures✓	The building in of quality✓ as opposed to checking of quality. ✓
- Any other relevant answer related to quality control.	- Any other relevant answer related to quality assurance
Sub max (6)	**Sub max (6)**

NOTE: 1. The answer does not have to be in tabular format
2. The differences must be clear but do not have to be linked.
3. Award a maximum of SIX (6) marks if the differences are not clear/ Mark either quality control or quality assurance only.

Max (12

6.4 **Impact of adequate financing and capacity on large businesses**

Positives/ Advantages

- Large businesses have sufficient financing✓ to test everything before implementing. ✓
- They can afford to have systems in place✓ to prevent errors in processes/ defects in raw materials/products. ✓
- Able to afford product research/market researchers✓ to gather information. ✓
- Can afford to purchase quality raw material✓ and equipment. ✓
- Any other relevant answer related to the positive impact/advantages of adequate financing and capacity on large businesses.

AND/OR

Negatives/ Disadvantages

- If the demand for company's product increases, orders begin coming in faster than expected, ✓ and the company lacks the capital required to fund the production of the stock to fill the orders. ✓
- These rapidly growing companies can consume large amounts of capital✓ as they try to balance normal operations and expansion. ✓
- Any other relevant answer related to the negative impact/disadvantages of adequate financing and capacity on large businesses.

Max (12)

6.5 **Quality indicators of the general management and production function**

6.5.1 **Quality indicators of the general management function**

- Develop/Implement/Monitor effective strategic plans. ✓✓
- Efficient organisation/allocation of business resources to provide for the successful achievement of long term and short-term plans. ✓✓
- Structured standards and norms should be in place so that control mechanisms can be implemented. ✓✓
- Learn about/understand changes in the business environment on an on-going basis. ✓✓
- Effectively communicate shared vision, mission and values. ✓✓
- Set direction and establish priorities for their business. ✓✓
- Be prepared to set an example of the behaviour that is expected from employees in terms of ethics as well as productivity. ✓✓
- Be proactive and always seeks to improve competitive advantage over competitors. ✓✓
- Ensure that all departments/the business meet their deadlines/targets. ✓✓
- Any other relevant answer related to quality indicators of the general management function. Sub max (6)

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6.5.2 **Quality indicators of the production function**

- Provide high quality services/products according to specifications. ✓✓
- The production/operating processes of a business should be done correctly through proper production planning and control. ✓✓
- Products and services should be produced at the lowest possible cost to allow for profit maximisation. ✓✓
- Businesses should clearly communicate the roles and responsibilities to the production workforce. ✓✓
- Products must meet customers' requirements by being safe/reliable/durable. ✓✓
- Businesses should have good after-sales services and warrantees. ✓✓
- Empower workers so that they can take pride in their workmanship. ✓✓
- Get accreditation from the SABS/ISO 9001 to ensure that quality products are being produced✓✓
- Specify the product or service standards and take note of the factors that consumers use to judge quality. ✓✓
- Monitor processes and find the root causes of production
- problems. ✓✓
- Implement quality control systems to ensure that quality building products are consistently being produced. ✓✓
- Utilise machines and equipment optimally. ✓✓
- Accurately calculate the production costs. ✓✓
- Select the appropriate production system such as mass/batch/jobbing. ✓✓
- Any other relevant answer related to the quality indicators of the production function.

Submax (6)
Max (12)

6.6 **Conclusion**

- Businesses should have a quality management systems which ensures that processes are carried out efficiently and effectively. ✓✓
- Quality control ensures that a manufactured product adhere to a defined set of quality standards/meets the requirements of the client /customer. ✓✓
- Quality assurance is the systematic efforts taken to ensure that the product delivered to customer meets with the contractual and other agreed upon performance. ✓✓
- The quality indicators of the production function indicate the way in which production activities should be performed to contribute to the success of the business. ✓✓
- Management should ensure that there is a strong inter-relationship between business functions to achieve profitability. ✓✓
- Any other relevant conclusion related to the benefits of good quality management system/differences between quality control and quality assurance/ impact of adequate financing and capacity/ quality indicators in the general management and production function.

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

QUESTION 6: BREAKDOWN OF MARK ALLOCATION

DETAILS	MAXIMUM	TOTAL
Introduction	**2**	**Max 32**
Benefits of good quality management system	**10**	
Differences between quality control and quality assurance	**12**	
Impact of adequate financing and capacity on large businesses	**12**	
Quality indicators of the general management function and the production function	**12**	
Conclusion	**2**	
INSIGHT		**8**
Layout	**2**	
Analysis/Interpretation	**2**	
Synthesis	**2**	
Originality/Examples	**2**	
TOTAL MARKS		**40**

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

TOTAL SECTION C: 40
GRAND TOTAL: 150

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