GAUTENG PROVINCE
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PREPARATORY EXAMINATION

2018

MARKING GUIDELINES

BUSINESS STUDIES (10720)

52 pages

GAUTENG DEPARTMENT OF EDUCATION

PREPARATORY EXAMINATION

BUSINESS STUDIES

MARKING GUIDELINES

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) Facilitatation of the moderation of candidates' scripts at the different levels
(c) Streamlining of the marking process considering the broad spectrum of markers across the province
(d) Implementation of appropriate measures in the teaching, learning and assessment of the subject at schools / institutions of learning

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

2 Comprehensive marking guidelines have been provided but this is by no means exhaustive. Due consideration should be given to an answer that is correct, but:

- Uses a different expression from that which appears in the marking guidelines
- Comes from another source
- Is original
- Uses a different approach

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 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.)

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 '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 / moderation purposes.

6 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.

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

8 Incorrect numbering of answers to questions or sub questions in Sections A and B will be severely penalised. Therefore, correct numbering is strongly recommended in all sections.

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

10 Note that no marks will be awarded for indicating Yes / No in evaluation type questions requiring substantiation or motivation. (Applicable to Sections B and C.)

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 'analise' as well.
2 Note the placing of the tick (√) in the allocation of marks.

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

Cognitive verbs, *such as*:

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

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

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

14 **SECTION B**

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

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

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

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

15 SECTION C

15.1 The breakdown of the mark allocation for the essay type questions 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 / sub-headings / 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: 1 (One 'A')	**2**
Synthesis	Are there relevant decisions / facts / responses made based on the questions? Marks to be allocated using this guide: No relevant facts: 0 (Two '-S') Some relevant facts: 1 (One '-S') Only relevant facts: 2 (No '-S') Option 1: Where a candidate answers 50% or more 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: Where a candidate answers less than 50% 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: Where a candidate answers less than 50% of the question with no relevant facts; two '-S' appear in the left margin. Award a ZERO mark for synthesis.	**2**
Originality	Is there evidence of examples, recent information, current trends and developments?	**2**
	TOTAL FOR INSIGHT:	**8**
	TOTAL MARKS FOR FACTS:	**32**
	TOTAL MARKS FOR ESSAY (8 + 32)	**40**

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

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

3 No marks will be allocated for layout, if the headings INTRODUCTION and CONCLUSION are not supported by an explanation.

4 With effect from November 2017 a candidate will be awarded a maximum of ONE (1) mark for headings/sub-headings and ONE (1) mark for interpretation (16 or more out of 32 marks). This applies specifically to the analysis and interpretation part of insight.

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

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

15.5 Mark all relevant facts until the SUB MAX / MAX mark in a subsection has been attained. Write SUB MAX / MAX after maximum marks have been obtained.

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

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

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

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

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

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

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

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

QUESTION 1

1.1 1.1.1 C√√

1.1.2 D√√

1.1.3 B√√

1.1.4 C√√

1.1.5 A√√

1.1.6 C√√

1.1.7 D√√

1.1.8 B√√

1.1.9 A√√

1.1.10 D√√ (10x2) **(20)**

1.2 1.2.1 State-owned company √√

1.2.2 STRATE √√

1.2.3 Decision-making √√

1.2.4 National Skills Development Strategy √√

1.2.5 ten√√ (5x2) **(10)**

1.3 1.3.1 I√√

1.3.2 E√√

1.3.3 B√√

1.3.4 G√√

1.3.5 C√√

(5x2) **(10)**

TOTAL SECTION A: 40

Breakdown of marks:

QUESTION 1	MARKS
1.1	**20**
1.2	**10**
1.3	**10**
TOTAL	**40**

SECTION B

Mark ONLY the FIRST THREE answers.

QUESTION 2: BUSINESS ENVIRONMENTS

2.1 **PESTLE analysis**

- Political√
- Economical√
- Social√
- Technological√
- Legal√
- Environmental√

NOTE: Mark the first FIVE (5) only. (5x1) **(5)**

2.2 2.2.1 Management / Management control. √√

2.2.2 Preferential procurement / Supplier development / Enterprise and supplier development. √√

2.2.3 Ownership. √√

2.2.4 Employment Equity. √√

2.2.5 Skills development. √√ (5x2) **(10)**

2.3 **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 / PESTLE / Porter's Five Forces model (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√ to take corrective action. √

Any other relevant answer related to a description of the strategic management process

OR

OPTION 2

- Review√ vision statement. √
- Analyse / re-examine√ mission statement. √
- Conduct an analysis√ using models such as PESTLE / PORTER'S / SWOT. √
- Formulate a strategy√, such as a defensive / retrenchment strategy. √
- Implement a strategy√, using a template such as an action plan. √
- Control / evaluate / monitor the implemented strategy√ to identify gaps / deviations in implementation. √
- Take corrective action√ to ensure goals / objectives are met. √

Any other relevant answer related to a description of the strategic management process

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

2.4 **Business Sectors**

2.4.1 Secondary sector √√ (2)

"TCM specialises in the manufacturing of winter jackets."√ (1)

Max (3)

2.4.2

CHALLENGE 2.4.2	**BUSINESS ENVIRONMENT 2.4.3**	**EXTENT OF CONTROL 2.4.4**
Employees of TCM stay absent from work on a regular basis. √	Micro√	Full control√
TCM buys raw materials from Piet textiles who is always out of stock√	Market√	Partial control / Limited / can influence√
TCM obtained a loan from Mzansi Bank at high interest rate to finance the business. √ Max 3	Macro √ Max 3	No control√ Max 3

NOTE: Quote as is from the question paper. Do not award marks for business environments and extent of control if they are not linked to the challenges **Max (9)**

2.5 **Defensive strategies:**

Divestiture √√

- The business disposes / sells some assets / divisions√ that are no longer profitable / productive. √
- Businesses may sell off divisions / product lines√ with slow growth potential. √
- The business sells ownership√ by decreasing the number of shareholders. √
- Unproductive assets are sold√ to pay off debts. √
- Process used to withdraw its investment√ in another business (divesting)√

Any other relevant answer related to divestiture / divestment as a defensive strategy

Strategy: (2)
Description: (1)
Sub Max (3)

Liquidation√√

- All assets are sold to pay creditors√ due to a lack of capital. √
- Selling the entire business√ to pay shareholders a fair price for their shares. √
- Creditors may apply for forced liquidation√ to have their claims settled. √
- Companies which are under financial pressure √ can apply for business rescue to avoid liquidation √

Any other relevant answer related to liquidation as a defensive strategy

Strategy: (2)
Description: (1)
Sub Max (3)

Retrenchment√√

- Terminating the employment contracts of employees√ for operational reasons. √
- Decreasing the number of product lines / Closing certain departments√ may result in some workers becoming redundant. √

Any other relevant answer related to retrenchment as a defensive strategy

Strategy: (2)
Description: (1)
Sub Max (3)

NOTE: Mark the first THREE (3) strategies only.

Max (9)

2.6 **Porters five forces model**

2.6.1 **Power of Supplier**

- A business must assess the power of the suppliers√ to influence prices. √
- The more powerful the suppliers√, the less control the business has over them. √
- The smaller the number of suppliers, the more powerful they may be√ as the choice of suppliers may be limited. √
- The business should identify the kind of power its suppliers has√ in terms of the quality of products / services / reliability / ability to make prompt deliveries, etc. √

Any other relevant answer related to the application of power of supplier as a Porters five force model

Max (4)

2.6.2 **Bargaining power / Buyer power**

- Buyers buying in bulk√ can bargain for better prices. √
- The business must assess how easy it is for buyers / customers√ to drive prices down. √
- This will depend on the number of buyers / the importance of each buyer to the business√ and the cost of switching to other products. √
- If a business is dealing with a few powerful buyers√, they are often able to dictate their terms to the business. √
- If buyers can do without the business's products√ then they have more power to determine the prices and terms of sale. √
- Businesses must conduct market research√ so that they can get more information about their buyers. √

Any other relevant answer related to the application of bargaining power as a Porters five force model

Max (4)

2.6.3 **Threats / Barriers of new entrants to the market**

- The power will depend on how easy it is√ for new businesses to enter the market. √
- If the business is highly profitable√, it will attract potential competitors that want to benefit from high profits. √
- If the barriers to enter the market are low√, then it is easy for new businesses to enter the market / industry. √
- New competitors can quickly / easily enter the market√, if it takes little time / money to enter the market. √
- If there are a few suppliers of a product / service but many buyers√, it may be easier to enter the market. √

Any other relevant answer related to the application of threats as a Porters five force model

Max (4)

2.7 **Legislation**

2.7.1 Compensation for Occupational Injuries and Diseases Act / COIDA √√ **(2)**

2.7.2 **Recommendations on ways to comply with COIDA**

- TBC should provide a healthy / safe working environment. √√
- Register with the Compensation Commissioner and provide the particulars of the business. √√
- Keep records of employees' income and details of work for four years. √√
- Report all incidents causing death / injury / illness of employees. √√
- Submit returns of earnings by no later than 1 March annually. √√
- Pay levies to the Compensation Fund. √√
- Ensure that the premises / equipment / machinery are in good working condition. √√
- Allow regular assessment of the workplace by inspectors in order to determine the level of risk their employees are exposed to. √√
- TBC may not make deductions for COIDA from employees' remuneration packages. √√
- TBC 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)

[60]

Breakdown of marks:

QUESTION 2	MARKS
2.1	5
2.2	10
2.3	6
2.4.1	3
2.4.2	3
2.4.3	3
2.4.4	3
2.5	9
2.6	12
2.7.1	2
2.7.2	4
TOTAL	60

QUESTION 3: BUSINESS VENTURES

3.1 **Identify the form of investment:**

3.1.1 Shares√√

3.1.2 Fixed deposit √√

3.1.3 Debentures √√

3.1.4 Unit trusts√√

(4x2) (8)

3.2 **Distinction between compound and simple interest:**

COMPOUND INTEREST	SIMPLE INTEREST
- Interest earned on original amount invested √, as well as interest earned in previous period(s). √	- Interest earned on the original amount√ and on the interest accrued√
- The principal amount grows√ with the addition of interest to it. √	- The principal amount remains the same√ over the entire period of investment. √
- Interest is calculated on the higher principal amount√ and again added to it. √	- The interest is kept separate √ unless it is reinvested. √
- Yields higher √ return on investment√	- Yields lesser √ return on investment√
- Total amountof interest earned on investment√ is high. √	- Total amount of interest earned on investment√ is less. √
Any other relevant answer related to compound interest	Any other relevant answer related to simple interest
Sub max 4	Sub max 4

NOTE: 1 The answer should be in tabular format / Distinction may be listed in an organised way.
2 The distinction must be clear.
3 Award a maximum of (4) marks if a distinction is not clear / Mark either compound or simple interest only.

Max (8)

3.3 **Questions from the scenario:**

3.3.1 Average clause. √√ **(2)**

3.3.2 Amount that will be paid by the insurer:

$$\frac{\text{Insured amount}}{\text{Real value}} \times \frac{\text{amount of damage}}{1} \quad \surd$$

$$= \frac{4\,000\,000}{5\,000\,000} \times \frac{100\,000}{1} \quad \surd$$

$$= \text{R } 80\,000 \quad \surd\surd$$

(4)

Note: 1 Award full marks (4) if the answer is correct and no workings are shown.
2 If workings were shown correctly, but the final anwer is wrong, award a maximum of THREE (3) marks.
3 If the answer is incorrect, award a maximum of ONE (1) mark for the understanding of concept and method.
4 If there are no workings shown and the answer I incorrect, award a ZERO mark.

3.4 **Visual aids**

3.4.1 - Electronic slides / PowerPoint / Slide show √
- Printed copies / Handouts / Notes√

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

3.4.2 **Positive impact of visual aids**

OPTION 1
Electronic slides / PowerPoint slides

Positives / Advantages

- Graphic programmes have the capacity to convey ideas √ and support what the presenter says. √
- Easy to combine √ with sound / video clips. √
- Simple / Less cluttered slides √ may capture the interest of the audience. √
- Video clips can provide variety √ and capture the attention of the audience. √
- Variation of colour / background / sound immediately captures the attention of the audience √ and retains their interest throughout the presentation. √
- Slides should only be used √ where they can enhance the facts or summarise information. √

Any other relevant answer related to the positive evaluation of electronic slides / PowerPoint presentation

OPTION 2
Printed copies / Hand outs / Notes

Positives / Advantages

- It can be handed out at the end of a presentation √ as a reminder of the key facts of the presentation. √
- Meaningful hand-outs may be handed out√ at the start of the presentation to attract attention. √
- Extra / Useful information may be handed out √, e.g. contact details / price lists / feedback questionnaires. √
- Any other relevant answer related to the positive evaluation of hand-outs / flyers / brochures.

- Notes may be compared with electronic slides / presentations √ to validate the accuracy of information √
- Detailed facts may be included in notes / printed copies √ for additional information √

Any other relevant answer related to the positive evaluation of printed copies / notes

NOTE: Mark the first option only **Max (8)**

3.5 **Leadership styles**

3.5.1 Richard: Autocratic√√
Paul: Laissez faire / Free reign√√
Themba: Transactional √√ **(6)**

3.5.2 **Situations where the autocratic leadership style can be applied:**

- In a crisis situation, e.g. in the case of unforseen challenges / accidents.√√
- When all the information is available to solve the problem. √√
- In emergencies, where there is a shortage of time. √√
- When employees are motivated and the leader has already earned the trust of the followers. √√
- When dealing with employees who are not cooperative. √√

Any other relevant suggestions of situations in which the autocratic leadership style can be applied

NOTE: Mark the first THREE (3) only. **Any (3x2) (6)**

3.6 **Situational and transformational leadership**

Situational leadership theory:

- Different leadership characteristics √ are needed for different situations. √
- The task / situation dictates the leadership style that should be applied√, so leaders are adaptable / flexible / self-assured. √
- Effective application of this theory may enable leaders √ to accomplish their goals. √
- Relationships between leaders and employees √ are based on mutual trust / respect / loyalty / integrity / honesty. √
- Leaders have the ability to 'read' the situation / get the most suitable people in the right positions √ to complete tasks successfully. √
- Leaders analyse group members / objectives / time constraints √, to adopt a suitable / relevant leadership style. √
- May lead to conflict√ when leaders use different leadership styles / when managing employees in different situations. √
- The success of this theory depends on the kind of relationship that exists √ between the leader and followers / subordinates / employees. √

Any other relevant answer related to a situational leadership theory

Max (4)

Transformational leadership:

- The passion / vision / personality of leaders inspire followers √ to change their expectations / perceptions / motivation to work towards a common goal. √
- trategic thinking leaders develop a long term vision for the organisation √ and sell it to subordinates / employees. √
- Leaders have the trust / respect / admiration √ of their followers / subordinates. √
- Promotes intellectual stimulation / creative thinking / problem solving √ which result in the growth / development / success of the business. √
- Followers are coached / mentored / emotionally supported √ so that they can share their ideas freely. √
- Encourages followers √ toexplore / try new things / opportunities. √
- Leaders lead by example √ and make workers interested in their work. √
- Leaders have strong, charismatic personalities √ and are very good at motivating staff to achieve results.
- Enable employees to take greater ownership of their work √ and to know their strengths and weaknesses. √
- Suitable for a dynamic environment √, where change could be drastic. √

Any other relevant answer related to the transformational leadership theory

Max (4)

3.7 **Factors to be considered when presenting**

- Establish credibility by introducing yourself at the start. √√
- Mention / Show most important information first. √√
- Make the purpose / main points of the presentation clear at the start of the presentation. √√
- Use suitable section titles / headings / sub-headings / bullets. √√
- Summarise the main points of the presentation to conclude the presentation. √√
- Stand in a good position / upright, where the audience can clearly see the presenter / presentation. √√
- Avoid hiding behind equipment. √√
- Do not ramble on at the start, to avoid losing the audience / their interest. √√
- Capture listener's attention / involve the audience with a variety of methods, e.g. short video clips / sound effects / humour √√, etc.
- Maintain eye contact with the audience. √√
- Be audible to all listerners / audience. √√
- Vary the tone of voice / tempo within certain sections to prevent monotony. √√
- Make the presentation interesting with visual aids / anecdotes / examples / Use visual aids effectively. √√
- Use appropriate gestures, e.g. use hands to emphasize points. √√
- Speak with energy and enthusiasm. √√
- Pace yourself / Do not rush or talk too slowly. √√
- Keep the presentation short and simple. √√
- Conclude / end with a strong / striking conclusion that will be remembered. √√
- Ensure that the audience will leave with / take away specific information / benefits. √√
- Include a statement / quote that will allow a graceful / striking ending. √√

Any other relevant answer related to factors to be considered during a presentation

Max (8)
[60]

Breakdown of mark allocation

QUESTION	MARKS
3.1	**8**
3.2	**8**
3.3.1	**2**
3.3.2	**4**
3.4.1	**2**
3.4.2	**8**
3.5.1	**6**
3.5.2	**6**
3.6	**8**
3.7	**8**
Total	**60**

QUESTION 4: BUSINESS ROLES

4.1 Corporate Social Responsibility (CSR)

4.1.1 Components of Corporate Social Responsibility (CSR)

- Environment / Environment awareness √
- Ethical corporate social investment √
- Health and safety √
- Corporate governance
- Business ethics
- Employment equity √
- Supply chain √
- Customers √
- Community √

Any other relevant to the components of CSR

Any (5x1) (5)

4.1.2 Relationship between triple bottom line and CSR

Economy / Profit: √

- Triple bottom line means that businesses should not only focus on profit√ and charge high prices, but should also invest in CSR projects.√
- Businesses should not make a profit√ at the expense of its community.√

Any other relevant answer related to profit and social responsibility

Sub Max (3)

Social / People: √

- Business operations should not have a negative impact and exploit people / employees / customers.√
- Businesses should engage / invest in sustainable community programmes projects√ that will uplift communities.√

Any other relevant answer related to link people and social responsibility

Sub Max (3)

Environment / Planet: √

- Businesses should not exhaust resources / harm the environment√ for production purposes.√
- Businesses must support √ energy-efficient / eco-friendly programmes.√

Any other relevant answer related to the planet / environment and social responsibility

Sub Max (3)
Aspect of triple bottom line: (3x1) (3)
Discussion of the link: (3x2) (6)
Max: (9)

4.2 **Criteria for assessing successful team performance:**

Interpersonal attitudes and behaviour√√

- Team members must respect each others skills and knowledge. √
- Members have a positive attitude of support and motivation towards each other.√
- Good / Sound interpersonal relationships will ensure job satisfaction / increase the productivity of the team.√
- Members are committed / passionate towards achieving a common goal / objectives.√
- Team leader acknowledges / gives credit to members for positive contributions.√

Any other relevant answer related to interpersonal attitudes and behaviour as a criteria for assessing teams

Criteria (2)
Explanation (1)
Sub Max (3)

Shared values / Mutual trust and support√√

- Shows loyalty / respect / trust towards team members despite differences.√
- Shows respect for the knowledge / skills of other members.√
- Performs team tasks with integrity / pursuing responsibility / meeting team deadlines with necessary commitment to team goals.√

Any other relevant answer related to shared values / mutual trust and support as a criteria for assessing teams

Criteria (2)
Explanation (1)
Sub Max (3)

Communication√√

- A clear set of processes / procedures for team work ensures that every team member understands his / her role.√
- Effective communication between team members can lead to quick decisions.√
- Quality feedback improves the morale of the team.√
- Open communication allows effective solutions of problems.√
- Continuous review of team progress ensures that team members can rectify mistakes / act pro-actively to ensure that goals / targets are reached.√

Any other relevant answer related to communication as a criteria for assessing teams

Criteria (2)
Explanation (1)
Sub Max (3)

Collaboration / Co-operation √√

- Clearly defined realistic goals are set, so that all members know exactly what is to be accomplished.√
- Willingness to co-operate as a unit to achieve team objectives.√
- Co-operate with management to achieve team / business objectives.√
- Agree on methods / ways to get the job done effectively without wasting time on conflict resolution.√
- All members take part in decision making.√
- A balanced composition of skills / knowledge / experience / expertise, ensures that teams achieve their objectives.√

Any other relevant answer related to co-operation and criteria for successful team achievement

Criteria (2)
Explanation (1)
Sub Max (3)

NOTE: Mark the first THREE (3) only. **(3x3) (9)**

4.3 **Unethical business practices**

4.3.1 **Unethical practises**	4.3.2 **Types**	4.3.3 **Recommendations**
'Andrew wants to have an intimate relationship with Sue in exchange for a promotion.' √	Sexual harassment√√	- Educate employees on sexual harassment. √√ - Create a working environment where all are respected. √√ - Implement complaints and disciplinary procedures.√√ - Formulate a policy regarding sexual harassment.√√ - Internal investigation should be made in order to determine the seriousness of the harassment.√√ - Serious matter should be reported to SAPS.√√ - Ensure compliance with the law / business code of conduct. √√ Any other relevant strategy related to how the business should deal with sexual harassment. Sub Max (2)
'Andrew uses the company's petrol card for personal trips.' √	Unauthorised use of workplace funds and resources√√	- Conduct regular audits. √√ - Create awareness on the impact of unauthorised use of resources. √√ - Identify vulnerable areas like the petrol card.√√ - Combat misuse through internal control.√√ - Formulate a strategy for the correct use of funds / resources and communicate it to the workers.√√ - Limit the number of employees that have access to the petrol cards and require slips from them.√√ - Give a written warning to Andrew and refund it from his pay at the end of the month.√√ Any other relevant recommendation regarding the misuse of funds / resources. √√ Sub Max (2)

'He takes long lunch breaks.' √	Abuse of worktime√√	- Speak directly to employees who abuse work time. √√ - Structure working hours that employees have free / flexible time for personal matters. √√ - Formulate a policy for the correct use of worktime.√√ - Create a culture of work ethics and team work in the workplace.√√ - Get a log book with time schedules that must be signed by the receiving company.√√ - Put a monitoring GPS in the delivery vehicles.√√ Any other relevant recommendation regarding the abuse of worktime Sub Max (2)
Sub Max 3	Sub Max 6	Sub Max 6

NOTE: 1 Recommendations must be linked to the identified TYPES of unethical business practices in Question 4.3.2
2 Award a maximum of TWO (2) marks if recommendations are based on the unethical business practises quoted in Question 4.3.1
3 Allocate TWO (2) marks for the TYPE of unethical business practise identified in Question 4.3.2, if the unethical business practice in Question 4.3.1.was not directly quoted, but based on the scenario.

Max (15)

4.4 **Strategies to deal with difficult personalities:**

Personality	Strategy
4.4.1 Complainer	Listen to the complaints, but don't give much attention to it. √√ Try to help him / her to make a decision as soon as possible√√ Max (2)
4.4.2 Expert	Be firm and let him / her know that you are in charge. √√ Know your facts. √√ Don't let them lure you into their plan. √√ Max (2)
4.4.3 Aggressive person	Let them talk and cool down. √√ Be firm but don't attack them. Don't allow them to be aggressive with other workers. √√ Max (2)
	Consider other relevant strategies to deal with difficult personalities

4.5 Problem solving

4.5.1 Problem solving techniques:

- Delphi technique√
- Force-field analysis√
- Brainstorming√
- Mind mapping√
- Nominal group technique√
- Forced combinations√
- Empty chair technique√ (4x1) **(4)**

NOTE: 1 Do not allocate marks for SCAMPER
2 Mark the first FOUR (4) only

4.5.2 Application of SCAMPER

S – Substitute√
Substitute some of the parts of the cage with something else. √
C – Combine√
Sell it with a canary or sell it 3 for 2.
A – Adapt√
Look at the new trends for cages and adapt the old cages to suit the new needs. √
M – Modify√
Put some device with sound into the cage to attract young children. √
P – Put to other uses√
Make alterations to use it for hamster or other animals as well. √
E – Eliminate√
Take away some parts to make it look different.√
R – Reverse√
Try to contact the supplier to reverse the transaction.√

Name the element: (5x1) (5)
Implementation: (5x1) (5)
Max (6)

4.6 **Grievance procedure**

- An aggrieved employee / Mr Nel must verbally report the incident / gievance to his / her supervisor / manager√, who needs to resolve the issue within 3 to 5 working days. √
- Should the employee and supervisor not be able to resolve the grievance√, the employee may take it to the next level of management. √
- The employee may move to a more formal process√ where the grievance must be lodged in writing / completes a grievance form
- Mr Nel must receive a written reply √ in response to the written grievance. √
- A grievance hearing / meeting must be held with all relevant parties present. √
- Minutes of the meeting must be recorded√ and any resolution passed must be recorded on the formal grievance form. √
- Should the employee not be satisfied√, then he / she could refer the matter to the highest level of management. √
- Top management should arrange a meeting√ with all relevant parties concerned. √
- Minutes of this meeting should be filed / recorded√ and the outcome decision must be recorded on the formal grievance form. √
- Should the employee still not be satisfied, he / she may refer the matter to the CCMA√ who will make a final decision on the matter. √
- The matter can be referred to Labour Court on appeal√ if Mr Nel is not satisfied with the decision taken by the CCMA. √

Any other relevant answer related to the correct procedure to deal with grievances in the workplace (6)

NOTE: The procedure may be in any order

[60]

Breakdown of mark allocation:

Question	Marks
4.1.1	**5**
4.1.2	**9**
4.2	**9**
4.3.1	**3**
4.3.2	**6**
4.3.3	**6**
4.4	**6**
4.5.1	**4**
4.5.2	**6**
4.6	**6**
Total	**60**

QUESTION 5: BUSINESS OPERATIONS

5.1 **Purpose of interview:**

- To determine a candidate's suitability for the job. √√
- Match the information given by the applicant with the requirements of the job. √√
- To get more information from the applicant. √√
- Evaluate the personal / skills characteristics of the applicant. √√
- Provides the applicant with the opportunity to find out more about the job / working conditions / salary and the business. √√

Any other relevant answer related to the purpose of an interview

Max (6)

5.2 **Meaning of job specification:**

- It specifies the minimum acceptable qualifications / qualities and experience√ for a specific job.√
- It is a written description of the specific qualifications / experience / and expertise √ that is needed for a job.√
- It describes the key performance areas / indicators √ that is needed for a job.√

Any other relevant facts relevant to the meaning of job specifications

Max (4)

5.3 **Human Resource Activities**

5.3.1 Induction√ √ (2)

"The namagement of LE introduced Maria to her senior supervisor and fellow colleagues" / "Maria was given the opportunity to attend training sessions in order to learn processes and procedures".√ (1)

Max (3)

5.3.2 **Placement procedure**

- LE should outline specific responsibilities / expectations of new position. √
- Determine the employee's strengths / weaknesses / skills/ interesting subjecting him / her to various psychometric test. √
- Determine the relationship / similarities between the expectations of the position and the competency of employee√

Any other relevant answer related to the placement procedure

Max (6)

5.3.3 **Aspects to be included in an induction programme**

- Safety regulations and rules. √√
- Overview of the business. √√
- Information about the business' products / services. √√
- Meeting with senior management who will explain the company's vision / values / job descriptions / daily tasks. √√
- Tour of the premises / Introduction to key people and close colleagues. √√
- Conditions of employment, e.g. working hours / leave application process / disciplinary procedures√√, etc.
- Administration details on systems / processes / logistics. √√
- Discussion of the employment contract and conditions of service. √√
- Discussion on personnel policies, e.g. making private phone calls / using the internet√√, etc.
- Discussion on employee benefits. √√
- Corporate social responsibility programmes. √√

Any other relevant answer related to aspects that should be included in the induction programme **Max (6)**

5.4 **Implication of the Skills Development Act (SDA) on the Human Resources function**

- The human resources function should interpret the aims and requirements of the SDA√ and adapt workplace skills training programmes accordingly. √
- Identify the training needs of the employees√ and provide them with training opportunities so that they will perform their tasks efficiently. √
- Use the National Qualification Framework / NQF√ to assess the skills levels of employees. √
- Interpret / Implement the aims / requirements of the framework√ for the National Skills Development Strategy. √
- Assist managers in identifying skills / training needs√ to help them to introduce learnerships. √
- Businesses should contribute 1% of their salary bill√ to the Skills Development Levy / SDL. √
- Ensure training in the workplace√ is formalised and structured. √
- Appoint a full / part time consultant√ as a Skills Development Facilitator. √

Any other relevant answer related to the implications of the Skills Development Act on the Human Resources function **Max (8)**

5.5 **Business functions**

5.5.1 Administrative function√√

5.5.2 Purchasing function√√

5.5.3 Production function√√ (3x2) **(6)**

5.6 **Reduction of cost of quality through TQM**

- Introduce quality circles / small teams of five to ten employees√, who meet regularly to discuss ways of improving the quality of their work. √
- Schedule activities to eliminate√ duplication of tasks / activities. √
- Share responsibility for quality output√ between management and workers. √
- Train employees at all levels√, so that everyone understands their role in quality management. √
- Develop work systems that empower employees√ to find new ways of improving quality. √
- Work closely with suppliers√ to improve the quality of raw materials / inputs. √
- Improve communication about the quality challenges / deviations√, so that everyone can learn from past experiences. √
- Reduce investment√ on expensive, but ineffective inspection procedures in the production process. √
- Implement pro-active maintenance programmes for equipment / machinery√ to reduce / eliminate breakdowns. √

Any other relevant answer related to the impact of TQM on the reduction of cost of quality

Max (6)

5.7 **Quality Circles**

5.7.1 Quality circles. √√ **(2)**

5.7.2 **Importance of Quality circles**

Importance of quality circles in improving the quality of products

- They solve problems related to quality√ and implement improvements. √
- Investigate problems√ and suggest solutions to management. √
- 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. √

Any other relevant answer related to the importance of quality circles in TQM

Max (7)

5.8 **Application of PCDA model / cycle**

Plan√
- Didi must identify the problem. √
- Develop a plan for improvement to processes and systems. √
- Answer questions such as 'what to do' and 'how to do it'. √
- Plan the method and approach. √

Sub Max (2)

Do√
- Implement the change on a small scale. √
- Implement the processes and systems. √

Sub Max (2)

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

Sub Max (2)

Act as needed√
- Institutionalise the improvement. √
- Devise strategies on how to continually improve. √
- If the change was successful, implement it on a wider scale. √
- Continuously revise the process. √

Any other relevant answer related to how business can use PDCA model to improve the quality of products

Sub Max (2)
Max (6)
[60]

Breakdown of marks:

QUESTION 5	MARKS
5.1	**6**
5.2	**4**
5.3.1	**3**
5.3.2	**6**
5.3.3	**6**
5.4	**8**
5.5.1	**2**
5.5.2	**2**
5.5.3	**2**
5.6	**6**
5.7.1	**2**
5.7.2	**7**
5.8	**6**
TOTAL	**60**

QUESTION 6: MISCELLANEOUS TOPICS

BUSINESS ENVIRONMENTS

6.1 Provisions of the Basic Conditions of Employment Act (BCEA)

- Family responsibility leave / sick pay√
- Overtime√
- Hours of work√
- Meal breaks and rest periods√
- Leave conditions√
- Working on public holidays√
- Legal requirements of the employment contract√
- Termination conditions of the employment contract√
- Remuneration√
- Child labour√

Any other relevant answer related to the provisions of the BCEA **(7x1) (7)**

6.2 6.2.1 **SWOT analysis**

STRENGTH	**WEAKNESS**
• GAS has employed Mpho who is a qualified technician.√ • They also have sufficient resources to buy latest equipment √ Sub Max (1)	• Kate is not experienced in handling appointments for new installations.√ • The business is using an outdated tester machine which does not record information accurately. √ Sub Max (1)
OPPORTUNITY	**THREAT**
• There is a demand for GAS services in a newly developed residential area√ • GAS tendered for the contract to install alarm systems in the new hotel√ Sub Max (1)	• GAS is operating in high crime area √ • A new competitor is planning to move into the area√ Sub Max (1)

Max (4)

6.2.2 **Strategies to overcome Weaknesses and Threats:**

WEAKNESS	STRATEGY
• Kate the new employee is not experienced in handling appointments for new installations	• Train Kate on how to handle appointments.√√ • Employ experienced person to work with Kate.√√ • Do the appointments yourself and give Kate other responsibilities.√√ Any other relevant strategy related to dealing with weakness
• Currently the business is using an outdated tester machine which does not record information accurately.	• Buy a new tester machine.√√ • Lease latest tester machine.√√ • Trade in the old tester for a new one.√√ Any other relevant strategy related to dealing with weaknesses Sub Max (2)

THREAT	STRATEGY
GAS is operating in a high crime area.	• GAS should install security systems / hire more security to safeguard the business. √√ • Provide employment opportunities for local people from the community. √√ Any other relevant strategy on how GAS may address the threat of the high crime area in which it operates
A new competitor is planning to move into the area	• Conduct an intensive advertising campaign. √√ • Offer lower prices. √√ Any other relevant answer how to outsmart the competitor Sub Max (2)

Max (4)

NOTE: 1 Do not award marks for strategies that are not linked to the identified threat or weakness in QUESTION 6.2.1.
2 Mark the FIRST strategy for each weakness and threat.
3 Do not award marks for the weakness / threat.

BUSINESS VENTURES

6.3 **Types of shares**

- Ordinary shares √
- Preference shares √
- Bonus shares √
- Founding shares √

NOTE: Mark the first THREE (3) only Any (3x1) **(3)**

6.4 **Meaning of concepts**:

6.4.1 Indemnity:

Applies to short-term insurance where the insurer restores the financial position √ of the insured to almost the same financial position as before. √
Any other relevant meaning of indemnity **(2)**

6.4.2 Retirement annuity:

A person pays monthly premiums to an insurance company√ and will receive in return at retirement age a certain amount of money and monthly payments. √
Any other relevant meaning of retirement annuity **(2)**

6.5 **Recommendation for improvement of the next presentation**:

- The presenter should revise objectives that were not achieved. √√
- Use humour appropriately. √√
- Be prepared to update / keep information relevant. √√
- Reflect on the time / length of the presentation to add / remove content. √√
- Any information that the presenter receives as feedback from a presentation should be analysed and where relevant, incorporated / used to update / amend the presentation. √√
- Reflect on any problem / criticism and avoid in future presentations. √√
- Increase / decrease the use of visual aids or replace / remove aids that did not work well. √√
- Reflect on logical flow of the format / slides / application of visual aids. √√

Any other recommendation related to how the presenter can improve on the next presentation

Max (8)

6.6 **Negative impact of Corporate Social Investments (CSI) on communities**

- Business are not always equipped√ to address social problems / challenges
- Communities can avoid taking responsibility for themselves √, because they depend / rely on a business's CSI initiatives √ / 'Hand-outs' discourage locals from taking their own initiatives√ by making them dependent on CSI-programmes. √
- Distribution of scarce resources to selected beneficiaries in the community √ may cause problems such as discrimination. √
- Some businesses only participate in CSI initiatives to raise profit √ and do not really care for the community in which they operate. √
- Businesses may not meet √ the longer term needs of society √ / Busineses cannot deliver √ sustainable CSI projects. √
- Tbe benefits of the programmes may not filter √ to the intended persons within the community. √
- Spending money on CSI means the business has to recover expenses through higher prices √ which have a negative impact on the economy. √
- Businesses tend to focus on CSI projects √ that do not directly benefit the community. √
- Less money is available for community projects √ during unfavourable economic conditions. √
- Consumers are not easily convinced √ that a business is acting in the best interest of the community / environment. √
- A business often appears to benefit more from the CSI expenditure √ than the perceived benefits to the communitites. √

Any other relevant answer related to the negative impact of CSI on communities

Max (8)

6.7 **Ways to promote creative thinking in the workplace**:

- Offer rewards to teams / individuals that come up with creative ideas. √√
- Emphasise the importance of creative thinking to ensure that all staff know that you want to hear their ideas.√√
- Encourage staff to come up with new ideas / opinions / solutions.√√
- Make time for brainstorming sessions to generate new ideas.√√
- Place suggestion boxes around the workplace to 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 / study how other businesses are doing things.√√
- Encourage alternative ways of working / doing things.√√
- Respond enthusiastically to all ideas and never let anyone feel less important.√√
- Provide a conducive working environment free from distractions.√√

Any other relevant answer related to ways businesses can create an environment that promotes creative thinking in the workplace **Max (6)**

NOTE: The emphasis is on 'ways' not necessarily advantages.

BUSINESS OPERATIONS

6.8 **Employment contract**

Employment contract – is a legally binding / written agreement√ between the employer and employee. √
Any other relevant definition for the employment contract **(2)**

6.9 **Examples of fringe benefits**

- Pension√
- Medical aid√
- Provident fund√
- Housing / Car / Travelling / Clothing – Allowances√
- Unemployment Insurance Fund / UIF√
- Leave √
- Employees share option schemes√
- Performance based incentives√
- Issuing of bonus shares√
- Access to discount products / services / company facilities√
- A cafeteria that provides subsidised / free meals√

Any other relevant examples of fringe benefits
NOTE: Mark the first FIVE **(5x1) (5)**

6.10 **Recruitment**

6.10.1 External recruitment√√ **(2)**
Motivation: 'They have advertised the vacant post in the newspaper'√ **(1)**
Max (3)

6.10.2 **Positive impact of external recruitment:**

- New candidates bring new talents / ideas / insight / experience that will benefit the business. √√
- There are more candidates to choose from. √√
- Chances are better of finding suitable candidates with the right skills, qualifications / competencies. √√
- Prevents unhappiness / conflict between existing employees who have applied for the post. √√
- Recruitment agencies may be used to find candidates which saves time. √√
- Businesses are able to achieve their equity plan by recruiting according to targets set. √√

Any other relevant answer related to the advantages of external recruitment

Max (6)
[60]

Breakdown of marks:

QUESTION 6	MARKS
6.1	7
6.2.1	4
6.2.2	4
6.3	3
6.4.1	2
6.4.2	2
6.5	8
6.6	8
6.7	6
6.8	2
6.9	5
6.10.1	3
6.10.2	6
TOTAL	60

SECTION: C

Mark only the first TWO (2) questions.

QUESTION 7: BUSINESS ENVIRONMENTS (LEGISLATION)

7.1 **Introduction:**

- The Labour Relations Act regulates the relationship between employees and their trade unions / employers and their organisations. √
- The Act may include amendments / repeal laws related to labour relations in order to promote sound labour relations. √
- The Act promotes employment equity and democracy in the workplace through prevention of unfair labour practices. √
- LRA deals with hiring / disciplining / firing employees / trade union negotiations / strikes. √
- Labour relations usually involves three parties namely the employer, the employee and the government. √

Any other relevant introduction related to LRA **Any (2x1) (2)**

7.2 **The rights of employees and employers**

7.2.1 **Rights of employers**

- Employers have the right to lock-out employees who engage in unprotected / illegal strikes / labour actions. √√
- Form employer organisations. √√
- Form a bargaining council for collective bargaining purposes. √√
- Dismiss employees who are engaged in an unprotected strike / misconduct such
- as intimidation / violence during a strike action. √√
- Right not to pay an employee who has taken part in a protected strike for services / work they did not do during the strike. √√

Any other relevant answer related to the rights of employers according to the LRA

Sub Max (8)

7.2.2 **Rights of employees**

- Employees may join a trade union of their choice. √√
- Request trade union representatives to assist / represent employees in the grievance / disciplinary hearing. √√
- Trade union representatives may take reasonable time off work with pay, to attend to trade union duties. √√
- Embark on legal strikes as a remedy for grievances. √√
- Refer unresolved workplace disputes to the CCMA. √√
- Refer unresolved CCMA disputes to the Labour Court on appeal. √√

Any other relevant answer related to rights of employees according to the LRA

Sub Max (8)
Max (12)

7.3 **Purpose of LRA**

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

Any other relevant answer related to the purpose of the LRA

Max (12)

7.4 **Impact of LRA on businesses**

Positives / Advantages

- Protects the rights of businesses√ in labour related issues. √
- Protects employers who embark on lawful lock-outs√ when negotiations between parties fail. √
- Ensures participation of all parties in collective bargaining / decision making√ which reduces conflict in the workplace. √
- Labour disputes√ are settled quicker√ are less expensive. √
- Workplace forums can also be tasked to resolve workplace issues√ as they take part in decision making. √
- Provides for dispute resolution through consensus√ between organised labour, businesses and the state. √
- Provides mechanisms√, e.g. statutory councils / collective bargaining / CCMA to settle labour disputes. √
- Prevents unfair discrimination in the workplace√ as all employees should be given equal opportunities. √
- Employers can dismiss employees√ who engage in unprotected strikes. √
- Employers may claim compensation√ through the Labour Court for losses suffered as a result of an unprotected strike. √

Any other relevant answer related to the positive impact of LRA on businesses

AND / OR

Negatives / Disadvantages

- Productivity may decrease√ if employees are allowed to participate in the activities of trade unions during work time. √
- Profitability may decrease√ due to a decline in sales / production. √
- Quick decision making may be negatively affected√ as some workplace forum representatives may only focus on the interest of employees and neglect that of the business. √
- Dispute resolution through consensus√ may be time consuming. √
- Incompetent employees may be inherited when a business is transferred / sold, because the new owner has to take over / continue with the existing employees' contracts. √
- Information about workplace issues may be disclosed to trade unions√ which may be leaked to competitors / media.
- Costs of labour increases√ because of legal strikes. √
- Labour consultants may be employed to deal with labour related issues√ which may be costly. √
- Reduced global competitiveness√ due to lower productivity. √

Any other relevant answer related to the negative impact of the LRA on businesses

Max (14)

7.5 **Ways in which businesses can comply with the LRA**

- Businesses must allow employees to join trade unions / participate in union activities / legal strikes. √√
- Allow / Support the establishment of workplace forums. √√
- Employees should not be unfairly / illegally dismissed disciplined. √√
- Employers should not breach / ignore any collective agreement. √√
- Disclose all relevant information required by trade union representatives to do their jobs effectively. √√

Any other relevant answer related to ways in which businesses can comply with the LRA

Max (8)

7.6 **Conclusion**

- LRA provides for conflict resolution mechanisms in the workplace. √√
- Fair labour practices in the workplace may result in efficient business operations with minimal disruptions. √√
- The Act requires agreement through sound labour relations between trade unions and employer organisations. √√
- Businesses need to comply with the Act to promote a healthy working / workplace relationship. √√

Any other relevant conclusion related to the LRA

Max (2)
[40]

Breakdown of mark allocation:

Detail	Maximum	Total
Introduction	**2**	**Max 32**
Rights of employers and employees	**12**	
Purpose of LRA	**12**	
Impact of LRA	**14**	
Ways to comply with LRA	**8**	
Conclusion	**2**	
INSIGHT		**8**
Layout	**2**	
Analysis	**2**	
Synthesis	**2**	
Originality	**2**	
TOTAL		**40**

QUESTION 8: BUSINESS VENTURES (FORMS OF OWNERSHIP AND LEADERSHIP)

8.1 Introduction

- There are different forms of ownership and it is important to choose the correct form of ownership for the business to be successful.√
- Leaders have to choose the correct leadership style, for the democratic, leadership style, etc. to be successful in their management duties.√
- A good manager will know that the role of his attitude will is crucial and be followed by the workers and will also contribute to the success or failure of the company.√

Any other relevant fact that can be used in the introduction related to partnership / private company / personal attitude / democratic leadership style

Any (2x1) (2)

8.2 Differences between partnership and private company:

Partnership	Private company
• Partners contribute√ skills / assets / capital. √	• Shareholders contribute √ share capital. √
• No specific√ name requirements√ / May be any √ acceptable name	• Name must end√ with Proprietary Limited / Pty (Ltd) √
• Only needs a partnership agreement√ for establishment. √	• Must register a Memorandum of Incorporation (MOI) √ with the Companies and Intellectual Property Commisssion (CIPC). √
• Partners√ have unlimited liablitity√ / Partners are liable √ for debts of the partnership. √	• Shareholders have limited liability √ for the debts of the private company. √
• Partnership has no continuity√, if one partner dies / retires, the remaining partners need to draw up a new agreement.	• The company has unlimited continuity√, if one shareholder dies / retires, the company will still continue to exist. √
• Partners are all actively involved in the management√ of the partnership. √	• Company is managed√ by at least one director. √
• Partnership does not pay income tax√ but partners pay in their private capacity. √	• Subject to double taxation√, as companies and shareholders are taxed separately on company profit. √
Any other relevant answer related to partnership	Any other relevant answer related to private companies
Sub max (7)	Sub max (7)

NOTE: 1 The answer does not have to be in tabular format, but the differences must be clear.

2 Award a maximum of SEVEN (7) marks if differences are not clear / Mark either partnerships or private companies only

Max (14)

8.3 **Contribution towards the success and / or failure of a partnership**

(a) **Capacity**

Success AND / OR	• Partnerships have a greater capacity√ to raise capital than sole traders√ • Partners give personal attention√ to customers.√ • Because it is smaller than a company, √ control is easier. √ • Encourages expansion√ as more partners join the business√ Any other relevant fact related to the positive contribution of capacity in partnerships
Failure	• Small partnerships have a limited capacity√ to raise capital and to produce on a large scale.√ • Small partnerships have a limited potential √ to expand.√ • Conflict may occur √ if there are too many partners.√ • It is not easy √ to attract the best workers.√ • The lack of continuity √ hampers potential for growth. • The more partners in the partnership, the more difficult it is to control expenses / partner drawings Any other relevant fact related to the positive contribution in the negative contribution of capacity in partnerships

Sub Max (4)

(b) **Management**

Success AND / OR	• Partners are actively involved√ in the management.√ • There is more creativity√ because there are more people involved.√ • They can make better decisions√ because there are more people involved.√ • Not all partners are actively involved√ they can appoint competent managers Any other relevant fact related to the success of management
Failure	• Partners must handle all activities √ and are sometime too busy or incompetent.√ • Conflict can occur√ and it may take longer to resolve challenges.√ • Partners are agents √ and their bad decisions will involve all the other partners.√ • Decision making can be time consuming√ as all partners have to agree√ Any other relevant fact related to the failure of management

Sub Max (4)

(c) **Capital**

Success	• All partners contribute to the partnership,√ in capital and / or skills and other contributions.√ • Partners use capital wisely √ because it is their own money.√ • There is more capital available √ than with a sole trader.√ • Smooth cashflow√ as there is enough working capital. √ Any other relevant fact related to the sucess of capital
Failure	• Sometimes the contribution is not equal / fair √ if some only contribute capital and others skills.√ • Capital is limited √ and the partnership cannot compete with bigger companies.√ • Partners may loose their capital contribution √ if the partnership fails√ • Unequal inputs as some partners contribute in expertise instead of cash. √ Any other relevant fact related to the failure of capital

Sub Max (4)
Max (12)

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

- Positive attitude releases√ leadership potential.√
- Leaders must know their strengths and weaknesses√ to adapt their leadership styles effectively.√
- Great leaders understand that the right attitude√ will set the right tone.√
- Leaders' attitude may influence√ employees' / teams' thoughts / behaviour.√
- Leaders should model the behaviour√ that they want to see in team members.√
- Successful leaders consider the abilities / skills of team members√ to allocate tasks / roles effectively.√
- Enthusiasm√ produces confidence in a workforce.√
- A positive attitude is critical for good leadership√ because good leaders will stay with the task regardless of difficulties / challenges.√
- Successful employees and leaders have a constant desire to work√ and achieve personal / professional success.√
- Leaders with a positive attitude know√ that there is always more to learn / space to grow.√

Any other relevant answer related to the role of personal attitude in successful leadership

Max (10)

8.5 **Application of the democratic leadership style:**

The democratic leadership style can be used in the following situations:

- when the leader / manager needs the workers to work together as a team√√
- when the leader / manager wants the workers to be creative.√√
- when the leader / manager wants the workers to be part of the problem solving process.√√
- if the leader / manager wants to create a positive attitude between the workers and the business.√√

Any other relevant answer related to the application of the democratic leadership style

Max (10)

8.6 **Conclusion:**

- A positive / enthusiastic leader will inspire his / her followers to improve themselves. √√
- The choice of the correct form of ownership will contribute to the success of the business.√√

Any other relevant conclusion related to partnership / private company / personal attitude / democratic leadership style

Max (2)
[40]

Breakdown of mark allocation:

Detail	Maximum	Total
Introduction	**2**	**Max 32**
Differences	**14**	
Factors that contribute to success / failure	**12**	
Role of personal attitude	**10**	
Democratic leadership style	**10**	
Conclusion	**2**	
INSIGHT		**8**
Layout	**2**	
Analysis	**2**	
Synthesis	**2**	
Originality	**2**	
TOTAL		**40**

QUESTION 9: BUSINESS ROLES (DIVERSITY AND ENVIRONMENTA ISSUES)

9.1 Introduction

- Diversity refers to the variety of people employed based on age / race / gender / ethnic groups / disabilities / material wealth / personalities / how employees see themselves and others.√
- Businesses employ people from different cultural backgrounds.√
- Businesses should have systems in place to deal with diversity in the workplace. √
- Business should develop measures / systems to protect the environment / human health. √

Any other relevant introduction related to diversity / human and environmental health

Any (2x1) (2)

9.2 Benefits of diversity in the workplace:

- Workplace diversity improves the ability of a business√ to solve problems / innovate / cultivate diverse markets.√
- Employees value each other's diversity√ and learn to connect and communicate across lines of difference.√
- Diversity in the workforce improves√ morale and motivation.√
- Employees demonstrate greater loyalty to the business√ because they feel respected / accepted / understood.√
- A diversified workforce can give businesses a competitive advantage√ as they can render better services.√
- Being respectful of differences / demonstrating diversity√ makes good business sense / improves profitability.√
- Diverse businesses ensure that its policies / practices√ empower every employee to perform at his / her full potential.√
- Customers / Stakeholders increasingly evaluate businesses√ on how they manage diversity in the workplace.√
- Employees from different backgrounds√ can bring different perspectives to the business.√
- A diversified workforce stimulates debate√ on new and improved ways of getting things done.√
- Employees represent various groups√ and are therefore better able to recognise customer needs / satisfy consumers.√
- Businesses with a diverse workforce are more likely to have a good public image√ and attract more customers.√

Any other relevant answer related to the benefits of diversity in the workplace

Max (12)

9.3 **Role of health and safety representatives:**

- Responsible for checking the effectiveness √of health and safety measures.√
- Identify√ potential dangers in the workplace.√
- Investigate incidents / complaints√ from workers about health and safety.√
- Initiate / Promote / Maintain√ / Review measures√ for ensuring the health and safety of the workers.√
- Attend to any formal inquiry / investigation√ into an accident / health related incident in the workplace.√
- Ensure that protective clothing√ is provided / available to all workers.√
- Ensure that all equipment that is necessary to perform work√ are provided / maintained regularly.√
- Promote safety training√ so that employees may avoid potential dangers / act pro-actively.
- Ensure that dangerous equipment is used√ under the supervision of trained / qualified workers.√
- Ensure that workers' health and safety is not endangered√ by hazards resulting from production / processing / storage / transportation of material / equipment.√
- Co-operate with the employer to investigate any accidents / complaints from the workers√ concerning health and safety in the workplace.√
- Ensure that employers comply√ with COIDA.√

Any other relevant answer related to the roles of health and safety representatives in the workplace **Max (10)**

9.4 **Dealing with diversity issues:**

Gender:

- Males and females should be offered√ equal employment opportunities. √
- Business directors should promote √ both men and women in managerial positions. √
- Women should be employed √ to comply with EEA. √
- Targets may be set √ for gender equity in the business. √
- New appointments should be based √ on skills and ability. √
- Introduce affirmative action √ by ensuring that male and female employees are remunerated fairly / equally. √

Any other relevant answer related to how businesses could deal with gender as diversity issue in the workplace

Sub Max (4)

Language:

- Business may specify that all communications must be in one specific language only √ and would expect employees to have a certain level of fluency in that language.
- Provide training√ in the official language of the business. √
- Employ an interpreter √ so that everyone can fully understand what is being said in a meeting. √
- All business contracts should be in easy-to-understand language √ and should be available in the language of choice for the relevant parties signing the contract.
- No worker should feel excluded √ in meetings conducted in one language only. √

Any other relevant answer related to how business could deal with language as a diversity issue in the workplace

Sub Max (4)

Age:

- Promotions must not be linked to age, but to the skills of the person.√√
- The age of the workers must include all age groups between 18 to 65 years.√√
- A business can employ a worker older than retirement age if he is the most skilful person.√√
- Older employees must be encouraged to be a mentor to younger employees.√√
- Younger employees must be encouraged to respect and learn from older employees.√√

Any other relevant answer related to how businesses could deal with age as diversity issue in the workplace

Sub Max (4)

Max (12)

9.5 **Ways in which the businesses can protect the environment and human health:**

- Adhere to laws / regulations so that profits are not generated at the expense of the environment.√√
- Consider pollution / other environmental issues in all business activities, e.g. safe disposal of waste / dumping of toxic waste√√, etc.
- Become involved in environmental awareness programmes.√√
- LCM protects the environment by altering production techniques in favour of cleaner and greener technologies.√√
- Water for human consumption is tested before it is used.√√
- Promote nature conservation by looking after natural resources.√√
- Minimise pollution, by re-using, reducing and recycling.√√
- Reduce consumption of goods / services which are environmentally unfriendly.√√

- Register / Engage with recognised institutions / bodies that promote green peace.√√
- Ensure that physical working conditions are worker friendly / safe / adequate / functional / promoting occupational health.√√
- Maintain / Service machines regularly.√√
- Educate people about hygiene issues.√√
- Encourage employees to do regular health checks.√√

Any other relevant answer related to ways in which businesses can protect the environment and human health

Max (12)

9.6 **Conclusion**

- The business must adhere to the diversity issues as prescribed in the Constitution.√√
- There must be policies concerning diversity and healthcare in the business. √√

Any other relevant conclusion related to diversity and health issues

Max (2)

[40]

Breakdown of mark allocation:

Detail	**Maximum**	**Total**
Introduction	**2**	**Max 32**
Benefits of diversity	**12**	
Role of safety representatives	**10**	
Diversity issues	**12**	
Ways to protect environment and human health	**12**	
Conclusion	**2**	
INSIGHT		**8**
Layout	**2**	
Analysis	**2**	
Synthesis	**2**	
Originality	**2**	
TOTAL		**40**

QUESTION 10: BUSINESS OPERATIONS (QUALITY OF PERFORMANCE)

10.1 Introduction

- Total quality management (TQM) relates to products that totally satisfy customers' needs and expectations in every respect on a continuous basis. √
- Quality is often improved by quality circles. √
- All business activities must be properly managed to ensure quality goods and services. √
- Quality management should not just be an inspection process, but become part of the culture of the business. √
- The management quality assurance within the marketing and purchasing functions may influence the success or failure of the business. √

Any other relevant introduction related to quality of performance / quality management / TQM elements / financial and marketing functions

Any (2x1) (2)

10.2 Distinction between quality performance and quality management

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

Max (8)

NOTE: 1 The answer does not have to be in tabular format but the distinction must be clear.
2 Award a maximum of TWO (2) marks if the distinction is not clear / mark entire quality performance or quality management.

10.3 **Impact of the elements of TQM on large businesses**

Total client / customer satisfaction

Positives / Advantages

- Large businesses use market research / customer surveys√ to measure / monitor customer satisfaction / analyse customers' needs. √
- Continuously promote√ a positive business image. √
- May achieve a state of total customer satisfaction, if businesses follow sound business practices√ that incorporates all stakeholders. √
- Strive to understand / fulfil customer expectations√ by aligning cross-functional teams across critical processes. √
- Ensure that cross-functional teams understand their core competencies√ and develop / strengthen them. √
- May lead to higher customer retention / loyalty√ which enables businesses to charge higher prices. √
- Businesses may be able to gain access√ to global markets. √
- May lead to increased√ competitiveness / profitability. √

Any other relevant answer related to the positives / advantages of total client / customer satisfaction as an element of TQM for large businesses

AND / OR

Negatives / Disadvantages

- Employees who seldom come into contact with customers√ often do not have a clear idea of what will satisfy their needs. √
- Monopolistic companies have an increased bargaining power√ so they do not necessarily have to please customers. √
- Not all employees√ may be involved / committed to total client / customer satisfaction. √

Any other relevant answer related to the negatives / disadvantages of total client / customer satisfaction as an element of TQM for large businesses

Sub Max (6)

Continuous improvement to processes and systems

Positives / Advantages

- Large businesses have more resources√ to check on quality performance in each unit / business function. √
- Enough capital resources are available for new equipment required√ to stay relevant to new developments. √
- Large businesses have a person dedicated√ to the improvement of systems and processes. √
- Willing to take risks / try new processes and systems√ because they are able to absorb the impact of losing money. √
- They can afford to use the services of the quality circles√ to be competitive. √
- Large businesses use the PDCA model√ to continuously plan / do / check / act on new / revised processes and systems. √

Any other relevant answer related to the positives / advantages of continuous improvement to processes and systems as an element of TQM for large businesses

AND / OR

Negatives / Disadvantages

- Large scale manufacturing√ can complicate quality control. √
- Systems and processes take time and effort to be implemented in large businesses√ as communication / buy-in / distrust may delay the implementation process. √
- Run the risk of changing parts of the business√ that are actually working well. √
- Not all negative feedback from employees and customers is going to be accurate√, which may result in incorrect / unnecessary changes to systems and processes. √

Any other relevant answer related to the negatives / disadvantages of continuous improvement to processes and systems as an element of TQM for large businesses

Sub Max (6)
Max (12)

10.4 **Impact on businesses if TQM is poorly implemented**

- 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. √
- Business reputation / image may suffer√ because of poor quality / defective goods. √
- 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. √
- Loss of customers √ may lead to bankruptcy / closure

Any other relevant answer related to the negative impact of TQM if poorly implemented by businesses

Max (10)

10.5 Quality indicators of financial and marketing functions

10.5.1 Financial function

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

Any other relevant answer related to the quality indicators of the financial function

Sub Max (8)

10.5.2 Marketing function

- Acquiring a greater market share through good customer service. √√
- Winning customers' loyalty by satisfying their needs / wants and building positive relationships. √√
- Adhering to ethical advertising practices when promoting products / services. √√
- Identifying competitive edge by conducting regular market research. √√
- Differentiating products to increase the target market and profitability. √√
- Constant review of value issues. √√
- Communicating effectively with customers to get feedback about their experiences of the products and services sold. √√
- Co-ordinate distribution with the production / advertising strategies. √√
- Using pricing techniques to ensure a competitive advantage. √√
- Measuring the gaps between customer expectations and their actual experiences so that problems regarding quality of products / services can be diagnosed and addressed. √√

- Making adjustments and changes to products / services based on feedback received from customers. √√
- Using aggressive advertising campaigns to sustain the market share. √√

Any other relevant answer related to the quality indicator of the financial and marketing functions

Sub Max (8)
Max (16)

10.6 **Conclusion**

- Top management should act as the main driver of TQM and create an environment that ensures success. √√
- Improvement in quality should improve customer satisfaction. √√
- Businesses require excellent management skills to coordinate the quality of performance of various business functions in order to ensure success. √√

Any other relevant conclusion related to quality management / TQM elements / financial / marketing function

Max (2)
[40]

Breakdown of mark allocation:

Details	Maximum	Total
Introduction	**2**	**Max 32**
Differences between quality performance and quality management	**8**	
Impact of TQM on large businesses	**12**	
Negative impact if TQM is poorly implemented	**10**	
Quality indicators for financial and marketing functions	**16**	
Conclusion	**2**	
INSIGHT		
Layout		**2**
Analysis, interpretation		**2**
Synthesis		**2**
Originality / Examples		**2**
TOTAL		**40**