WESTERN CAPE
EDUCATION DEPARTMENT

GRADE 12

BUSINESS STUDIES

PREPATORY EXAMINATION
PAPER 1
2022

MARKING GUIDELINE

MARKS: 150

TIME: 2 HOURS

This question paper consists of 27 pages.

NOTES TO MARKERS

PREAMBLE

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

(a) Fairness, consistency and reliability in the standard of marking
(b) Facilitate the moderation of candidates' scripts at the different levels
(c) Streamline the marking process considering the broad spectrum of markers across the 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 responses provided by candidates, that are relevant within the context of a particular question, and allocate marks accordingly. (In cases where the answer is unclear or indicates some understanding, part-marks should be awarded, for example, one mark instead of the maximum of two marks.)

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

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

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

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

9. Correct numbering of answers to questions or sub questions is recommended in SECTIONS A and B. However, if the numbering is incorrect, follow the sequence of the candidate's responses. Candidates will be penalised if the latter is not clear.

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

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

    11.1 When 'evaluate' is used, candidates are expected to respond in either a positive/negative manner or take a neutral (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, analyse, evaluate, critically evaluate (*list not exhaustive*) require a greater depth of understanding, application and reasoning. Therefore, the marks must be allocated more objectively to ensure that assessment is conducted according to established norms so that uniformity, consistency and fairness are achieved.

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

14. **SECTION B**

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

NOTE: 1. This applies only to questions where the number of facts is specified.
2. The above also applies to responses in SECTION C. (where applicable)

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

14.3 If candidates are required to provide their own examples/views, brainstorm this at the marking centre to finalise alternative answers and consult with the Internal Moderator at DBE for approval.

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

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

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

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

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

14.5 **ONE mark may be awarded for answers that are easy to recall, requires one-word answers or 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 (No '-S')** 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: **Some relevant facts: 1 (One '-S')** 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: **Some relevant facts: 1 (One '-S')** 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. Option 4: **No relevant facts: 0 mark (Two '-S')** Where a candidate answers less than 50% (only one sub-question) of the questions with no relevant facts; two '-S' appears in the left margin. Award a ZERO mark synthesis	**2**
Originality	Is there evidence of one example per topic/subtopic based on recent information, current trends and developments not older than one (1) year?	**2**
	TOTAL FOR INSIGHT:	**8**
	TOTAL MARKS FOR FACTS:	**32**
	TOTAL MARKS FOR ESSAY (8 + 32):	**40**

NOTE:

1. **No marks will be awarded for contents repeated from the introduction and conclusion.**
2. **The candidate forfeits marks for layout if the words INTRODUCTION and CONCLUSION are not stated.**
3. **No marks will be 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 SUBMAX/MAX mark in a subsection has been attained. Write SUBMAX/MAX after maximum marks have been obtained, but continue reading for originality "O".

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

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

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

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

SECTION A - COMPULSORY
QUESTION 1

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

(5 x 2) (10)

1.2.1 45 ✓✓
1.2.2 SWOT ✓✓
1.2.3 unemployment insurance ✓✓
1.2.4 piecemeal ✓✓
1.2.5 external ✓✓

(5 x 2) (10)

1.3.1 G ✓✓
1.3.2 I ✓✓
1.3.3 J ✓✓
1.3.4 A ✓✓
1.3.5 C ✓✓

(5 x 2) (10)

TOTAL SECTION A: [30]

SECTION B
Mark the first TWO (2) questions answered.

QUESTION 2: BUSINESS ENVIRONMENTS

2.1 **Rights of consumers in terms of the NCA.**

- Apply to take credit and be free from discrimination. ✓
- Get reasons for refusing credit. ✓
- Receive pre-agreement documentation before entering into any credit transaction. ✓
- Receive fair and responsible marketing. ✓
- Return goods to the credit provider to share the outstanding amount / debt. ✓
- Apply for debt review / debt counselling if the consumers cannot afford to repay their debt. ✓
- Receive information in a simple and understandable language. ✓
- Receive documents / statements as required by the Act. ✓
- To access and challenge credit records and information. ✓
- Receive protection of their personal information. ✓
- Protection to be held responsible for the use of their credit facility after theft / loss has been reported. ✓
- Refuse to increase their credit limit. ✓
- Any other relevant answer related to rights of consumers in terms of the NCA.

NOTE: Mark the first FOUR (4) only.

(4 x 1) (4)

2.2 **How SETAs are funded.**

- Skills Development levies are paid by employers to SARS as a collecting agency for the government. ✓✓
- Employers who have a salary bill that exceeds R500 000 per annum, should pay one percent (1%) of their annual salaries as a levy. ✓✓
- The different SETAs receive 80% of the levy for organisational expenses and the remaining 20% is paid to the National Skills Fund. ✓✓
- Donations/Grants received from the public/businesses/CSI programmes. ✓✓
- Surplus funds from government institutions. ✓✓
- Funds received from rendering their services. ✓✓
- Any other relevant answer related to how SETAs are funded.

Max (4)

2.3 **Integration strategy**

2.3.1 Horizontal integration ✓✓ (2)

2.3.2 **Advantages of diversification strategies.**

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

Max (4)

2.4 **Strategic management process.**

2.4.1
- A business should review/analyse ✓their vision/mission statement. ✓
- Conduct an environmental analysis ✓using models such as SWOT/PESTLE. ✓
- Formulate a strategy, ✓such as a defensive/retrenchment strategy. ✓
- Implement a strategy, ✓ using a template such as an action plan. ✓
- Control, monitor and evaluate the implemented strategy✓ to identify gaps / deviations in implementation. ✓
- A business should take corrective action✓ to ensure goals/objectives are met.✓
- Any other relevant answer related to the strategic management process.

Max (6)

2.5 **Legislation**

2.5.1 Basic Conditions of Employment Act / BCEA ✓✓ (2)

2.5.2 **Other actions that could be regarded as non-compliance to BCEA**

- Forbidding workers to discuss wages/salaries ✓ with co-workers. ✓
- Preventing workers from having access ✓ to employment contracts. ✓
- Refusing to grant a worker family responsibility leave✓ to support a sick family member. ✓
- Any other relevant answer related to actions that could regarded as non-compliant to BCEA.

NOTE: Do not accept: Refusing to accept a valid medical certificate of a sick worker.

Max (4)

2.6 **PESTLE elements/factors**

2.6.1 **Environmental**

- Chemicals/Ingredients in business' products✓ may be harmful to customers. ✓
- Measures to dispose of business waste✓ may be expensive. ✓
- Packaging of some products ✓may not be environmentally friendly / may not be recyclable. ✓
- Any other relevant answer related to environmental factors posing a challenge to businesses.

Max (4)

2.6.2 **Technological**

- Businesses may not keep up with / be aware of✓ the latest technology. ✓
- Employees may not be skilled✓ to operate / maintain new technology / equipment. ✓
- Businesses may not be able to afford✓ new technology. ✓
- May not be able to cater for / afford✓ online transactions/e-commerce. ✓
- Any other relevant answer related to technological factors posing a challenge to businesses.

Max (4)

2.7 **Practical ways in which businesses may comply with the EEA.**

- Businesses must guard against discriminatory appointments. ✓✓
- Assess the racial composition of all employees, including senior management.✓✓
- Prepare an employment equity plan in consultation with employees. ✓✓
- Clearly define the appointment process, so that all parties are well informed. ✓✓
- Compile employment equity plans that indicate how they will implement affirmative action. ✓✓
- Implement an employment equity plan. ✓✓
- Implement affirmative action measures to redress disadvantages experienced by designated groups. ✓✓
- Submit the employment equity plan to the Department of Labour. ✓✓
- Display a summary of the Act where employees can clearly see/have access to the document. ✓✓
- Assign one or more senior managers to ensure implementation and monitoring of the employment equity plan. ✓✓
- Use certified psychometric tests to assess applicants/employees to ensure that suitable candidates are appointed. ✓✓
- Conduct medical/psychological tests fairly to employees/when deemed necessary. ✓✓
- Regularly report to the Department of Labour on progress in implementing the plan. ✓✓
- Any other relevant answer related to practical ways in which businesses comply with EEA

Max (6)

[40]

QUESTION 3: BUSINESS OPERATIONS

3.1 **TWO sources of internal recruitment**

- Internal emails/intranet/websites to staff ✓
- Word of mouth✓
- Business newsletters/Circulars to staff✓
- Internal/management referrals ✓
- Office notice boards✓
- Internal bulletins ✓
- Recommendation of current employees✓
- Headhunting within the business/organisational database✓
- Any other relevant answer related to the sources of internal recruitment.

NOTE: Mark the first TWO (2) only.

(2 x 1) (2)

3.2 **Outline the quality indicators of marketing function**

- Acquire a greater market share through good / effective / efficient customer service. ✓✓
- Gain customers' loyalty by satisfying / meeting / exceeding their needs / wants / building positive relationships. ✓✓
- Adhere to ethical advertising practices when promoting products/services.✓✓
- Identify competitive edge/gaps in the market and conduct regular market research. ✓✓
- Differentiate products from competitors to increase the target market / profitability. ✓✓
- Use different pricing techniques such as promotional / penetration pricing, and so on, to ensure a competitive advantage. ✓✓
- Use aggressive advertising campaigns to sustain the market share. ✓✓
- Any other relevant answer related to the quality indicators of the marketing function.

Max (4)

3.3 **Define placement as a human resource activity**

- Selected candidates are placed/positioned where they will function optimally ✓ and add value to the business. ✓
- A specific job is assigned to the ✓ selected candidate. ✓
- The qualifications/skills/personality of the selected candidate are matched ✓ with the requirements of the job. ✓
- Any other relevant answer related to placement as a human resource activity.

Max (4)

3.4.1 **Quote steps of the recruitment procedure**

- The human resources department has identified a position for an administrative assistant. ✓
- The position will be advertised in the local newspaper to recruit suitable applicants. ✓

NOTE: 1. Mark the first TWO (2) only.
2. Do not award marks for quotes that are incomplete.

Max (2)

3.4.2 **Explain the role of the interviewee/applicant during the interview**

- Greet the interviewer by name ✓ with a solid handshake and a friendly smile. ✓
- Listen carefully to the questions ✓ before responding. ✓
- Make eye contact ✓ and have good posture/body language. ✓
- Show confidence ✓ and have a positive attitude/be assertive. ✓
- Be inquisitive ✓ and show interest in the business. ✓
- Ask clarity-seeking ✓ questions. ✓
- Show respect ✓ and treat the interview with its due importance. ✓
- Be honest about mistakes✓ and explain how you dealt with them✓.
- Know your strengths and weaknesses ✓ and be prepared to discuss them. ✓
- Thank the interviewer for the opportunity given ✓ to be part of the interviews ✓
- Any other relevant answer related to role of applicant/interviewee during interview.

Max (6)

3.5 **Discuss the impact of internal recruitment on businesses**

Positives / Advantages

- The business recruits existing employees through promotions/transfers ✓ from inside the business.✓
- Opportunities for promotion rewards good work ✓and motivates current employees. ✓
- Reliable/key staff members are retained✓ if they are promoted/transferred within the business. ✓
- Staff morale and productivity increases ✓ if suitable staff members are promoted regularly. ✓
- Current employees understand the operations/functions✓ of the business. ✓
- The business knows the personality, ✓strengths and weaknesses of the candidate. ✓
- The recruitment process is faster/less expensive✓ if the candidates are known to the business. ✓

AND/OR

Negative / Disadvantages

- Current employees may not bring new ideas into the business✓./ Limited idea generation from current employees. ✓
- Promoting a current employee may cause resentment✓ amongst existing/ other employees. ✓
- The number of applicants is limited ✓ to current staff only. ✓
- Employees who do not have the required skills for the new job may be promoted.
- Current employees may need to be trained/developed before they can be promoted, ✓ which can be expensive/time-consuming. ✓
- Employees who are not promoted may feel demotivated, ✓ which may hamper productivity/reduce morale. ✓
- Any other relevant answer related to impact of internal recruitment on businesses.

Max (6)

3.6 **PDCA-model**

3.6.1

PDCA STEPS	MOTIVATION
1. Plan ✓✓	In response, a group of AV employees made suggestions to management about how and what should be done to improve the quality processes and systems ✓
2. Check✓✓	AV must assess and determine whether the changes are working and if everything are going according to plan. ✓

Sub max (4) Sub max (2)

NOTE:
1. **The answer does not have to be in tabular format.**
2. **Award marks for the correct step of the PDCA model even if the quote is incomplete.**
3. **Do not award marks for the motivation, if the steps of the PDCA model were incorrectly identified.**
4. **Mark the first TWO (2) steps of the PDCA model with the corresponding motivation only.**

Max (6)

3.6.2 **Explain the importance of quality circles as part of the continuous improvement of processes and systems in a business**

- Solve problems related to quality ✓ and implement improvements. ✓
- Investigate / identify problems ✓ and suggest management solutions. ✓
- Ensure 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. ✓
- Discuss ways of improving the quality ✓ of work / workmanship. ✓
- Contribute towards the improvement ✓ and development of the organisation. ✓
- Improve employees' loyalty and commitment to the business ✓ and its goals. ✓
- Any other relevant answer related to the importance of quality circles as part of the continuous improvement of processes and systems in a business.

Max (4)

3.7 **Advise businesses on the impact of TQM if it is poorly implemented**

- Setting unrealistic deadlines that may not be achieved. ✓✓
- Employees may not be adequately/efficiently trained, resulting in poor quality product. ✓✓
- The decline in productivity because of stoppages / delays. ✓✓
- Businesses may not be able to make necessary changes to satisfy the needs of customers. ✓✓
- The reputation of the business may suffer because of faulty products. ✓✓
- Customers will have many alternatives to choose from, and the impact could lead to losses for the businesses. ✓✓
- Investors might withdraw investment if there is a decline in profits.
- Bad publicity due to poor quality products supplied. ✓✓
- The decline in sales when unhappy customers increasingly return product ✓✓
- High staff turnover because of poor skills development/training. ✓✓
- Any other relevant answer related to the importance of quality circles as part of the continuous improvement of processes and systems in a business.

Max (6)

[40]

QUESTION 4: MISCELLANEOUS TOPICS

BUSINESS ENVIRONMENTS

4.1 **Name any TWO types of intensive strategies.**

- Market Penetration ✓
- Market Development ✓
- Product Development ✓

NOTE: Mark the first TWO (2) only.

(2 x 1) (2)

4.2 **Porter's Five Forces**

4.2.1 Power of competitors / Competitive rivalry ✓✓ (2)

4.2.2 Threat/barriers of new entrants to the market ✓✓ (2)

4.3 **Business environments and the extent of control**

BUSINESS ENVIRONMENTS	EXTENT OF CONTROL
Micro ✓	Full control ✓
Market ✓	Partial/Limited/Little control ✓
Macro ✓	No control ✓
Sub max (2)	Sub max (2)

NOTE:
1. **The answer does not have to be in tabular format.**
2. **Award marks for business environments if extent of control is incorrect.**
3. **Do not award marks for extent of control if business environments is incorrect / not answered.**
4. **Mark the first TWO (2) only**

Max (4)

4.4 **Types of defensive strategies**

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)
Explanation (1)
Sub max (3)

DIVESTITURE✓✓

- Disposing / Selling some assets / divisions / departments that are no longer profitable/productive. ✓
- Selling off divisions / product lines with slow growth potential. ✓
- Decreasing the number of shareholders by selling ownership. ✓
- Paying off debts by selling unproductive assets. ✓

- Withdrawing their investment share in another business (divesting). ✓
- Any other relevant answer related to divestiture as a defensive strategy.

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

LIQUIDATION✓✓

- Selling all assets to pay creditors due to a lack of capital. ✓
- Selling the entire business in order to pay shareholders a fair price for their shares. ✓
- Allowing creditors to apply for forced liquidation in order to have their claims settled. ✓
- Businesses in financial difficulty may apply for business rescue to avoid liquidation. ✓
- Any other relevant answer related to liquidation as a defensive strategy.

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

NOTE: Mark the first TWO (2) only.

Max (6)

4.5 **Advise businesses on consequences for non-compliance with COIDA.**

- Businesses can be fined for refusing to submit the claim/contravening the Act.✓✓
- Businesses can be forced to make large payments if they have not taken the necessary precautions according to the Act.✓✓
- They may be forced to pay any repair costs required by the Compensation Fund.✓✓
- Employees can take businesses to court because they are not registered with the Commissioner of the Compensation Fund.✓✓
- If businesses are found guilty of any offence, they will face heavy fines / face imprisonment. ✓✓
- Any other relevant answer related to consequences for non-compliance with COIDA.

Max (4)

BUSINESS OPERATIONS

4.6 **Name TWO aspects of an employment contract**

- personal details of the employee ✓
- details of the business/employer, for example, name/address, etc. ✓
- job title/position ✓
- job description, for example, duties/working conditions/responsibilities✓
- job specification, for example, formal qualifications/experience/willingness to travel ✓
- date of employment/commencement of employment✓
- place where the employee will spend most of his/her working time/conduct work activities ✓
- hours of work, for example, normal time/overtime✓
- remuneration, for example, weekly/biweekly/fortnightly/monthly pay ✓
- benefits / fringe benefits / perks / allowances ✓
- leave, for example, sick/maternity/annual/adoption leave/family responsibility leave ✓
- employee deductions (compulsory / non-compulsory) ✓
- period of contract/details of termination ✓
- probation period ✓
- signatures of both the employer and employee ✓
- list of documents that form part of the contract, for example, appointment letter/code of conduct/ethics ✓
- disciplinary policy, for example, rules and disciplinary procedure for unacceptable behaviour✓
- Any other relevant answer related to aspects of an employment contract.

NOTE: Mark the first TWO (2) only.

Max (2)

4.7.1 **Quote aspects of the induction program**

- The management took the employees on a tour of the premises. ✓
- The employees were also introduced to their colleagues and supervisors. ✓

NOTE: 1. Mark the first TWO (2) only.
2. Do not award marks for quotes that are incomplete.

Max (2)

4.7.2 **Discuss the benefits of induction for businesses**

- New employees who are familiar with the business's policies/procedures ✓ may easily adapt to their new work environment. ✓
- New employees learn more about the business ✓ and understand their role in the business/expectations of the job. ✓
- Increased productivity / efficiency ✓ and quality of service. ✓
- Minimises the need for ongoing training ✓ and development. ✓

- Improved / Better focused training may be provided ✓ based on the results obtained from the induction process. ✓
- New employees may feel part of the team ✓ resulting in positive morale / motivation. ✓
- Reduces staff turnover ✓ as new employees have been inducted properly. ✓
- Any other relevant answer related to benefits of induction for businesses.

Max (6)

4.8 **Explain reasons for termination of employment contract**

- The employer may dismiss an employee for a valid reason/s, ✓ for example, unsatisfactory job performance, misconduct, etc. ✓
- The employer may no longer have work for redundant employees ✓ cannot fulfil the contract / is restructuring. ✓
- An employee could decide to leave for a better job opportunity✓ by resigning voluntarily. ✓
- The employer may retrench some employees ✓ because of insolvency/may not be able to pay the employees/operational reasons. ✓
- An employee may have reached the pre-determined age✓ for retirement. ✓
- An employee could become incapacitated ✓ due to illness / injuries. ✓
- The employer and employee may reach a mutual agreement. ✓
- The duration of the employment contract expires / comes to an end. ✓
- Any other relevant answer related to the reasons for termination of employment contract.

Max (4)

4.9 **Advise businesses how quality of performance can contribute to the success of the administration function**

- Fast and reliable data capturing and processing systems. ✓✓
- Make reliable information available to management on time. ✓✓
- Make relevant information available for quick decision-making. ✓✓
- Handle complaints quickly and effectively. ✓✓
- Use modern technology efficiently. ✓✓
- Implement effective risk management policies to minimise business losses ✓✓
- Quality assurance/Control/Evaluation is recorded accurately. ✓✓
- All documentation is kept neatly and orderly in a safe place. ✓✓
- Easy to recall and find information/documentation. ✓✓
- Financial documents are kept up to date and recorded accurately. ✓✓
- All systems and processes are documented. ✓✓
- Any other relevant answer related to how the administration function can contribute to the quality of performance in the business.

Max (6)

[40]

TOTAL SECTION B: [80]

SECTION C
Mark the FIRST question answered.

QUESTION 5: BUSINESS ENVIRONMENTS (LEGISLATION)

5.1 **INTRODUCTION**

- BBBEE was introduced to bring the majority of the South Africans into the mainstream of the economy.√
- It increased the number of black people that manage/own/control the economy.√
- It aims at targeting inequality in the South African economy.✓
- A BEE scorecard is used to determine the BBBEE status of a business.√
- Any other relevant introduction related to BEE/BBBEE / penalties/consequences of non-compliance / impact of the act on businesses / ways to comply with the act.

(2 x 1) (2)

5.2 **Difference between BEE and BBBEE.**

BEE	BBBEE
• It is a government policy which may not be enforced. ✓✓	• It is an act that is enforced/must be complied with by businesses. ✓✓
• Benefits only a few previously disadvantaged people in the economy. ✓✓	• Encourages a wider group of previously disadvantaged people / black women / people who are physically challenged / youth / people in rural areas to participate in the economy. ✓✓
• Few previously disadvantaged individuals share in the wealth of the economy. ✓✓	• Aims at distributing the country's wealth across a broader spectrum of society. ✓✓
• Focuses only on three pillars that did not include all previously disadvantaged people. ✓✓	• Focuses on five pillars which includes all sectors of the society, especially the previously disadvantaged. ✓✓
• Any other relevant answer related to BEE	• Any other relevant answer related to BBBEE
Sub max (4)	Sub max (4)

NOTE: **1. The answer does not have to be in tabular format, but the distinction \ must be clear.**
2. Award a maximum of FOUR (4) marks if the distinction is not clear / Mark either BEE or BBBEE only.

Max (8)

5.3 **Penalties/consequences of non-compliance with BBBEE.**

- Businesses may face imprisonment ✓ for non-compliance and fronting practices.✓
- The penalty could be a fine✓ of up to 10% of the company's annual turnover. ✓
- Government will cancel any contract✓ awarded that was based on false information regarding BBBEE status. ✓
- A business can be banned from participating in government contracts✓ for a period of 10 years. ✓
- Business licenses✓ may not be renewed. ✓
- Any other answer relevant to penalties/consequences of non-compliance with BBBEE

Max (10)

5.4 **Implications of the FIVE pillars of BBBEE on businesses.**

MANAGEMENT CONTROL✓✓

- Due to a shortage of skilled black managers/directors, ✓some businesses find it difficult to make appointments. ✓
- This limits✓ the growth opportunities for the business. ✓
- Businesses are directly penalised✓ for not implementing this pillar. ✓

BBBEE pillar (2)
Explanation (2)
Sub max (4)

OWNERSHIP✓✓

- Businesses find it difficult to locate black business partners / shareholders ✓ as many black people cannot afford shares. ✓

BBBEE pillar (2)
Explanation (2)
Sub max (4)

ENTERPRISE AND SUPPLIER DEVELOPMENT✓✓

- Smaller businesses that are not BBBEE compliant ✓ lose business. ✓
- Small businesses may not be able to afford ✓ enterprise development investment / support. ✓
- Black owned SMMEs may become too reliant on support ✓ from other businesses. ✓
- BBBEE suppliers ✓ may be without good workmanship. ✓
- Businesses are forced to choose ✓ from a smaller pool of suppliers. ✓

BBBEE pillar (2)
Explanation (2)
Sub max (4)

SKILLS DEVELOPMENT✓✓

- Productivity is compromised ✓ as mentors / coaches have to find the time to participate in learnerships/training. ✓

BBBEE pillar (2)
Explanation (2)
Sub max (4)

SOCIAL RESPONSIBILITY✓✓

- Businesses often are not knowledgeable or experts at societal issues ✓ and social responsibility may result in wastage of financial resources if not investigated correctly. ✓

BBBEE pillar (2)
Explanation (2)
Sub max (4)

- Any other answer relevant to the implications of the five pillars of BBBEE on businesses

NOTE: Mark the first VIER (4) only.

Max (16)

5.5 **Ways in which businesses can comply with the BBBEE**

- Businesses must appoint black people in managerial positions. ✓✓
- Businesses must sell shares to black employees / people. ✓✓
- Send black people for skill development training. ✓✓
- Outsource services to BEE compliant suppliers. ✓✓
- Implement affirmative action when making appointments. ✓✓
- Improve the standard of living of the communities in which they operate. ✓✓
- Develop small business /SMME's through ESD.✓✓
- Any other relevant answer related to ways in which businesses can comply with the BBBEE

Max (12)

5.6 **CONCLUSION**

- BBBEE enables wealth to be spread more broadly across all population groups.✓✓
- An economy that is not growing cannot integrate all its citizens in a meaningful way. ✓✓
- To obtain a good rating, businesses will have to spend money in the areas covered by the BBBEE pillars. ✓✓
- Any other relevant conclusion related to BEE/BBBEE / penalties/consequences of non-compliance / impact of the act on businesses / ways to comply with the act.

(1 x 2) (2)

QUESTION 5: BREAKDOWN OF MARK ALLOCATION

DETAILS	MAXIMUM	TOTAL
Introduction	2	**Max 32**
Difference between BEE and BBBEE	8	
Penalties for non-compliance of BBBEE	10	
Impact of BBBEE on businesses	16	
Ways to comply with the Act	12	
Conclusion	2	
INSIGHT		**Max 8**
Structure / Layout	2	
Analysis / Interpretation	2	
Synthesis	2	
Originality / Examples	2	
TOTAL POINTS		**40**

SASO - for each component:
Give 2 marks if all the requirements have been met.
Give 1 mark if some requirements have been met.
Give 0 marks where requirements have not been met at all.

QUESTION 6: BUSINESS OPERATIONS (QUALITY OF PERFORMANCE)

6.1 INTRODUCTION

- Quality management ensures that the quality of products and services is consistent✓
- Businesses use time and resources efficiently✓
- The effective implementation of TQM can give businesses a competitive advantage over other businesses. ✓
- Any other relevant introduction related to differences between quality of management, quality performance, impact of TQM elements, benefits of a good management system and ways TBG can reduce costs in a business.

(2x1) (2)

6.2 Outline the differences between quality management and quality performance

QUALITY MANAGEMENT	QUALITY PERFORMANCE
• The process of managing all activities needed to ensure a business produces products/ services of consistently high standards. ✓✓	• The total performance of each department is measured against the specified standards. ✓✓
• Refer to techniques/tools used to design/improve the quality of a product. ✓✓	• Quality is measured through physical product/statistical output of processes/ surveys of the users and/or buyers / consumers of products / services.✓ ✓
• Can be used for accountability within each of the business functions. ✓✓	• Can be obtained if all departments work together towards the same quality standards✓✓
• Aims to ensure that the quality of products/services is consistent. Focuses on the means to achieve consistency ✓✓	
• Any other relevant answer related to quality management.	• Any other relevant answer related to quality performance.
Sub max (6)	Sub max (6)

NOTE: 1. The answer need not be in tabular format, but the distinction should be clear.
2. Award a maximum of FOUR (4) marks if the distinction is not clear. / Mark only Quality Management or Quality Performance.

Max (12)

6.3 **Discuss the impact of the following TQM elements on large businesses:**

6.3.1 **Total client satisfaction**

Positives / Advantages

- Large businesses use market research/customer surveys ✓ to measure/monitor customer satisfaction / analyse customers' needs. ✓
- Continuously promote / foster a positive ✓ business image. ✓
- Strive to understand and fulfil customer expectations ✓ by aligning cross-functional teams across critical processes. ✓
- May lead to higher customer retention / loyalty✓ and businesses may be able to charge higher prices. ✓
- Large businesses may be able to gain access ✓ to the global market. ✓
- Any other relevant answer to the impact of total client satisfaction on a large business

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. ✓
- A large business that is characterised as a monopoly has increased bargaining power ✓ and therefore does not pursue customer satisfaction / does not have to satisfy / meet customer needs. ✓
- Not all employees may be involved/committed ✓ to total client satisfaction. ✓
- Reaction time to changing consumer demand may be influenced ✓ by a delay in market research / information. ✓
- Large businesses that become complacent with (the) existing customer satisfaction / target market ✓ may experience limited long-term growth potential.✓
- Any other relevant answer to the impact of total client satisfaction on a large business

Sub max (6)

6.3.2 **Continuous skills development**

Positives / Advantages

- Large businesses have a human resources department ✓dedicated to skills training and development. ✓
- Human resources experts ensure that training programmes are relevant✓ /applicable to increased customer satisfaction. ✓
- Ability to afford specialised / skilled ✓ employees. ✓
- May conduct skills audit to establish the competency / education levels of staff performing work ✓ which could affect the quality of products / services / processes positively. ✓
- May be able to hire qualified trainers ✓ to train employees regularly. ✓
- Any other relevant answer to the impact of continuous skills development on a large business

AND/OR

Negatives/Disadvantages

- Poor communication systems in large businesses ✓ may prevent effective training from taking place. ✓
- Trained employees may leave for better jobs ✓ after they have gained more skills. ✓
- Employees may become demotivated ✓ if they do not receive recognition/ acknowledgement for training. ✓
- Employees may not be aware of the level of competency they should meet ✓ to achieve their targets. ✓
- It may be difficult to monitor / evaluate ✓ the effectiveness of training. ✓
- Any other relevant answer to the impact of continuous skills development on a large business

Sub max (6)

Max (12)

6.4 **Explain benefits of a good management system**

- Effective customer services are rendered ✓ resulting in increased customer satisfaction. ✓
- Time and organisational resources such as finance / raw materials / labour✓ are used efficiently. ✓
- Productivity increases✓ through proper/effective time management/using highquality resources. ✓
- Products/Services are constantly improved ✓resulting in increased levels of customer satisfaction. ✓
- Vision / Mission / Business objectives can be achieved. ✓
- The business has a / improves its competitive advantage ✓ over its competitors.✓
- Regular training will continuously improve the quality ✓ of employees' skills/ knowledge/competencies. ✓
- 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 fewer defects/returns. ✓
- Improves the financial sustainability of the business ✓ as customers are retained.✓
- Any other relevant answer related to benefits of a good management system.

Max (12)

6.5 **Suggest ways in which TQM can reduce the cost of quality**

- Introduce quality circles to discuss ways of improving the quality of work/workmanship. ✓✓
- Schedule activities to eliminate duplication of tasks. ✓✓
- Share responsibility for quality output amongst management and workers. ✓✓
- Train employees 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 quality challenges/deviations, so that everyone can learn from experience. ✓✓
- Reduce investment in expensive, but ineffective inspection procedures in the production process. ✓✓
- Implement proactive maintenance programmes for equipment/machinery to reduce/eliminate breakdowns ✓✓
- Any other relevant answer related to ways in which TQM can reduce the cost of quality.

Max (10)

6.6 **CONSLUSION**

- Quality is important for a business to be sustainable. ✓✓
- It is important that businesses have a proper system to manage quality, e.g. TGB that will reduce costs and increase profits. ✓✓
- Any other relevant fact related to differences between quality of management, quality performance, impact of TGB elements, benefits of a good management system and ways in which TBG can reduce costs in a business.

(1x2) (2)

QUESTION 6: BREAKDOWN OF MARK ALLOCATION

DETAILS	MAXIMUM	TOTAL
Introduction	2	**Max 32**
Differences between quality management and quality performance	12	
Impact of TQM elements on businesses: • Total client satisfaction • Continuous skills development	 6 6	
Benefits of a good quality management system	10	
Ways in which TQM can reduce the cost of quality	12	
Conclusion	2	
INSIGHT		**Max 8**
Structure / Layout	2	
Analysis / Interpretation	2	
Synthesis	2	
Originality / Examples	2	
TOTAL POINTS		**40**

SASO - for each component:
Give 2 marks if all the requirements have been met.
Give 1 mark if some requirements have been met.
Give 0 marks where requirements have not been met at all.

TOTAL SECTION C: [40]

TOTAL: [150]