



# basic education

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Department:  
Basic Education  
**REPUBLIC OF SOUTH AFRICA**

**NATIONAL  
SENIOR CERTIFICATE**

**GRADE 12**

**BUSINESS STUDIES**

**FEBRUARY/MARCH 2017**

**MEMORANDUM**

**MARKS: 300**

**This memorandum consists of 44 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 memorandum 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 memorandum
  - comes from another source
  - original
  - a different approach is used

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

4. Take note of other relevant answers provided by candidates and allocate marks accordingly. (In cases where the answer is unclear or indicates some understanding, part-marks should be awarded, for example, one mark instead of the maximum of two marks.)
5. The word 'Sub-max' is used to facilitate the allocation of marks within a question or sub-question.
6. The purpose of circling marks (guided by 'max' in the breakdown of marks) on the right-hand side is to ensure consistency and accuracy in the marking of scripts as well as for calculation and moderation purposes.
7. Subtotals to questions must be written in the right-hand margin. Circle the subtotals as indicated by the allocation of marks. This must be guided by 'max' in the memo. 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. 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.
10. No additional credit must be given for repetition of facts. Indicate with a 'R'.
11. 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.)
12. The differentiation between 'evaluate' and 'critically evaluate' can be explained as follows:
- 12.1 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.'*
- 12.2 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: The above could apply to 'analyse' as well.**

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

Cognitive verbs, such as:

- 13.1 Advise, name, state, mention, 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.
- 13.2 Describe, explain, discuss, elaborate, 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 assessing is conducted according to established norms so that uniformity, consistency and fairness are achieved.

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 memorandum)
- Explanation        1 mark

The 'fact' and 'explanation' are given separately in the memorandum 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 memorandum.

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 | <b>Maximum:<br/>32</b> |
| Content      |                        |
| Conclusion   |                        |
| Insight      | <b>8</b>               |
| <b>TOTAL</b> | <b>40</b>              |

## 15.2 Insight consists of the following components:

|  |   |           |
|--|---|-----------|
| Layout/Structure                       | Is there an introduction, a body, and a conclusion?   | <b>2</b>  |
| 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?   | <b>2</b>  |
| Synthesis                              | Are there relevant decisions/facts/responses made based on the questions?<br>Marks to be allocated using this guide:<br>No relevant facts: 0 (Two '-S')<br>Some relevant facts: 1 (One '-S')<br>Only relevant facts: 2 (No '-S')<br><br>NB: 1. If there is no '-S' allocated, award the maximum of TWO (2) marks.<br>2. Where a candidate answers less than 50% of the question with relevant facts, no '-S' appears in the left margin, award a maximum of ONE (1) mark. | <b>2</b>  |
| Originality                            | Is there evidence of examples, recent information, current trends and developments?   | <b>2</b>  |
| <b>TOTAL FOR INSIGHT:</b>              |   | <b>8</b>  |
| <b>TOTAL MARKS FOR FACTS:</b>          |   | <b>32</b> |
| <b>TOTAL MARKS FOR ESSAY (8 + 32):</b> |   | <b>40</b> |

- 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.
  4. With effect from November 2017 a candidate will be awarded a maximum of **ONE (1)** mark for headings/subheadings 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.

| <b>CONTENT</b> | <b>MARKS</b>     |
|----------------|------------------|
| Facts          | <b>32 (max.)</b> |
| L              | <b>2</b>         |
| A              | <b>2</b>         |
| S              | <b>2</b>         |
| O              | <b>2</b>         |
| <b>TOTAL</b>   | <b>40</b>        |

- 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 memorandum.
- 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 memo, will not necessarily apply to each question. This would also depend on the nature of the question.

**SECTION A****QUESTION 1**

- 1.1      1.1.1 B√√  
           1.1.2 D√√  
           1.1.3 A√√  
           1.1.4 D√√  
           1.1.5 B√√  
           1.1.6 C√√  
           1.1.7 A√√  
           1.1.8 A√√  
           1.1.9 C√√  
           1.1.10 D√√ (10 x 2)      **(20)**
- 1.2      1.2.1 Consumer Protection Act√√  
           1.2.2 Managers√√  
           1.2.3 Retrenchment√√  
           1.2.4 Problem-solving√√  
           1.2.5 Piecemeal√√ (5 x 2)      **(10)**
- 1.3      1.3.1 E√√  
           1.3.2 J√√  
           1.3.3 F√√  
           1.3.4 I√√  
           1.3.5 H√√ (5 x 2)      **(10)**

**TOTAL SECTION A:      40****BREAKDOWN OF MARKS**

| <b>QUESTION 1</b> | <b>MARKS</b> |
|-------------------|--------------|
| <b>1.1</b>        | <b>20</b>    |
| <b>1.2</b>        | <b>10</b>    |
| <b>1.3</b>        | <b>10</b>    |
| <b>TOTAL</b>      | <b>40</b>    |

**SECTION B**

**Mark the FIRST THREE answers only.**

**QUESTION 2: BUSINESS ENVIRONMENTS**

**2.1 PESTLE analysis**

- Political✓
- Economical✓
- Social✓
- Technological✓
- Legal✓
- Environmental✓

**NOTE: Mark the first SIX (6) only.**

**(6 x 1) (6)**

**2.2 Business Environments and the extent of control**

| <b>BUSINESS ENVIRONMENT</b> | <b>EXTENT OF CONTROL</b>             |
|-----------------------------|--------------------------------------|
| Micro environment✓          | - Full control✓✓                     |
| Macro environment✓          | - No control✓✓                       |
| Market environment✓         | - Limited/Little control/influence✓✓ |
| Sub max (3)                 | Sub max (6)                          |

**NOTE: The extent of control must be linked to the business environment.**

**Max (9)**

**2.3 Learnerships**

- Theoretical/Practical training opportunities✓ that can lead to a recognised occupational qualification.✓
- Structured learning programme✓ completed during work hours for a specified period of time.✓
- Agreement✓ between a learner/trainee, employer and a training provider.✓
- May include employment for a specified period✓ after learnership is completed.✓
- Includes a training course with learning material✓ as well as practical work experience.✓
- Any other relevant answer related to the explanation of learnerships.

**Max (4)**

**2.4 Integration strategies**

**2.4.1 Backward integration/Backward✓✓**

**Motivation**

GSS merged with Clear Beverages/a supplier of soft drink.✓

**NOTE: Do not award marks for motivation without the correct identification of the integration strategy.**

Identification (2)

Motivation (1)

**Max (3)**

**2.4.2 Other types of integration strategies**

- Forward integration✓
- Horizontal integration✓

**(2)**



**2.4.3 Reasons why businesses use integration strategies**

- Businesses use integration strategies when they want to expand their scope of operations.√√
- Distribution channels of products are shortened/middleman is eliminated, therefore supply/distribution challenges are managed more effectively/Gain more control over the distribution channel.√√
- Gain direct distribution by obtaining franchise/mergers/Take control of other businesses which produce/sell similar products/services.√√
- Access new markets.√√
- New/Different products can be offered.√√
- Creates an opportunity for synergy, e.g. two businesses achieve more when combining resources.√√
- Reduce operating costs.√√
- Less competition, as similar businesses in the market were taken over/eliminated.√√
- Ensure reliable flow of raw materials/finished goods at competitive prices.√√
- Any other relevant answer related to reasons why businesses may use integration strategies.

**NOTE: Mark the first THREE (3) only.****(3 x 2) (6)****2.5 National Credit Act****2.5.1 Non-compliance by QCF**

- QCF makes loans available to anyone who needs cash at short notice.√
- QCF encourages people to apply for loans regardless of their financial status.√
- QCF uses misleading and deceptive methods to attract potential clients.√

**NOTE: 1. Only allocate marks for responses relating to non-compliance with the NCA.****2. Responses must be quoted from the scenario.****(2 x 1) (2)****2.5.2 Ways in which QCF can comply with the National Credit Act (NCA)**

- QCF should register with the National Credit Regulator.√√
- Submit an annual compliance report to the National Credit Regulator.√√
- Obtain credit records/checks of clients before granting loans.√√
- Conduct credit affordability assessments to ensure that clients are able to meet their obligations on time.√√
- Offer applicants pre-agreement statements.√√
- Disclose all costs of a loan/No hidden costs should be charged/added.√√
- Any other relevant answer related to ways in which QCF can comply with NCA.

**Max (8)****2.6 Impact of BBBEE on businesses****Positives/Advantages**

- Previously disadvantaged workers will be skilled√ because businesses are compelled to send them for skills training.√
- Compliance with BBBEE regarding the pillars√ will be rated high on the BEE score card/may get government tenders.√
- Encourages businesses to address the demands for redress√ and equity directly.√

- Provides a variety of business codes√ to improve employment equity.√
- Provides opportunities for/Empowers previously disadvantaged employees/employers√ through uplifting socio-economic programmes.√
- Provides for human resources development√ through training.√
- Promotes enterprise development√, by developing entrepreneurial skills of designated people/supporting them to start their own businesses.√
- Businesses will have a good overview on how it is performing√ with regard to BBBEE requirements.√
- A good BEE rating√ will improve the image of the business.√
- By focusing on BBBEE, the business will show commitment√ towards social/educational/economic development in the community/country.√
- Once rated, the business will understand how to develop strategies√ that will increase its BEE ratings on an annual basis.√
- Fronting is discouraged√, as it may lead to the disqualification of a business's entire score card/BEE status.√
- Share prices of BBBEE compliant businesses are likely to increase√ as they attract more business.√
- Businesses that support Small, Micro, Medium Enterprises (SMMEs)√, may increase their own BEE ratings.√
- Complying with BBBEE requirements gives businesses experience/exposure√ to be able to provide better employment opportunities/staff development.√
- Any other relevant answer related to the positive impact of BBBEE on businesses.

#### AND/OR

#### Negatives/Disadvantages

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

**Max (10)**

**2.7 Effectiveness of the Employment Equity Act (EEA) on businesses**

- Promotes equal opportunity√ and fair treatment in the workplace.√
- Ensures the implementation of affirmative action measures√ to redress the imbalances in employment.√
- Encourages diversity in business √ by employing people from various racial/cultural/religious backgrounds.√
- Provides all employees with an equal opportunity√ to be selected/appointed/promoted in a position.√
- Prevents unfair discrimination against employees√ in any employment policy/practice on one/more grounds, including race/gender/disability/language√, etc.
- Creates a framework of acceptable employment practices√ and affirmative action measures.√
- Provides employees with legal recourse√ if they believe they have been unfairly discriminated against.√
- Encourages consultation√ between employer and employees.√
- Compels businesses to develop/implement√ an employment equity plan.√
- Any other relevant answer related to the effectiveness of EEA on businesses.

**Max (10)**  
**[60]**

**BREAKDOWN OF MARKS**

| <b>QUESTION 2</b> | <b>MARKS</b> |
|-------------------|--------------|
| <b>2.1</b>        | <b>6</b>     |
| <b>2.2</b>        | <b>9</b>     |
| <b>2.3</b>        | <b>4</b>     |
| <b>2.4.1</b>      | <b>3</b>     |
| <b>2.4.2</b>      | <b>2</b>     |
| <b>2.4.3</b>      | <b>6</b>     |
| <b>2.5.1</b>      | <b>2</b>     |
| <b>2.5.2</b>      | <b>8</b>     |
| <b>2.6</b>        | <b>10</b>    |
| <b>2.7</b>        | <b>10</b>    |
| <b>TOTAL</b>      | <b>60</b>    |

**QUESTION 3: BUSINESS VENTURES****3.1 Responding to questions at the end of a presentation**

- Ensure that you understand each question/what is being asked.√√
- Comment/Rephrase questions if uncertain, before responding.√√
- Listen carefully to each question/Think carefully before responding.√√
- Address questions and not the person.√√
- Acknowledge good questions.√√
- Remain professional/polite/calm/open/non-aggressive.√√
- Do not get involved in a debate/argument.√√
- Do not allow one member of the audience to dominate the discussion/session and ask all the questions.√√
- Avoid answering difficult questions when the answer is not known.√√
- Apologise for an error and promise to provide everyone with the correct details.√√
- Address the whole audience and not only the person asking the question.√√
- Promise to follow up on answers you do not know/unsure about.√√
- Any other relevant answer related to factors to be considered when responding to questions at the end of a presentation.

**NOTE: Mark the first FOUR (4) only.****Max (8)****3.2 Types of shares**

3.2.1 Bonus shares√√

3.2.2 Preference shares√√

3.2.3 Founder shares√√

3.2.4 Ordinary shares√√

**Max (8)****3.3 Functions of JSE**

- Gives opportunities to financial institutions such as insurance companies to invest their funds in shares.√√
- Serves as a barometer/indicator of economic conditions in South Africa.√√
- Keeps investors informed on share prices by publishing the share prices daily.√√
- Acts as a link between investors and public companies.√√
- Shares are valued and assessed by experts.√√
- Small investors are invited to take part in the economy of the country through the buying/selling of shares.√√
- Venture capital market is made available on the open market.√√
- Orderly market for securities/serves as a disciplined market for securities.√√
- Encourages new investments.√√
- Mobilises the funds of insurance companies and other institutions.√√
- Raises primary capital.√√
- Regulates the market for dealing with shares.√√
- Plans, researches and advises on investment possibilities.√√
- Ensures that the market operates in a transparent manner.√√
- Provides protection for investors.√√
- Encourages short-term investment.√√
- Facilitates electronic trading of shares/STRATE.√√
- Any other relevant answer related to the functions of the Johannesburg Securities Exchange (JSE).

**Max (8)**

**3.4 Importance of investing in fixed deposits**

- Interest is earned at a fixed rate√ regardless of changes in the economic climate.√
- The period of investment√ can be over a short/medium/long term.√
- Ensures financial discipline√ as investors cannot withdraw their funds before the maturity date.√
- Investors can choose√ the investment period that suits them.√
- Investors earn a better return on investment√ than on an ordinary savings account.√
- Principal amount plus interest earned√ is paid out on the maturity date.√
- It has a low risk√ as investors are guaranteed of the final payment.√
- The higher the principal amount/The longer the investment period√, the higher the interest rate offered by a financial institution.√
- Any other relevant answer related to the importance of investing in fixed deposits.

**Max (3)**

**3.5 Differences between simple and compound interest**

| <b>Compound interest</b>   | <b>Simple interest</b>  |
|--|---|
| - Interest earned on original amount invested√, as well as interest earned in previous period(s).√ | - Interest earned on the original amount√ and not on the interest accrued.√                                     |
| - The principal amount grows√ with the addition of interest to it.√                                | - The principal amount remains the same√ as interest is not re-invested/ added.√                                |
| - Interest is calculated on the higher principal amount√ and again added to it.√                   | - The interest is calculated on the original/ principal amount√ and added at the end of the investment period.√ |
| - Yields high√ return on investment.√/ Total interest earned on investment√ is high.√              | - Yields lower√ return on investment.√/ Total interest earned on investment√ is lower.√                         |
| - 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/differences listed in an organised way.

2. The differences must be clearly linked.

3. Award a maximum of FOUR (4) marks if the differences are not clear/Mark either compound or simple interest only. **Max (8)**

**3.6 Leadership styles**

**3.6.1 Democratic√√**

**NOTE:** Accept Participative/Consultative leadership style.

**Motivation:**

- Ms Green regularly requests her employees to contribute ideas on how to improve business profits/Employees are involved in decision making.√

**NOTE:** Do not award marks for motivation without the correct identification of the leadership style.

Identification (2)

Motivation (1)

**Max (3)**

### 3.6.2 Impact of democratic leadership style on Baloyi Traders/business Positives/Advantages

- Ms Green allows her employees to participate in the decision-making process√, so they feel empowered/positive.√
- Staff gives a variety of ideas/inputs/feedback/viewpoints√ that can lead to innovation/improved production methods/increased sales.√
- Clear/Two way communication√ ensures group commitment to final decision(s).√
- Authority is delegated√ which can motivate/inspire workers to be more productive.√
- Complex decisions can be made√ with inputs from specialists/skilled workers.√
- Any other relevant answer related to a positive impact of the democratic leadership style on Baloyi Traders/business.

#### AND/OR

### Negatives/Disadvantages

- Incorrect decisions may be made√ if staff is inexperienced/not fully informed.√
- Decision making may be time consuming√ as all stakeholders have to be consulted.√
- Employees may feel discouraged√ if their opinions/inputs are not considered.√
- Ms Green may rely too much on the inputs of her followers√ and fail to make a final decision.√
- Not effective in times of crisis√ when quick decisions need to be made.√
- Some employees only pretend to participate in decision making√ and their feedback may not always be accurate.√
- Any other relevant answer related to a negative impact of the democratic leadership style on Baloyi Traders/business.

**NOTE:** 1. Accept relevant facts, if the democratic leadership style was incorrectly identified as answer in QUESTION 3.6.1  
2. Accept Participative/Consultative leadership style.

**Max (8)**

### 3.6.3 Benefits of the 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 Ms Green to accomplish her goals.√√
- Relationships between leaders and employees are based on mutual trust/respect/ loyalty/integrity/honesty.√√
- She may 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.√√
- Any other relevant answer related to benefits of using the situational leadership theory.

**Max (6)**

**3.7 Success and/or failure of non-profit companies (NPC)**

|                      | <b>SUCCESS FACTORS</b>  | <b>AND/OR</b> | <b>FAILURE FACTORS</b>  |
|----------------------|---|---------------|---|
| <b>3.7.1 Capital</b> | - Unlimited number of founders√<br>may contribute more capital to the company. √            |               | - Founders may contribute limited capital/may not contribute capital√<br>which may not be sufficient for the establishment/operation of the company.√ |
|                      | - More capital may be raised√<br>through donations/sponsorships for operation/expansion.√   |               | - The company depends/relies on donations as their main source of capital√<br>which may hamper its operation/expansion.√                              |
|                      | - It is easy to raise funds/capital√,<br>as donors enjoy tax benefits.√                     |               | - NPC may struggle to raise enough capital/funds√<br>if they fail to convince donors/donations are misused.√  |
|                      | - Any other relevant answer related to the contribution of capital to the success of a NPC. |               | - Any other relevant answer related to the contribution of capital to the failure of a NPC.   |

**Max (4)**

|                         | <b>SUCCESS FACTORS</b>   | <b>AND/OR</b> | <b>FAILURE FACTORS</b>   |
|-------------------------|--|---------------|--|
| <b>3.7.2 Management</b> | - A NPC may be well managed√<br>as it requires a minimum of three directors.√                        |               | - Large management structure√<br>can complicate/delay decisions.√                                |
|                         | - More directors may be appointed to bring more skills/ideas/<br>innovations/expertise√ to the NPC.√ |               | - Directors may mismanage business funds√<br>as they may not have a direct interest in the NPC.√ |
|                         | The legally prescribed management structure√<br>ensures a well-organised company.√                   |               | Directors are liable√<br>for any loss/damage/cost sustained by the company.√                     |
|                         | - Any other relevant answer related to the contribution of management to the success of a NPC.       |               | - Any other relevant answer related to the contribution of management to the failure of a NPC.   |

**Max (4)****NOTE: The answer does not have to be in tabular format.****[60]****BREAKDOWN OF MARKS**

| <b>QUESTION 3</b> | <b>MARKS</b> |
|-------------------|--------------|
| <b>3.1</b>        | <b>8</b>     |
| <b>3.2</b>        | <b>8</b>     |
| <b>3.3</b>        | <b>8</b>     |
| <b>3.4</b>        | <b>3</b>     |
| <b>3.5</b>        | <b>8</b>     |
| <b>3.6.1</b>      | <b>3</b>     |
| <b>3.6.2</b>      | <b>8</b>     |
| <b>3.6.3</b>      | <b>6</b>     |
| <b>3.7.1</b>      | <b>4</b>     |
| <b>3.7.2</b>      | <b>4</b>     |
| <b>TOTAL</b>      | <b>60</b>    |

**QUESTION 4: BUSINESS ROLES****4.1 Economic rights of employees in the workplace**

- Freedom from forced labour.√
- Freedom to choose/accept work.√
- Fair wages/Equal pay.√
- Reasonable/Legal limitation of working hours.√
- Safe and healthy working conditions.√
- Right to join/form a trade union.√
- Right to participate in a legal strike.√
- Right to training/improvement of skills for career advancement.√
- Any other relevant answer related to the economic rights of employees in the workplace.

**NOTE: Mark the first FIVE (5) only.****(5 x 1) (5)****4.2 Handling conflict in the workplace**

- Acknowledge√ that there is conflict in the workplace.√
- Identify the cause√ of the conflict√/Evaluate√ the situation objectively.√
- Make intentions for intervention clear√, so that parties involved may feel at ease.√
- Arrange a meeting√ between the conflicting parties and management.√
- Blame shifting should be avoided√ and joint team solutions must be found.√
- Devise/Suggest strategies√ to solve the conflict.√
- Parties must agree√ on the best solution.√
- Direct conflicting parties√ towards finding/focusing on solutions.√
- Select the appropriate solution√ and implement it.√
- Expertise on handling conflict√ may be sourced from outside the business.√
- Any other relevant answer related to how businesses should handle conflict in the workplace.

**NOTE: If problem-solving steps do not demonstrate the handling of conflict (explanation), award a maximum of 4 marks. Max (8)****4.3 Unethical or unprofessional business practices**

4.3.1 Pricing of goods in the rural areas.√√

4.3.2 Unauthorised use of funds.√√

4.3.3 Abuse/Misuse of work time.√√

**Max (6)****4.4 Application of the brainstorming technique**

- State/Define the business problem clearly√, so that all participants/stake-holders understand the problem.√
- Members state possible causes√ of the business problems.√
- Set a time limit√ for each brainstorming session.√
- Record/Write ideas down√, where all participants can see it.√/Ideas may also be shared online√ during an e-brainstorming session.√
- Use each suggestion√, to inspire new thoughts/ideas.√
- Do not judge/criticise/discuss the ideas√, so that many ideas could be generated as quickly as possible.√



- All members of the group√ randomly make suggestions.√
- The group rates ideas√ according to its usefulness/success/difficulty/cost to implement.√
- The group evaluates all ideas√, and combines similar ones/draw up a refined list.√
- Discuss a plan of action√ on how to implement the best ideas.√
- Any other relevant answer related to the application of the brainstorming technique to solve business problems.

**NOTE: 1. Do not allocate marks for advantages and disadvantages.**

**2. Steps could be in any order.**

**Max (8)**

#### 4.5 Criteria for assessing team performance

##### 4.5.1 Interpersonal attitude and behaviour

- Members have a positive attitude of support√ towards each other.√
- Good/Sound interpersonal relationships√ will ensure job satisfaction/increase productivity of the team.√
- Members are committed/passionate√ towards achieving a common goal/objectives.√
- Team leader acknowledges/gives credit to members√ for positive contributions.√
- Team members must respect each other's√ skills and knowledge.√
- Any other relevant answer related to interpersonal attitudes and behaviour as criteria for assessing team performance.

**Max (2)**

##### 4.5.2 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 for effective solutions to 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 criteria for assessing team performance.

**Max (2)**

#### 4.6 Importance of team dynamic theories

- Team dynamic theories explain√ how effective teams work/operate.√
- Businesses are able to allocate tasks√ according to the roles of team members.√
- Team members can maximise performance√ as tasks are allocated according to their abilities/skills/attributes/personalities.√
- Team members with similar strengths√ may compete for team tasks/responsibilities that best suit their abilities/competencies.√
- Theories assist team leaders to understand the personality types of team members√ so that tasks are assigned more effectively.√
- Conflict may be minimised√ when team members perform different roles.√
- Any other relevant answer related to the importance of team dynamic theories in improving team performance.

**Max (4)**

**4.7 Benefits of diversity in the workplace**

- Workforce diversity improves the ability of a business√ to solve problems/innovate/cultivate diverse markets.√
- Employees value each other's diversity√ and learn to connect/communicate across lines of difference.√
- Diversity in the workforce√ improves morale/motivation.√
- Employees demonstrate greater loyalty to the business√ because they feel respected/accepted/understood.√
- 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.√
- 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/improved ways of getting things done.√
- Employees represent various groups√ and are therefore better able to recognise customer needs and 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 (8)**

**4.8 Professional, responsible and ethical business practice**

| <b>BUSINESS PRACTICE</b>   | <b>QUOTE FROM SCENARIO</b>   |
|--|--|
| - Regular payment of value-added tax (VAT).√√                          | - The financial manager ensures that VAT is paid over to SARS on time.√                  |
| - Payment of fair wages.√√   | Employees are paid according to the amount of effort and time spent at work.√            |
| - Not starting/operating a business at the expense of some-one else.√√ | - ND does not use identical ideas from their competitors to benefit their own business.√ |
| Sub max (6)  | Sub max (3)  |

- NOTE:**
1. Only allocate marks for responses that are quoted from the scenario
  2. The business practice must be linked to the quote from the scenario.
  3. Do not allocate marks if quotes are mentioned only.

**Max (9)**

**4.9 Ways to promote creative thinking in the workplace**

- 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, e.g. regular workshops/generate more ideas/build on one another's ideas.√√
- Place suggestion boxes around the workplace and keep communication channels open for new ideas.√√
- Train staff in innovative techniques/creative problem-solving skills/mind-mapping/ lateral thinking.√√
- Encourage job swaps within the organisation/studying 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.√√
- Reward creativity by introducing reward schemes for teams/individuals who come up with creative ideas.√√
- Provide a working environment that is free from distractions.√√
- Any other relevant recommendations related to ways in which businesses can promote creative thinking in the workplace.

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

**Max (8)  
[60]**

**BREAKDOWN OF MARKS**

| <b>QUESTION 4</b> | <b>MARKS</b> |
|-------------------|--------------|
| <b>4.1</b>        | <b>5</b>     |
| <b>4.2</b>        | <b>8</b>     |
| <b>4.3</b>        | <b>6</b>     |
| <b>4.4</b>        | <b>8</b>     |
| <b>4.5.1</b>      | <b>2</b>     |
| <b>4.5.2</b>      | <b>2</b>     |
| <b>4.6</b>        | <b>4</b>     |
| <b>4.7</b>        | <b>8</b>     |
| <b>4.8</b>        | <b>9</b>     |
| <b>4.9</b>        | <b>8</b>     |
| <b>TOTAL</b>      | <b>60</b>    |

**QUESTION 5: BUSINESS OPERATIONS****5.1 Methods of external recruitment**

- Printed media, e.g. newspapers/flyers✓
- Electronic media, e.g. radio/TV✓
- Social media/Social networks/Internet/Business websites✓
- Recruitment agencies✓
- Walk-ins✓
- Head hunting✓
- Professional associations✓
- Networking✓
- Educational/Training institutions✓
- Posters/Bill boards just outside the business✓
- Any other relevant answer related to the methods of external recruitment.

**NOTE: 1. Mark the first FIVE (5) only.**

**2. Allocate a maximum of ONE (1) mark for examples on each method**

**(5 x 1) (5)**

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

- Safety regulations and rules.✓✓
- Overview of the business.✓✓
- Information about business products/services.✓✓
- Tour of the premises.✓✓
- Introduction to management and close colleagues.✓✓
- Conditions of employment, e.g. working hours/leave application process/disciplinary procedures✓✓, etc.
- Administration details, e.g. systems/processes/logistics.✓✓
- Meeting with senior management who will explain the company's vision/values/and job description/daily tasks.✓✓
- Discussion of the employment contract and conditions of service.✓✓
- Discussions on staff policies, e.g. making private calls/using the internet✓✓, etc.
- Discussion on employees' benefits.✓✓
- Information on CSR/CSI programmes.✓✓
- Any other relevant answer related to aspects that should be included in an induction programme.

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

**(3 x 2) (6)**

5.3.1 **Employment contract**

| <b>CHALLENGES</b>   | <b>RECOMMENDATION</b>  |
|---|--|
| - It only bears Mr Du Preez's signature/is signed by Mr Du Preez only.√<br>Sub max (1)                | - Both TF (employer) and Mr. Du Preez must sign the employment contract.√√<br>Sub max (2)  |
| - Mr Du Preez is expected to work twelve hours overtime per week.√<br>Sub max (1)                     | - TF/The employer and Mr. Du Preez/the employee must both be satisfied with the provisions included in the employment contract.√√  |
|   | - Employees can work overtime for a maximum period as per legislation and agreed upon/ten hours per week.√√                        |
|   | - Overtime must be a mutual agreement between the employer and employee.√√<br>Sub max (2)  |
| Mr Du Preez is expected to perform other duties which are not listed in his contract.√<br>Sub max (1) | - The contract should clearly set out the conditions of employment/duties/responsibilities of the employees.√√                     |
|   | - Specific details of the job should be clearly explained/stipulated in the contract.√√<br>Sub max (2)                             |
| Sub max (3)   | - Any other relevant recommendation for improvement on the challenges related to Mr Du Preez's employment contract.<br>Sub max (6) |

- NOTE:**
1. The answer does not have to be in tabular format.
  2. The recommendations must be linked to the scenario/challenges.
  3. Do not award marks for recommendations that are changed into positives unless it is linked to the legal requirements.

Challenges (3)  
Recommendation (6)  
**Max (9)**

**5.3.2 Other legal requirements of the employment contract**

- The employment contract is a legally binding document even though certain aspects of the contract are negotiable.√√
- Neither Mr Du Preez/employee nor TF/employer may unilaterally change aspects of the employment contract.√√
- TF/Employer must explain the terms and conditions of the employment contract to Mr Du Preez/employee, if deemed necessary.√√
- Employers must allow employees to read through the conditions of service and code of conduct before they sign the contract.√√
- Mr Du Preez may also consult legal experts to help him understand the terms and conditions of the contract.√√
- Both parties involved must have contractual capacity.√√
- It should include a code of conduct and/or a code of ethics for employees.√√
- Specific details of the remuneration package should be clearly explained to employees/stipulated in the contract.√√
- It must stipulate what employees would receive in terms of benefits and labour legislation.√√
- All business policies/procedures/disciplinary codes should form part of the employment contract.√√
- Any other relevant answer related to other legal requirements of the employment contract.

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

**2. Do not award marks for legal requirements that are stated in QUESTION 5.3.1. (2 x 2) (4)**

**5.4 Selection procedure**

- Determine fair assessment criteria√ on which selection will be based.√
- Applicants must submit the application forms/curriculum vitae√ and certified copies of personal documents/IDs/proof of qualifications√, etc.
- Sort the received documents/CVs√ according to the assessment/selection criteria.√
- Screen/Determine which applications meet the minimum job requirements√ and separate these from the rest.√
- Preliminary interviews are conducted√ if many suitable applications were received.√
- Reference checks should be made to verify the contents of CV's√, e.g. contact previous employers to check work experience.√
- Compile a shortlist√ of potential candidate's identified.√
- Shortlisted candidates may be subjected to various types of selection tests√ e.g. skills tests√, etc.
- Invite shortlisted candidates√ for an interview.√
- A written offer is made√ to the selected candidate.√
- Inform unsuccessful applicants√ about the outcome of their application.√/Some adverts indicate the deadline√ for informing only successful candidates.√
- Any other relevant answer related to the selection procedure.

**NOTE: Procedure may be in any order.**

**Max (8)**

**5.5 TQM elements**

- 5.5.1 Total client/customer satisfaction√√
- 5.5.2 Continuous skills development/Education and training√√
- 5.5.3 Continuous improvement to processes and systems√√
- 5.5.4 Involvement of all employees/People based management√√
- 5.5.5 Adequate financing and capacity√√

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

**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 ways in which business can reduce the cost of quality through TQM.

**Max (6)**

**5.7 Distinction between quality performance and quality management**

| <b>QUALITY PERFORMANCE</b>   | <b>QUALITY MANAGEMENT</b>   |
|--|---|
| - 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 (2)  | Sub max (2)   |

**NOTE:** 1. The answer does not have to be in tabular format.  
2. The distinction must be clear.

**Max (4)**

**5.8 Business functions**

**5.8.1 Quality indicators of the marketing function**

- Acquire a greater market share through good customer service.√√
- Win customers loyalty by satisfying their needs and wants/building positive relationships.√√
- Adhere to ethical advertising practices when promoting products and services.√√
- Identify competitive edge and conduct regular market research.√√
- Differentiate products to increase the target market/profitability.√√
- Constantly review value issues.√√
- Communicate effectively with customers to get their feedback about their experiences of the products and services sold.√√

- Ensure that the production and advertising strategies are aligned.√√
- Use pricing techniques to ensure a competitive advantage.√√
- Measure the gaps between customer expectations and their actual experiences so that problems regarding quality of products can be diagnosed and addressed.√√
- Make adjustments and changes to products and services based on feedback received from customers.√√
- Use aggressive advertising campaigns to sustain the market share.√√
- Any other relevant answer related to quality indicators of the marketing function.

**NOTE: Mark the first TWO (2) only. (2 x 2) (4)**

#### 5.8.2 Quality indicators 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/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 quality indicators of the administration function.

**NOTE: Mark the first TWO (2) only. (2 x 2) (4)**

**[60]**

#### BREAKDOWN OF MARKS

| QUESTION 5   | MARKS     |
|--------------|-----------|
| 5.1          | 5         |
| 5.2          | 6         |
| 5.3.1        | 9         |
| 5.3.2        | 4         |
| 5.4          | 8         |
| 5.5          | 10        |
| 5.6          | 6         |
| 5.7          | 4         |
| 5.8.1        | 4         |
| 5.8.2        | 4         |
| <b>TOTAL</b> | <b>60</b> |



**QUESTION 6: MISCELLANEOUS TOPICS**

**BUSINESS ENVIRONMENT**

**6.1 Swot analysis and business strategies**

**6.1.1 Swot analysis**

| <b>STRENGTH</b>  | <b>WEAKNESS</b>   |
|--|---|
| <ul style="list-style-type: none"> <li>- DDS employs qualified sound engineers.√</li> <li>- DDS specialises in selling radios and car sound systems.√</li> </ul> <p style="text-align: right;">Sub max (1)</p> | <ul style="list-style-type: none"> <li>- DDS does not have sufficient capital/cannot buy and sell sound systems that cater for large functions.√</li> </ul> <p style="text-align: right;">Sub max (1)</p> |
| <b>OPPORTUNITY</b>   | <b>THREAT</b>   |
| <ul style="list-style-type: none"> <li>- Businesses in the same industry are closing down due to ineffective marketing campaigns.√</li> </ul> <p style="text-align: right;">Sub max (1)</p>                    | <ul style="list-style-type: none"> <li>- Operates in a high crime area.√</li> </ul> <p style="text-align: right;">Sub max (1)</p>   |

**Max (4)**

**6.1.2 Strategies to handle the weakness and threat**

| <b>WEAKNESS</b>   | <b>STRATEGY</b>  |
|---|--|
| <ul style="list-style-type: none"> <li>- DDS does not have sufficient capital/cannot buy sound systems that cater for large functions.</li> </ul> | <ul style="list-style-type: none"> <li>- DDS should negotiate with a supplier for better prices/Buy sound systems on credit.√√</li> </ul>        |
|   | <ul style="list-style-type: none"> <li>- Lease big sound systems from suppliers and hire to customers when needed.√√</li> </ul>                  |
|   | <ul style="list-style-type: none"> <li>- Apply for a loan to increase the capital of the business.√√</li> </ul>                                  |
|   | <ul style="list-style-type: none"> <li>- Increase shareholders/Change form of ownership to raise more capital.√√</li> </ul>                      |
|   | <ul style="list-style-type: none"> <li>- Any other relevant strategy on how DDS can address the weakness/capital/sound system issues.</li> </ul> |
|   | Sub max (2)  |

| THREATS  | STRATEGY   |
|--|--|
| <ul style="list-style-type: none"> <li>- Operates in a high crime area.</li> </ul> | <ul style="list-style-type: none"> <li>- DDS should install security systems/hire more security to safeguard the business.√√</li> </ul>                        |
|  | <ul style="list-style-type: none"> <li>- Engage in CSR/CSI programmes that are aimed at reducing crime in the community.√√</li> </ul>                          |
|  | <ul style="list-style-type: none"> <li>- Provide employment opportunities for local people/the community.√√</li> </ul>   |
|  | <ul style="list-style-type: none"> <li>- Relocate the business to other areas where the crime rate is minimal.√√</li> </ul>                                    |
|  | <ul style="list-style-type: none"> <li>- Work together with the Community Policing Forums (CPF).√√</li> </ul>  |
|  | <ul style="list-style-type: none"> <li>- Any other relevant strategy on how DDS may address the threat of the high crime area in which it operates.</li> </ul> |
| Sub max (2)  |  |

- NOTE:**
1. Do not award marks for strategies that are not linked to the identified threat or weakness in QUESTION 6.1.1.
  2. Mark the **FIRST** strategy for each weakness and threat.
  3. Do not award marks for the weakness/threat. **Max (4)**

**6.2 Advantages of COIDA**

- Promotes safety√ in the workplace.√
- Creates a framework√ for acceptable employment practices/safety regulations.√
- Supply administrative guidelines/mechanisms√ for dealing with/processing claims.√
- Eliminates time and costs spent√ on lengthy civil court proceedings.√
- Employers are protected from financial burden should an accident occur in the workplace√ provided that the employer was not negligent.√
- Claiming processes√ are relatively simple.√
- Makes businesses more socially responsible√ as they cannot just employ workers at random in dangerous working conditions.√
- Workers are treated with dignity and respect√ as businesses view them as valuable assets and not just as workers.√
- Covers all employees at the workplace√ if both parties meet all the necessary safety provisions in the Act.√
- Employees do not contribute√ towards this fund.√
- Employees are compensated financially for any injury/disability√ resulting from performing their duties at their workplace.√
- In the event of the death of an employee as a result of a work-related accident/disease√, his/her dependent(s) will receive financial support.√
- Employees receive medical assistance√ provided there is no other medical assistance option.√/Cannot claim medical assistance from the fund√ and medical aid.√
- Any compensation to an employee/the family√ is exempt from income tax.√
- Any other relevant answer related to the advantages of COIDA. **Max (6)**

**BUSINESS VENTURES****6.3 Examples of non-verbal presentation methods**

- Tables✓
- Graphs/bar graph/line graph/histogram/pie graph✓
- Diagrams✓
- Illustrations/Pictures/Photographs/Scenarios✓
- Written/Business reports✓
- Flip charts✓
- Handouts✓
- Slide shows
- ✓
- Any other relevant examples of non-verbal presentation methods.

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

**(2 x 1) (2)**

**6.4 Investment in shares****Return on investment (ROI)**

- ROI/Pay out/Declaration of dividends✓ depends on the decision of directors.✓
- Dividends are paid in cash✓ or in the form of additional/bonus shares.✓
- Investors have to pay tax✓ on dividends earned.✓
- Higher dividends paid out by some companies✓ attract more potential investors.✓
- Holders of ordinary shares✓ may receive higher dividends when the company performs well.✓
- Any other relevant answer related to how the return on investment may influence the decision to invest in shares.

Sub max (2)

**Risk**

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

Sub max (2)

**Max (4)**

**6.5 Comparison between a partnership and personal liability company (PLC)**

| <b>CRITERIA</b>         | <b>PARTNERSHIPS</b>   | <b>PERSONAL LIABILITY COMPANY</b>   |
|-------------------------|---|---|
| <b>6.5.1 Continuity</b> | - If one partner dies or retires√, the remaining partners need to draw up a new agreement/<br>no continuity.√ | - If one shareholder dies/<br>retires√, the company will still continue to exist/<br>continuity.√ |
|                         | - Any other relevant comparison between a partnership and personal liability company in terms of continuity.  |   |

**Max (4)**

|                       |  |  |
|-----------------------|--|--|
| <b>6.5.2 Taxation</b> | - Partners pay tax√ in their personal capacity.√   | - Companies and shareholders√ are taxed separately/double taxation.√ |
|                       | Any other relevant comparison between a partnership and personal liability company in terms of taxation. |  |

**Max (4)**

- NOTE:**
- 1. The comparison must be clearly linked.**
  - 2. Award a maximum of FOUR (4) marks, if the comparison is not clear.**

**BUSINESS ROLES**

**6.6 Problem-solving steps**

- Identify the problem.√
- Define the problem.√
- Identify alternative solutions.√
- Evaluate alternative solutions.√
- Choose the best solution.√
- Formulate/Develop an action plan/strategy.√
- Implement the action plan/strategy.√
- Evaluate the action plan/strategy/final solution.√
- Any other relevant answer related to the problem-solving steps.

- NOTE:**
- 1. Mark the first FOUR (4) only.**
  - 2. Steps can be in any order.**
  - 3. Award marks when different approaches in problem-solving are used, e.g. 3 or 4 steps, etc.**
- (4 x 1) (4)**

**6.7 King Code principles**

- 6.7.1 Transparency√√ **(2)**
- 6.7.2 Accountability√√ **(2)**

**6.8 Grievance procedure**

- An aggrieved employee/Mr Nel must verbally report the incident/grievance 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.

**NOTE: The procedure may be in any order.**

**Max (8)**

**BUSINESS OPERATIONS****6.9 Fringe benefits****6.9.1 Examples of fringe benefits**

- Free accommodation✓
- Medical aid✓

**NOTE: Only allocate marks for examples that are quoted from the scenario.**

**(2 x 1) (2)**

**6.9.2 Benefits/Advantages of fringe benefits for CB/businesses**

- Attractive fringe benefit packages✓ may result in higher employee retention/ reduces employee turnover.✓
- Attracts qualified/skilled/experienced employees✓ who may positively contribute towards CB/business goals/objectives.✓
- It increases employee satisfaction/loyalty✓ as they may be willing to go the extra mile/do more than what is required.✓
- Improves productivity✓ resulting in higher profitability.✓
- Any other relevant answer related to the benefits/advantages of fringe benefits to CB/businesses.

**Max (6)**

**6.10 Negative impact of poorly implemented TQM**

- Setting unrealistic deadlines√ that may not be achieved.√
- Employees may not be adequately trained√ resulting in poor quality products.√
- Decline in productivity√, because of work stoppages.√
- 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 goods.√
- Investors might withdraw their investment√, if there is a decline in profits.√
- Bad publicity√ due to poor quality products supplied.√
- Decline in sales√, as returns from unhappy customers' increase.√
- Loss of customers√ may lead to bankruptcy/business closure.√
- High staff turnover√, because of poor skills development.√
- Undocumented quality control systems/processes√ could result in error or deviations from pre-set quality standards.√
- Any other relevant answer related to the negative impact resulting from poorly implemented TQM.

**Max (8)**  
**[60]**

**BREAKDOWN OF MARKS**

| <b>QUESTION 6</b> | <b>MARKS</b> |
|-------------------|--------------|
| <b>6.1.1</b>      | <b>4</b>     |
| <b>6.1.2</b>      | <b>4</b>     |
| <b>6.2</b>        | <b>6</b>     |
| <b>6.3</b>        | <b>2</b>     |
| <b>6.4</b>        | <b>4</b>     |
| <b>6.5.1</b>      | <b>4</b>     |
| <b>6.5.2</b>      | <b>4</b>     |
| <b>6.6</b>        | <b>4</b>     |
| <b>6.7.1</b>      | <b>2</b>     |
| <b>6.7.2</b>      | <b>2</b>     |
| <b>6.8</b>        | <b>8</b>     |
| <b>6.9.1</b>      | <b>2</b>     |
| <b>6.9.2</b>      | <b>6</b>     |
| <b>6.10</b>       | <b>8</b>     |
| <b>TOTAL</b>      | <b>60</b>    |

**TOTAL SECTION B: 180**

**SECTION C**

Mark the first TWO (2) questions only.

**QUESTION 7: BUSINESS ENVIRONMENTS (LEGISLATION)****7.1 Introduction**

- The Labour Relations Act regulates the relationship between employees and their trade unions/employers and their organisation.√
- 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 negotiation/ strikes.√
- Labour relations usually involves three parties namely the employer, the employee and the government.√
- Any other relevant introduction related to LRA.

**Max (2)****7.2 The rights of employees and employers****7.2.1 Rights of employers**

- Employers have the right to lockout employees who engage in unprotected/illegal strike/labour action.√√
- 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.✓
- Protect employers who embark on lawful lockouts✓ 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 form trade unions/participate in union activities/legal strikes.√√
- Allow/Support the establishment of workplace forums.√√
- Employees should not be unfairly/illegally dismissed.√√
- 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]**

**QUESTION 7: BREAKDOWN OF MARK ALLOCATION**

| DETAILS                         | MAXIMUM | TOTAL             |
|---------------------------------|---------|-------------------|
| Introduction                    | 2       | <b>Max<br/>32</b> |
| Rights of employees & employers | 12      |                   |
| Purpose of LRA                  | 12      |                   |
| Impact of LRA                   | 14      |                   |
| Compliance                      | 8       |                   |
| Conclusion                      | 2       |                   |
| <b>INSIGHT</b>                  |         | <b>8</b>          |
| Layout                          | 2       |                   |
| Analysis/Interpretation         | 2       |                   |
| Synthesis                       | 2       |                   |
| Originality/Examples            | 2       |                   |
| <b>TOTAL MARKS</b>              |         | <b>40</b>         |

LASO – For each component:

Allocate 2 marks if all requirements are met.

Allocate 1 mark if some requirements are met.

Allocate 0 marks where requirements are not met at all.

**QUESTION 8: BUSINESS VENTURES (INSURANCE AND PRESENTATION)**

**8.1 Introduction**

- Insurance is extremely beneficial to both businesses and individuals.✓
- Insurance provides some source of financial relief to the business.✓
- Business needs to know which risks are insurable or non-insurable.✓
- Presentation methods should be improved regularly to stay abreast with the latest trends.✓
- Any other relevant introduction related to insurance and presentations. **Max (2)**

**8.2 Distinction between compulsory and non-compulsory insurance**

| <b>COMPULSORY INSURANCE</b>  | <b>NON-COMPULSORY INSURANCE</b>   |
|--|---|
| - Is required by law/There are legal obligations✓ for it to be taken out and paid for.✓  | - Is voluntary/The insured has a choice✓ whether to enter into an insurance contract.✓  |
| - It is regulated by Government✓ and does not necessarily require insurance contracts/brokers.✓  | - Insured will enter into a legal insurance contract with the insurer✓, who may be represented by an insurance broker.✓                       |
| - Payment is in the form of a levy/ contribution paid into a common fund✓ from which benefits may be claimed under certain conditions.✓  | - Monthly/Annual payments/premiums that must be paid✓ in order to be covered for a nominated risk/insured event.✓                             |
| - Any other relevant answer related to compulsory insurance.   | - Any other relevant answer related to non-compulsory insurance.  |
| Sub max (4)  | Sub max (4)   |
| - <b>Examples:</b><br>Unemployment Insurance Fund/ UIF✓, Road Accident Fund/ RAF/Road Accident Benefit Scheme/RABS✓, Compensation for Occupational Injuries and Diseases /COIDA✓ | - <b>Examples:</b><br>Short term insurance✓/Multi-peril/ Comprehensive insurance (theft, fire, etc.)✓<br>Long-term insurance✓/Life insurance✓ |
| - Any other relevant example of compulsory insurance.  | - Any other relevant example of non-compulsory insurance.   |
| (2 x 1) (2)  | (2 x 1) (2)   |

**NOTE:** 1. The answer does not have to be in tabular format.  
 2. The distinction must be clear.  
 3. Mark the first TWO (2) examples of each type of insurance.  
**Max (12)**

**8.3 Importance of insurance to businesses**

- Transfers the risk from businesses/insured√ to an insurance company/insurer.√
- Transfer of risk is subject to the terms and conditions√ of the insurance contract.√
- Protects businesses against theft/loss of stock/damages√ caused by natural disasters e.g. floods/storm damage√, etc.
- Businesses will be compensated√ for insurable losses.√
- Valuable business assets√ e.g. vehicles/equipment/buildings need to be insured against damage and/or theft.√
- Businesses are protected against the loss of earnings√, e.g. strikes by employees which result in losses worth millions.√
- Protects businesses√ against dishonest employees.√
- Life insurance can be taken on the life of partners in a partnership√ to prevent loss of capital.√
- Should the services of key personnel be lost due to accidents/death√, the proceeds of an insurance policy can be paid out to the business.√
- Replacement costs for damaged machinery/equipment are very high√, therefore insurance can reduce/cover such costs.√
- Protects the business against losses√ due to the death of a debtor.√
- Insurance policies can be ceded to financial institutions√ as security/collateral for loans√.
- Any other relevant answer related to the importance of insurance to businesses.

**Max (8)****8.4 Principles of insurance****8.4.1 Security/Certainty√√**

- Applies to long-term insurance√ where the insurer undertakes to pay out an agreed upon amount in the event of loss of life.√
- A predetermined amount will be paid out √ when the insured reaches a predetermined age/or gets injured due to a predetermined event.√
- Aims to provide financial security√ to the insured at retirement/the dependents of the deceased.√
- Any other relevant answer related to security/certainty as a principle of insurance.

Principle (2)  
Explanation (6)  
Sub max (8)

**8.4.2 Indemnification/Indemnity√√**

- Usually applies to short term insurance√, as the insured is compensated for specified/proven harm/loss.√
- Insurer agrees to compensate the insured for damages/losses specified in the insurance contract√, in return for premiums paid by the insured to the insurer.√
- Protects the insured against the specified event√ that may occur.√
- Pay-outs from insurance companies/insurer will only be made√, if there is proof that the specified event took place/if the insured can prove the amount of the loss/damage.√
- The amount of indemnification/compensation is limited to the amount of provable loss/damage√, even if the amount in the policy/insurance contract is higher.√

- The insured must be placed in the same position<sup>√</sup> as before the occurrence of the loss/damage<sup>√</sup>/The insured<sup>√</sup> may not profit from insurance.<sup>√</sup>
- Any other relevant answer related to indemnification/indemnity as a principle of insurance.

Principle (2)  
Explanation (6)  
Sub max (8)

#### 8.4.3 Insurable interest<sup>√√</sup>

- Insured must prove that he/she will suffer a financial loss<sup>√</sup> if the insured object is damaged/lost/ceases to exist.<sup>√</sup>
- An insurable interest must be expressed<sup>√</sup> in financial terms.<sup>√</sup>
- Insured must have a legal relationship<sup>√</sup> with the insured object in the contract.<sup>√</sup>
- Any other relevant answer related to insurable interest as a principle of insurance.

Principle (2)  
Explanation (6)  
Sub max (8)

#### 8.4.4 Utmost good faith<sup>√√</sup>

- Insured has to be honest in supplying details<sup>√</sup> when entering in an insurance contract.<sup>√</sup>
- Both parties<sup>√</sup> must disclose all relevant facts.<sup>√</sup>
- Insured must disclose everything<sup>√</sup> that may affect the extent of the risk.<sup>√</sup>
- Details/Information supplied when claiming<sup>√</sup> should be accurate/true.<sup>√</sup>
- Any other relevant answer related to utmost good faith as a principle of insurance.

Principle (2)  
Explanation (6)  
Sub max (8)

**NOTE: 1. Mark the first THREE (3) only.**

**2. Award marks if the example demonstrates understanding of the principles/requirements.**

**Max (16)**

#### 8.5 Advice on the improvement of the next presentation

- Mr Funa should revise objectives that were not achieved.<sup>√√</sup>
- Use humour appropriately.<sup>√√</sup>
- Always be prepared to update/keep the information relevant.<sup>√√</sup>
- Reflect on any problem/criticism and avoid it in future presentations.<sup>√√</sup>
- Any information that Mr Funa receives as feedback from a presentation should be analysed and where relevant, incorporated/used to update/amend his presentation.<sup>√√</sup>
- Reflect on the time/length of the presentation to add/remove content.<sup>√√</sup>
- Increase/Decrease the use of visual aids or replace/remove aids that do not work well.<sup>√√</sup>
- Reflect on the logical flow of the format/slides/application of visual aids.<sup>√√</sup>
- Any other recommendation related to how Mr Funa can improve his next presentation.

**Max (10)**

**8.6 Conclusion**

- Insurance plays an important role in securing the future of any business.√√
- The purpose of insurance is to provide businesses with financial peace of mind.√√
- Effective presentation of business information is one of the key elements of communicating with various stakeholders.√√
- Any other relevant conclusion related to insurance and presentations. **Max (2)**  
**[40]**

**QUESTION 8: BREAKDOWN OF MARK ALLOCATION**

| DETAILS   | MAXIMUM | TOTAL             |
|---|---------|-------------------|
| Introduction  | 2       | <b>Max<br/>32</b> |
| Distinction between compulsory and non-compulsory insurance | 12      |                   |
| Importance of insurance                                     | 8       |                   |
| Principles of insurance                                     | 16      |                   |
| Improvement on the next presentation                        | 10      |                   |
| Conclusion  | 2       |                   |
| <b>INSIGHT</b>  |         | <b>8</b>          |
| Layout  | 2       |                   |
| Analysis/Interpretation                                     | 2       |                   |
| Synthesis   | 2       |                   |
| Originality/Examples  | 2       |                   |
| <b>TOTAL MARKS</b>  |         | <b>40</b>         |

LASO – For each component:

Allocate 2 marks if all requirements are met.

Allocate 1 mark if only some of the requirements are met.

Allocate 0 marks where requirements are not met at all.

**QUESTION 9: BUSINESS ROLES (SOCIAL RESPONSIBILITY AND CORPORATE CITIZENSHIP)**

**9.1 Introduction**

- Corporate Social Responsibility/CSR is the way a business conducts its operations ethically and morally, regarding the use of human, physical and financial resources.√
- CSR programmes help to conserve the environment by ensuring that the community has sustainable resources.√
- Businesses should consider the impact of the business's operations on the environment in their decision making.√
- Businesses are corporate citizens and therefore have a responsibility towards society.√
- CSI is a component of CSR, where social responsibility is the intention and social investment is the action.√
- Business should consider the importance of the wellbeing of the community in relation to profitability and productivity.√
- Any other relevant introduction related to social responsibility and corporate citizenship. **Max (2)**

9.2 **Differences between CSR and CSI**

| CSR  | CSI   |
|--|---|
| - Refers to strategies used by business√ to take responsibility for their impact on society/the environment.√                | - Refers to any project undertaken by business√ which is not directly aimed at increasing profitability.√   |
| - Aims at improving the quality of life√ for the employees/their families and the community in which the business operates.√ | - Regarded as direct investments in projects√ that will benefit the community.√                             |
| - It is the way in which companies manage their business operations√ so that it impacts positively on all stakeholders.√     | - CSI projects are developmental of nature√ and business resources are used to benefit/uplift communities.√ |
| - Focus is on the commitment from business to act ethically√ by contributing to social/economic development.√                | - CSI focuses on how businesses manage√ their expenditure on CSI projects√                                  |
| - Any other relevant answer related to CSR.  | - Any other relevant answer related to CSI.   |
| Sub max (4)  | Sub max (4)   |

- NOTE: 1. The answer does not have to be in tabular format, but differences must be clear.**
- 2. Award a maximum of FOUR (4) marks if differences are not clear.**
- Max (8)**

9.3 **Impact of CSI on businesses****Positives/Advantages**

- May attract experienced employees/increase the pool of skilled labour√ which could increase productivity.√
- Positive/Improved image√ as the business looks after employees/conducts itself in a responsible way.√
- A business may have a competitive advantage√, resulting in good publicity/an improved reputation.√
- Promotes customer loyalty√ resulting in more sales.√
- CSI projects√ may be used as a marketing strategy to promote their products.√
- The business enjoys the goodwill/support√ of communities.√
- CSI projects promote teamwork√ within businesses.√
- CSI helps to attract investors√ because of increased profits/income.√
- Gives businesses tax advantages√ such as tax reduction/-rebates.√
- Assists in solving socio-economic issues√ like poverty/unemployment√, etc.
- The government is less likely to enforce issues through legislation√ to businesses that voluntarily participate in CSI projects.√
- Employees feel as if they are making a difference√ in working for the business.√
- It helps to retain staff/lower staff turnover√ as employees' health and safety are considered.√
- Improves the health of its employees√ through focused CSI projects.√
- Businesses become more community-based√ by working closely with the community to roll out skills development projects.√
- Any other relevant answer related to the positive impact of CSI on businesses.

**AND/OR**

**Negatives/Disadvantages**

- Business may not be supported/Customers may not buy their products/services√ resulting in a decrease in sales.√
- Small and medium enterprises find it difficult√ to implement CSI programmes.√
- Detailed reports must be drawn up√, which can be time consuming.√
- Social spending reduces business/economic efficiency√ which makes it less competitive.√
- Social involvement is funded from business profits√ which could have been used to the benefit of customers/reduce prices.√
- CSI activities distract business focus√ from its core business functions.√
- Businesses find it difficult√ to adhere to legislation governing CSI.√
- It can increase financial risk√, as programmes cost money and may impact negatively on profits.√
- It is difficult to accurately measure√ the effectiveness of social investment.√
- It is not easy to determine the exact needs of the communities√, which may result in fruitless expenditure on CSI.√
- Most managers are not trained/lack experience√ to handle social programmes.√
- Employees may spend more time working on CSI projects√ instead of focusing on their core duties.√
- Providing goods/services that meet the needs of consumers is√, according to some stakeholders, already socially responsible.√
- Shareholders may receive less dividends√, as some profits are spent on CSI.√
- Some shareholders/stakeholders might withdraw their support from the business√ as they feel that social issues should be the government's responsibility.√
- Any other negative impact of CSI on businesses.

**Max (16)****9.4 Relationship between triple bottom line and social responsibility****9.4.1 Profit/Economic√√**

- Triple Bottom line means that businesses should not only focus on profit/charge high prices√, but should also invest in CSI projects.√
- Businesses should not make a profit√ at the expense of its community.√
- Any other relevant answer related to the relationship between profit/economic and social responsibility.

Aspect (2)  
Explanation (2)  
Sub max (4)

**9.4.2 People/Social**√√

- Business operations should not have a negative impact on/exploit√ people/employees/customers/community.√
- Businesses should engage/invest in sustainable community programmes/projects√ that will benefit/uplift communities.√
- Improve the life style/quality of life√ of their human resources/employees.√
- Any other relevant answer related to the relationship between people/social responsibility.

Aspect (2)  
Explanation (2)  
Sub max (4)

**9.4.3 Planet/Environment**√√

- Businesses should not exhaust resources/harm the environment√ for production/profit purposes.√
- They may support energy-efficient/eco-friendly√ products/production methods.√
- Recycle/Re-use waste√, e.g. packaging from recycled material.√
- Any other relevant answer related to the relationship between the planet/environment and social responsibility.

Aspect (2)  
Explanation (2)  
Sub max (4)

- NOTE:**
- 1 The relationship should be clear in each of the three P's (people, planet and profit).**
  - 2. Award a maximum of SIX (6) marks for listing the aspects without a clear explanation.**

**Max (12)**

**9.5 Ways of contributing to the well-being of the employees**

- Businesses should improve the general quality of life of employees, e.g. pay fair wages/skills development√√, etc.
- Start a nutritional programme so that employees may enjoy at least one healthy meal per day.√√
- Provide subsidised housing/accommodation for their employees.√√
- Allow staff to use some working time to get involved/participate in projects of their choice.√√
- Provide overtime schedules for fair workload distribution.√√
- Provide transport to employees who work unusually long hours.√√
- Establish coaching/mentoring programmes for junior employees.√√
- Conduct team-building sessions to improve employees' morale.√√
- Encourage employees to attend capacity-building workshops/training/staff development/team-development programmes.√√
- Offer counselling sessions to employees with personal/emotional challenges.√√
- Encourage employees to stay fit/healthy by getting them involved in health activities to minimise stress/substance abuse/obesity.√√
- Any other relevant recommendations related to ways in which businesses may contribute to the well-being of employees.

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

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



**9.6 Conclusion**

- Corporate social responsibility is an obligation required by law and benefits both business and society.√√
- CSI projects allow businesses to influence people's lives in many ways.√√
- Businesses use CSR programmes to comply with laws and ethical business practices.√√
- Any other relevant conclusion on CSR/CSI/social responsibility and corporate citizenship/the well-being of the community.

**Max (2)**  
**[40]**

**QUESTION 9: BREAKDOWN OF MARK ALLOCATION**

| <b>DETAILS</b>  | <b>MAXIMUM</b> | <b>TOTAL</b>      |
|---|----------------|-------------------|
| Introduction  | <b>2</b>       | <b>Max<br/>32</b> |
| Differences between CSR & CSI                                   | <b>8</b>       |                   |
| Impact of CSI on businesses                                     | <b>16</b>      |                   |
| Relationship between social responsibility & triple bottom line | <b>12</b>      |                   |
| Ways of contributing to the well-being of the employees         | <b>10</b>      |                   |
| Conclusion  | <b>2</b>       |                   |
| <b>INSIGHT</b>  |                | <b>8</b>          |
| Layout  | <b>2</b>       |                   |
| Analysis/Interpretation   | <b>2</b>       |                   |
| Synthesis   | <b>2</b>       |                   |
| Originality/Examples  | <b>2</b>       |                   |
| <b>TOTAL MARKS</b>  |                | <b>40</b>         |

LASO – For each component:

Allocate 2 marks if all requirements are met.

Allocate 1 mark if only some of the requirements are met.

Allocate 0 marks where requirements are not met at all.

**QUESTION 10: BUSINESS OPERATIONS (HUMAN RESOURCES AND QUALITY OF PERFORMANCE)****10.1 Introduction**

- The objective of recruitment is to attract the best possible applicants with the required skills/qualification/competency to fill vacancies.√
- Reliable recruitment procedures and systems should be in place to ensure that businesses achieve their goals.√
- The aim of induction is to introduce the new employee to the job/the new environment.√
- Effective monitoring and evaluating processes may ensure quality products/services.√
- The general manager should take a lead in ensuring that all activities that are performed by various departments/functions meet the required standards.√
- Any other relevant introduction related to recruitment/induction/monitoring and evaluating processes/quality of performance.

**Max (2)****10.2 Recruitment procedure**

- SML/The human resource manager (HRM) should evaluate the job/prepare a job analysis√, that includes the job specification/job description/in order to identify recruitment needs.√/HRM should indicate the job specification/key performance areas√ to attract suitable candidates.√
- Choose the source of recruitment, e.g. internal/external√, to reach/target the suitable applicants/candidates.√
- Vacancies can be internally advertised√ via internal email/word of mouth/posters/staff notices.√
- External recruitment should be considered√ if internal recruitment was unsuccessful. √
- If the external recruitment is done, the relevant recruitment method should be selected√, e.g. recruitment agencies, tertiary institutions, newspapers√, etc.
- The advertisement should be prepared with the relevant information√, e.g. the name of the company, contact details, contact person√, etc.
- Place the advertisement in the selected media√ that will ensure that the best candidates apply.√
- Any other relevant answer related to recruitment procedures.

**Max (12)****10.3 Benefits of induction**

- Increases quality of performance/productivity.√√
- Allows new employees to settle in quickly and work effectively.√√
- Ensures that new employees understands rules and restrictions in the business.√√
- The results obtained during the induction process provide a base for focussed training.√√
- Minimises the need for on-going training and development.√√
- New employees may establish relationships with fellow employees at different levels.√√
- Employees will be familiar with organisational structures, e.g. who are their supervisors/low level managers.√√

- Opportunities are created for new employees to experience/explore different departments.√√
- New employees will understand their role/responsibilities concerning safety regulations and rules.√√
- New employees will know the layout of the building/factory/offices/where everything is, which saves production time.√√
- Learn more about the business so that new employees understand their roles/responsibilities in order to be more efficient.√√
- Make new employees feel at ease in the workplace, which reduces anxiety/insecurity/fear.√√
- Company policies are communicated, regarding conduct and procedures/safety and security/employment contract/conditions of employment/working hours/leave.√√
- Realistic expectations for new employees as well as the business are created.√√
- New employees may feel part of the team resulting in positive morale and motivation.√√
- Employees may have a better understanding of business policies regarding ethical/professional conduct/procedures/CSR√√, etc.
- Any other relevant answer related to the benefits of induction.

**Max (12)**

#### 10.4 **Advantages of monitoring and evaluating quality processes**

- Monitoring and evaluating quality processes prevent product defects√ and minimises customer complaints.√
- Good quality control checks/procedure minimises√ the replacement/breakdown of items/equipment/machinery on a regular basis.√
- May be better equipped√ to get things right the first time.√
- Improve performance√ and increase productivity/sales/profitability.√
- Improve current and future management√ of quality outputs/outcomes/impact.√
- Provide a clear indication about quality aspects√ that are contributing to the achievement of goals/targets.√
- Modify interventions√ that may improve the efficient use of resources.√
- Support management√ to acquire information needed to make informed decisions about processes.√
- Any other relevant answer related to the advantages of monitoring and evaluating quality processes as a TQM element of SML as a large business.

**Max (8)**

#### 10.5 **Ways in which the general manager can contribute to quality of performance**

- Develop/Implement/Monitor effective strategic plans/goals.√√
- Efficient organisation/allocation of business resources to allow for the successful achievement of long-term/short-term plans.√√
- Ensure that structured standards/norms are in place so that control mechanisms can be implemented.√√
- Learn about/Understand changes in the business environment on an on-going basis.√√

- Set direction and establish priorities for the business.√√
- Communicate shared vision, mission and values effectively.√√
- Set an example of expected behaviour in terms of ethics as well as productivity.√√
- Ensure that employees have the necessary resources to do their work/allocate resources effectively.√√
- Be proactive and always seek to improve the competitive advantage over competitors.√√
- Any other relevant answer related to ways in which the general manager can contribute to the quality of performance of the business.

**Max (16)**

**10.6 Conclusion**

- Recruitment is an on-going process as employees leave their jobs for other jobs/get promoted/retire.√√
- A good induction programme enables new employees to have a basic understanding of what is expected in the new job/position.√√
- An effective monitoring and evaluating quality process may result in higher quality products/customer satisfaction.√√
- The quality of performance of the general manager plays an important role in ensuring that the business produces quality goods and services.√√
- Any other relevant conclusion related to recruitment/monitoring and evaluating processes/quality of performance of general management.

**Max (2)  
[40]**

**QUESTION 10: BREAKDOWN OF MARK ALLOCATION**

| DETAILS   | MAXIMUM | TOTAL             |
|---|---------|-------------------|
| Introduction  | 2       | <b>Max<br/>32</b> |
| Recruitment procedure   | 12      |                   |
| Benefits of induction   | 12      |                   |
| Advantages of monitoring and evaluating quality processes         | 8       |                   |
| Ways the general manager can contribute to quality of performance | 16      |                   |
| Conclusion  | 2       |                   |
| <b>INSIGHT</b>  |         | <b>8</b>          |
| Layout  | 2       |                   |
| Analysis/Interpretation   | 2       |                   |
| Synthesis   | 2       |                   |
| Originality/Examples  | 2       |                   |
| <b>TOTAL MARKS</b>  |         | <b>40</b>         |

LASO – For each component:

Allocate 2 marks if all requirements are met.

Allocate 1 mark if some requirements are met.

Allocate 0 marks where requirements are not met at all.

**TOTAL SECTION C: 80**

**GRAND TOTAL: 300**