



GAUTENG PROVINCE
EDUCATION
REPUBLIC OF SOUTH AFRICA

SEDIBENG EAST DISTRICT

GRADE 12

BUSINESS STUDIES
JUNE EXAMINATIONS 2018
MEMORANDUM

MARKS: 300

EXAMINER: Mrs L HEYDENRYCH

TIME: 3 hours

**MODERATOR : Mrs SIKHOSANA (GPEDU)
Mr S TSIKAURERE**

This memo consists of 42 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/Black/Blue
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. Comprehensive marking guidelines have been provided but this is by no means exhaustive. Due consideration should be given to an answer that is correct, but:

- Uses a different expression from that which appears in the marking guidelines
- Comes from another source
- 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 purposes.

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

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

9. 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 an '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:**
1. The above could apply to 'analyse' as well.
 2. Note the placing of the tick (√) in the allocation of marks.
13. The allocation of marks must be informed by the nature of the question, cognitive verb used, mark allocation in the marking guidelines and the context of each question.

Cognitive verbs, *such as:*

- 13.1 Advise, name, state, mention, outline, motivate, recommend, suggest, (*list not exhaustive*) do not usually require much depth in candidates' responses. Therefore, the mark allocation for each statement/answer appears at the end.
- 13.2 Describe, explain, discuss, elaborate, compare, distinguish, differentiate, justify, devise, analyse, evaluate, critically evaluate (*list not exhaustive*) require a greater depth of understanding, application and reasoning. Therefore, the marks must be allocated more objectively to ensure that assessing is conducted according to established norms so that uniformity, consistency and fairness are achieved.

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

15. **SECTION B**

15.1 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.

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

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

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

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

- Fact 2 marks (or as indicated in the marking guidelines)
- Explanation 1 mark

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

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

15.5 **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).

16. **SECTION C**

16.1 The breakdown of the mark allocation for the essays is as follows:

Introduction	Maximum:
Content	
Conclusion	
Insight	8
TOTAL	40

16.2 Insight consists of the following components:

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

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

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

- 16.4 The breakdown of marks is indicated at the end of the suggested answer/ marking guidelines to each question.
- 16.5 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.
- 16.6 At the end of each essay indicate the allocation of marks for facts and marks for insight as follows: (L – Layout, A – Analysis, S – Synthesis, O – Originality) as in the table below.

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

- 16.7 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.)
- 16.8 If the candidate identifies/interprets the question INCORRECTLY, then he/she may still obtain marks for layout.
- 16.9 If a different approach is used by candidates, ensure that the answers are assessed according to the mark allocation/subheadings as indicated in the marking guidelines.
- 16.10 16.10.1 Award TWO marks for complete sentences. Award ONE mark for phrases, incomplete sentences and vague answers.
- 16.10.2 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.
- 16.11 With effect from November 2017, the maximum of TWO (2) marks for facts shown as headings in the marking guidelines, will not necessarily apply to each question. This would also depend on the nature of the question.

SECTION A**QUESTION 1**

- 1.1 1.1.1 B√√
 1.1.2 D√√
 1.1.3 B√√
 1.1.4 B√√
 1.1.5 B√√
 1.1.6 C√√
 1.1.7 D√√
 1.1.8 B√√
 1.1.9 B√√
 1.1.10 D√√

(10 X 2) (20)

- 1.2 1.2.1 piece meal√√
 1.2.2 ethical√√
 1.2.3 macro√√
 1.2.4 mediation√√
 1.2.5 conglomerate√√

(5 x 2) (10)

- 1.3 1.3.1 D√√
 1.3.2 E√√
 1.3.3 C√√
 1.3.4 A√√
 1.3.5 F√√

(5 x 2) (10)**TOTAL SECTION A: 40**

BREAKDOWN OF MARKS	
Question	Marks
1.1	20
1.2	10
1.3	10
TOTAL	40

SECTION B**QUESTION 2 BUSINESS ENVIRONMENTS****2.1 Industrial analysis tool**

Industrial analysis tool	Motivation/Challenge
PESTLE√√	The camping site is situated next to a company that is using different chemicals.√
Porter √√	Few schools as potential customers that are having grade eight learners for induction programs threaten to dictate prices for the resort. √
SWOT√√	The lavish accommodation facilities have attracted big companies to hold weekend workshops quarterly √

Max (9)

NOTE:

- Allocate a maximum of THREE (3) marks for only identifying the type of industrial analysis tool.
- Do not mark the motivation correct if the identification of the industrial analysis tool is incorrect.

2.2 Integration strategies

2.2.1 Backward integration/Backward√√ (2)

Motivation

PHO merged with Clear Beverages/a supplier of soft drink.√√ (2)

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

Identification (2)

Motivation (2)

Max (4)

2.2.2 Other types of integration strategies

- Forward integration√
- Horizontal integration√ (2)

2.2.3 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)

2.3 Product development

- When a business enterprise develops new products √ to sell in current/existing markets. √
- Many businesses prefer this strategy √ as they already know their current market. √

Sub max (2)

Market development

- When a business enterprise uses new markets √ to sell its existing products.√
- Different methods can be used to develop a new market √ such as new distribution channels, improving packaging material, etc. √

Sub max (2)

Max (4)

2.4 The role of SETAs

- Develop skills plans √ in line with the National Skills Development Strategy. √
- Approves workplace skills plans √ and annual training reports. √
- Pays out grants √ to companies complying with the requirements of the Skills Development Act. √
- Promotes √ and establishes learnerships. √
- Registers learnerships √ and learning programmes. √
- Provides training material/programmes √ for skills development facilitators. √
- Provides accreditation √ for skills development facilitators. √
- Oversees training √ in different sectors of the South African economy. √
- Draw up skill development plans √ for their specific economic sectors. √
- Allocates grants √ to employers, education and training providers and employees. √
- Promotes learnerships and learning programmes √ by identifying suitable workplaces for practical work experience. √
- Collects levies √ and pays out grants as required. √
- Any other relevant answer related to the role of SETAs

Max (10)

2.5 Implications of BBBEE pillars on businesses

2.5.1 Ownership

- Businesses should include black people ✓ in shareholding/ partnerships/franchises. ✓
- Exempted microenterprises (EMEs) with a black ownership of 50% or more, ✓ have a better BEE rating/score. ✓
- More opportunities are created for black people ✓ to become owners or entrepreneurs. ✓
- Businesses sometimes find it difficult ✓ to attract suitable black business partners/shareholders. ✓
- Many black people cannot afford shares/contributions ✓ to partnerships. ✓
- Any other relevant answer related to the implication of ownership as a BBBEE pillar on businesses.

Max (4)

2.5.2 Management

- Appointing black people ✓ in senior executive positions/management. ✓
- Ensuring black female ✓ representation in management. ✓
- When businesses sell 25% of their shares to black investors to become directors, ✓ the business will score points in both management and ownership. ✓
- Due to shortage of skilled black managers/directors, ✓ some businesses may find it difficult to make appointments. ✓
- Any other relevant answer related to the implication of management as a BBBEE pillar on businesses.

Max (4)

2.6 2.6.1 Tertiary sector ✓✓

(2)

Motivation

ESM sells sports kits and equipment to various golf and tennis clubs. ✓ (1)

Max (3)

2.6.2 Challenges faced by ESM

- Increase in interest rates ✓
- Municipality has increased water and electricity rates ✓

NOTE: Mark the first TWO only.

(2)

2.6.3 Strategies to address challenges identified from the scenario

CHALLENGE IN THE MACRO ENVIRONMENT	STRATEGY TO OVERCOME THE CHALLENGE
(a) Increase in interest rates	<ul style="list-style-type: none"> • Negotiate better rates at other banks or financial institutions ✓✓ • Make use of other means of capital such as inviting partners to contribute capital ✓✓ <p style="text-align: right;">Sub max (2)</p>

(b) Municipality has increased water and electricity rates	<ul style="list-style-type: none"> • Put plans in place to save on water and electricity usage√√ • Make use of solar systems to supply own electricity√√ • Make use of water tanks to save water for own use√√ <p style="text-align: right;">Sub max (2)</p>
	Any other relevant strategies relating to the increase of interest rates or increase in water- and electricity rates.

(2 x 2) (4)

- NOTE:**
1. **Mark the first strategy (1) for each challenge.**
 2. **Each strategy must be linked to the identified challenge.**
 3. **Do not mark the challenges.**

2.7 Steps for strategy evaluation

- Examine the underlying basis of a business strategy.√√
- Formulate strategies to effectively meet objectives.√√
- Implement strategies using action plans√√, etc.
- Look forward and backward into the implementation process.√√
- Compare the expected performance with the actual performance.√√
- Measure business performance in order to determine the reasons for deviations and analyse these reasons.√√
- Take corrective action so that deviations may be corrected.√√
- Set specific dates for control and follow up.√√
- Draw up a table of the advantages and disadvantages of a strategy.√√
- Decide on the desired outcome.√√
- Consider the impact of the implementation of a strategy in the internal and external environments of the business.√√
- Any other relevant answer related to the steps in strategy evaluation.

- NOTE:**
1. **Accept steps in any order.**
 2. **Mark the first FOUR (4) only.**

(8)
[60]

BREAKDOWN OF MARKS	
Question	Marks
2.1	9
2.2	12
2.3	4
2.4	10
2.5	8
2.6	9
2.7	8
TOTAL	60

QUESTION 3 BUSINESS ROLES**3.1 Identify the problem solving technique:**

- 3.1.1 Brainstorming√√
- 3.1.2 Delphi technique √√
- 3.1.3 Empty chair technique √√
- 3.1.4 Forced-field analysis√√
- 3.1.5 Forced combinations √√

(10)

3.2 Characteristics of a successful team

- Successful teams have clear objectives which will make the business more productive.√√
- Successful teams have agreed goals which will improve their commitment.√√
- Successful teams have an openness which will resolve conflict quicker.√√
- Successful teams have mutual respect which will reduce conflict in the team.√√
- Successful teams support and trust each other so they will be loyal and reliable.√√
- Successful teams have good interpersonal relationships, which will lead to job √√
- satisfaction.√√
- Successful teams review team's progress and rectify their mistakes and align themselves to the goals.√√
- Any other relevant answer related to the characteristics of a successful team

Max (8)**3.3 Diversity****3.3.1 Diversity issues**

DIVERSITY ISSUES	MOTIVATION
- Gender/Inequality√√	- JP employs more males than females.√
- Disability/Physically challenged/People living with disability√√	- Their building does not have facilities for people who use wheelchairs/with disabilities.√
- Language√√	- English is the only medium of communication allowed/Some employees cannot speak and/or understand it.√
Submax (4)	Submax (2)

- NOTE:**
1. The answer does not have to be in tabular format.
 2. Mark the first TWO (2) diversity issues only.
 3. Do not award marks for motivation without the correct identification of the diversity issue.

Max (6)

3.3.2 Dealing with identified diversity issues in the workplace

Gender/Inequality

- Males and females should be offered equal employment opportunities.√√
- JP's directors should promote both men and women in managerial positions.√√
- Women should be employed to comply with EEA.√√
- Targets may be set for gender equity in the business.√√
- New appointments should be based on skills and ability.√√
- Introduce affirmative action by ensuring that male/female employees are remunerated fairly/equally.√√
- Any other relevant answer related to ways on how JP should deal with gender as a diversity issue in the workplace.

Submax (4)

Disability/Physically challenged/People living with disability

- JP should provide employment opportunities for people with disabilities.√√
- Accommodate people with disabilities by providing facilities/ramps for wheel-chairs√√, etc.
- Ensure that workers with special needs are not marginalised/feel excluded from workplace activities.√√
- JP should be well informed with how to deal with disabled employees.√√
- Policies and programs should accommodate the needs of people with disabilities.√√
- Create an organisational culture and climate that is conducive for people with disabilities.√√
- Employees should be trained to deal with colleagues with disabilities.√√
- EP should bring in external experts to help with disability and accommodation issues.√√
- Ensure that employees with disabilities are treated fairly.√√
- Focus on skills/work performance of the disabled worker, rather than his/her disability/possible problems he/she may pose in future.√√
- Any other relevant answer related to ways on how JP should deal with disability as a diversity issue in the workplace.

Submax (4)

Language

- JP may specify that all communications must be in one specific language only and would expect employees to have a certain level of fluency in that language.√√
- Provide training in the official language of the business.√√
- It may sometimes be necessary to employ an interpreter so that everyone can fully understand what is being said in a meeting.√√
- All business contracts should be in easy-to-understand language and should be available in the language of choice for the relevant parties signing.√√
- No worker should feel excluded in meetings conducted in one language only.√√
- Any other relevant answer related to ways on how JP should deal with language as a diversity issue in the workplace.

Submax (4)

- NOTE:**
1. **Mark the first TWO (2) recommendations of each diversity issue identified in QUESTION 3.3.1.**
 2. **Award full marks for recommendations on the diversity issues if motivation was given without identifying diversity issues in QUESTION 3.3.1.**
 3. **If QUESTION 3.3.1 was not answered (left blank):**
 - **Allocate ONE (1) mark for a recommendation if the diversity issue was not identified in QUESTION 3.3.2, but was based on the case study.**
 - **If the diversity issue/motivation was identified in QUESTION 3.3.2, allocate full marks for recommendation.**

Max (8)

3.4 Role of health and safety representatives in the workplace

- Ensure that protective clothing[√] is provided/available to all workers.[√]
- Identify[√] potential dangers in the workplace.[√]
- Initiate/Promote/Maintain/Review measures[√] to ensure the health and safety of workers.[√]
- Check/Monitor the effectiveness of health and safety measures[√] with management.[√]
- Ensure that all equipment that is necessary to perform work[√] are provided/maintained regularly.[√]
- Promote safety training[√] so that employees may avoid potential dangers/act pro-actively.[√]
- Ensure that dangerous equipment is used[√] under the supervision of trained/qualified workers.[√]
- Ensure that workers' health and safety is not endangered[√] by hazards resulting from production/processing/storage/transportation of material/equipment.[√]
- Working together with the employer, to investigate any accidents/complaints from the workers[√] concerning health and safety in the workplace.[√]
- Ensure that employers comply[√] with COIDA.[√]
- Any other relevant answer related to the role of health and safety representatives in ensuring a healthy and safe working environment.

Max (6)

3.5 Complete the table

3.5.1 Unethical practice	3.5.2 Strategies
Ralph appointed his niece.√	Adhere to the Employment Equity Act.√√ There must be policy on appointments√√ Sub max (2)
Factory dumped waste into the Apies river.√	Adhere to the conservation acts.√√ The business must educate employees on conservation.√√ Sub max (2)
Peter does not always return to the factory after making deliveries.√	Disciplinary actions on the misuse of time√√ A book to sign in and out√√ Sub max (2)
Peter uses the truck for private trips.√	The business can install a tracking devise in the truck√√ The business can record the kilometres of the truck in a log book.√√ Sub max (2)
The company does not declare all its income to SARS.√	There must be internal audits as well as external audits for the company.√√ The business must set a culture of corporate integrity.√√ Sub max (2)
	Any other relevant strategy related to the unethical business practices
(4x1) (4)	Max (8)

(12)

- NOTE:**
1. Mark first FOUR (4) unethical practices only.
 2. The unethical practice must be quoted from the scenario.
 3. Mark only strategy for correct unethical practice.

3.6 Principles of ethical business conduct

POOR CORPORATE GOVERNANCE (3.6.1)	KING CODE PRINCIPLE (3.6.2)
(a) Moletsane Investment Services Ltd is not attracting new investors because of the company's poor performance √	Sustainability√√
(b) The directors of MIS are denying this allegation. √	Accountability/Responsibility√√
(c) The shareholders discovered from whistle-blowers that the company's poor performance is the result of a lack of competency in the board of directors. √	Transparency √√

- NOTE:**
1. Mark only TWO principles
 2. Candidates will be penalised if the quoting from the scenario is paraphrased or incomplete.
 3. Do not award marks if the poor corporate governance does not link with the King Code Principle.

Max (6)

3.7 Ways to promote economic, cultural and social rights

TYPE OF RIGHT	RECOMMENDATION
(a) Economic	<ul style="list-style-type: none"> - No forced labour✓ - Free to accept/choose a job✓ - Fair salaries and wages/Equal pay✓ - Fair/Reasonable working hours✓ - Safe and healthy working conditions✓ - Right to form/belong to a trade union✓ - Right to participate in a legal strike✓ - Any other relevant answer related to the economic rights of employees. <p style="text-align: right;">Submax (2)</p>
(b) Cultural	<ul style="list-style-type: none"> - Provide the environment in which employees are free✓ to use their own language when interacting with others during their free time.✓ - Encourage employees✓ to participate in cultural activities.✓ - Allow employees to provide solutions to challenges✓ from their own cultural perspective.✓ - Regular cultural information sessions✓ will help employees to respect each other's culture in the workplace.✓ - Make provision for different cultures✓, such as food served in the canteen/entertainment at staff functions.✓ - Employ people✓ from various cultural backgrounds.✓ - Employees should be trained✓ on cultural tolerance.✓ - Any other relevant answer related to ways on how to promote cultural rights in the workplace <p style="text-align: right;">Submax (2)</p>
(c) Social	<ul style="list-style-type: none"> - The business must make sure that the workers have the right to health care.✓✓ - The business must register its worker with the UIF.✓✓ - The business must encourage its workers to participate in social events like World Aids Day.✓✓ - The business can bring clinics to the business once a week.✓✓ - Encourage employees / Provide opportunities for skills training / basic education.✓✓ - Any other relevant fact how to promote social rights. <p style="text-align: right;">Submax (2)</p>

(6)
[60]

BREAKDOWN OF MARKS	
Question	Marks
3.1	10
3.2	8
3.3	14
3.4	6
3.5.1	4
3.5.2	8
3.6	4
3.7	6
TOTAL	60

- Place the advertisement in the selected media√ that will ensure that the best candidates apply.√
- Any other relevant answer related to recruitment procedures.

Max (6)

4.3 Impact of Employment Equity Act (EEA) on businesses

Positives

- Discriminatory appointments √ are discouraged. √
- Equal opportunities and fair treatment √ are promoted.√
- Appointment process is clearly defined, √ so all parties are well informed.√
- Certified psychometric tests may be used to assess √ applicants/employees to ensure that the most suitable candidates are appointed.√
- Outlines affirmative action measures √ to redress past injustices.√
- Diversify/Inclusivity √ in the workplace can be achieved. √
- Consultation between employer and employees√ are encouraged.√
- Businesses are in a better position √ to negotiate contracts √ with the government.
- Impacts positively√ on BBBEE ratings √ for businesses.
- Any other relevant positive impact of EEA on making new appointments.

AND/OR

Negatives

- Applying the employment equity quota may not always allow √ employers to make the most suitable appointment. √
- Productivity may decrease, √ as inexperienced employees may be appointed into positions where they may not be able to cope. √
- Other groups may not respect √ the knowledge, skills and experiences of the EEA appointee. √ They think the position was awarded √ based on race and not on skills. √
- Skilled people from designated groups are in strong demand √ and may demand higher salaries √/do job hopping, √ which may result in high staff turnover. √
- Additional and costly administrative duties √ are required for implementing/monitoring the Employment Equity Plan. √
- The implementation of employment equity can be costly √ to businesses as it requires investment in training. √
- Additional resources should be made available √ to execute the Employment Equity Plan, √ resulting in sufficient funds not being made available √ for profit opportunities. √
- Diversity in the workplace √ may lead to conflict/unhappiness. √
- Employers who want to apply for government tenders √ must apply for a compliance certificate √ with the Minister of Labour, resulting √ in increased expenses. √
- Non-compliance with the administrative requirements √ of the EEA may result in the payment of heavy penalties. √
- Positions may remain unfilled, √ because there are no suitable EEA candidates. √
- Any other relevant negative impact of EEA on making new appointments available.

Max (6)

4.4 Interviewing

4.4.1 Purpose of the interview

- To determine a candidate's ✓ suitability for the job. ✓
- Match the information given by the applicant ✓ with the requirements of the job. ✓
- To get more information ✓ from the applicant. ✓
- Evaluate the skills/personal characteristics ✓ of the applicant. ✓
- Provides the applicant with the opportunity to find out more about the job/salary/working conditions ✓ and the business. ✓
- Any other relevant answer related to the purpose of an interview.

Max (4)

4.4.2 Role of the interviewee/applicant during an interview

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

Max (8)

4.5.1 Challenges from scenario

- Invited only two applicants to attend the interview instead of a minimum of three applicants. ✓
- The applicants were subjected to HIV testing even though the job did not require a health assessment. ✓

(2)

4.5.2 Procedure that Monaheng Regional Hospital should follow

- Determine fair assessment criteria on which selection will be based. ✓✓
- Use the assessment criteria to assess all CVs/application forms received during recruitment. ✓✓
- Preliminary screening is done by sorting the applications received according to the criteria for the job. ✓✓
- Check that applicants are not submitting false documents such as forged certificates/degrees. ✓✓
- Make a list of all applicants who qualify for the post. ✓✓
- Screen and check reference, e.g. check applicants' criminal records/credit history/social media etc. ✓✓

- Conduct preliminary interviews to sift out applicants who qualify for the job. ✓✓
- Inform all applicants about the outcome of the application. ✓✓
- Compile a shortlist of approximately five people. ✓✓
- Invite the shortlisted applicants/candidates for an interview. ✓✓
- Shortlisted candidates may be subjected to various types of selection tests, e.g. skills test. ✓✓
- A written offer is made to the chosen candidate. ✓✓
- Any other relevant answer related to the selection procedure

NOTE: Procedure can be in any order.

Max (6)

4.5.3 Impact of fringe benefits to the business

Positives

- Fringe benefits have a positive effect ✓ on employer-employee relationships. ✓
- Employee benefits can improve ✓ the moral of the workers. ✓
- Reduce staff turnover ✓ as employees are motivated and happy. ✓
- Higher productivity ✓ because the workers strive to do their best. ✓
- Any other relevant positives of fringe benefits.

AND/OR

Negatives

- Fringe benefit increases ✓ the costs/expenses of the business. ✓
- Require ✓ extra paper work and administration. ✓
- Some employees who do not qualify ✓ for fringe benefits may feel unhappy. ✓
- Employees may focus on the salary they receive, ✓ forget the benefits and feel underpaid. ✓
- Any other relevant negatives of fringe benefits.

Max (4)

4.6 TQM elements

- 4.6.1 Continuous skills development/Education and training ✓✓
- 4.6.2 Involvement of all employees/People based management ✓✓
- 4.6.3 Adequate financing and capacity ✓✓

(6)

4.7 Involvement of all employees as an element of TQM

- The success of TQM ✓ relies heavily on the participation of all employees. ✓
- Communicating with employees ✓ is a way of including all employees. ✓
- Employees are more likely to implement the principles of TQM ✓ if they feel that their contributions are valued. ✓
- Any other relevant answer relating to the involvement of all employees as an element of TQM.

(4)

4.8 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 (4)

4.9 Business functions

4.9.1 Success/General Management

- Create a suitable mission and vision for the business. ✓✓
- Setting realistic goals and objectives for the business. ✓✓
- Communicate expectations to employees. ✓✓
- Allocate resources in the most effective way. ✓✓
- Organise employees in the most effective way. ✓✓
- Be strategically smart and proactive. ✓✓
- Demonstrate effective leadership. ✓✓
- Any other relevant answer related to ways in which general management lead to the success of a business.

Max (2)

4.9.2 Success/Marketing

- Device a good pricing strategy to attract customers. ✓✓
- Keep up with product development trends to satisfy the need of the customers. ✓✓
- Design effective packaging to protect goods and increase sales. ✓✓
- Select the most suitable distribution strategy so that goods can reach the customers quickly and affordably. ✓✓
- Any other relevant answer related to ways in which marketing lead to the success of a business.

Max (2)
[60]

BREAKDOWN OF MARKS	
Question	Marks
4.1	6
4.2	6
4.3	6
4.4.1	4
4.4.2	8
4.5.1	2
4.5.2	6
4.5.3	4
4.6	6
4.7	4
4.8	4
4.9.1	2
4.9.2	2
TOTAL	60

QUESTION 5 MISCELLANEOUS TOPICS

BUSINESS ENVIRONMENTS

5.1 Strategic management process

OPTION 1

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

OR

OPTION 2

- Review√ the vision statement.√
- Analyse/Re-examine√ mission statement.√
- Conduct an analysis√ using models such as PESTLE/PORTER'S/SWOT.√
- Formulate a strategy√ such as a defensive/retrenchment strategy.√
- Implement a strategy√, using a template such as an action plan.√

- Control/Evaluate/Monitor the implemented strategy√ to identify gaps/deviations in implementation.√
- Take corrective action√ to ensure goals/objectives are met.√
- Any other relevant answer related to a description of the strategic management process.

NOTE: Steps may be in any order.

(8)

5.2 Ways in which businesses can comply with the Employment Equity Act, 1988/EEA

- Transforming the workplace through SETAs/learnerships. √√
- Businesses must draw up employment equity plans √√
- Conduct workforce analysis. √√
- Consulting with unions and employees. √√
- Employers must furnish regular reports to the Department of Labour on their Employment Equity plans. √√
- Apply affirmative action measures to redress disadvantages in employment. √√
- Ensure equal representation of all population groups in the workplace. √√
- Any other relevant answer relating to ways in which businesses can comply with the EEA.

Max (6)

BUSINESS VENTURES

5.3 Leadership styles

5.3.1 Democratic√√

NOTE: Accept Participative/Consultative leadership style.

Motivation:

- Ms Tilly 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 (2)

Max (4)

5.3.2 Impact of democratic leadership style on Botha Traders/business

Positives/Advantages

- Ms Tilly 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 Botha 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 Tilly 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 Botha Traders/business.

- NOTE:**
1. Accept relevant facts, if the democratic leadership style was incorrectly identified as answer in QUESTION 3.7.1
 2. Accept Participative/Consultative leadership style.

Max (4)

5.3.3 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 Tilly 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 (4)

5.4 Role of personal attitude in successful leadership

- Positive attitude releases ✓ leadership potential. ✓
- A leader's good/bad attitude ✓ can influence the success/failure of the business. ✓
- Leaders must know their strengths and weaknesses ✓ to apply their leadership styles effectively. ✓
- Great leaders understand that the right attitude ✓ will set the right atmosphere. ✓
- Leaders' attitudes may influence ✓ employees'/teams thoughts/behaviour. ✓
- Leaders should model the behaviour ✓ that they want to see in team members. ✓
- Successful leaders consider the abilities/skills of team members ✓ to allocate tasks/roles effectively. ✓
- Enthusiasm ✓ produces confidence in a leader. ✓
- A positive attitude is critical for good leadership ✓ because good leaders will stay with the task regardless of difficulties/challenges ✓
- Successful employees and leaders have a constant desire to work ✓ and achieve personal/professional success. ✓
- Leaders with a positive attitude know ✓ that there is always more to learn / space to grow. ✓
- Any other relevant answer related to the role of personal attitude in successful leadership.

Max (4)

BUSINESS ROLES

5.5 5.5.1 Causes for conflict in the team

- Shortage of resources ✓
- Unfair workload ✓
- Poor management decisions ✓
- Stress levels are high ✓
- Personal differences ✓

(3)

NOTE: Do not mark any cause of conflict that is not quoted from the scenario.

5.5.2 Ways in which businesses can deal with difficult people/personalities

Option 1

- Get perspective from others who have experienced the same kind of situation to be able to understand difficult employees. √√
- Act pro-actively if possible, as a staff/personnel problem is part of a manager's responsibilities. √√
- Regular meetings with supervisors/departmental heads should help to identify difficult/problem behaviour. √√
- Ask someone in authority for their input into the situation. √√
- Identify the type of personality which is creating the problem. √√
- Meet privately with difficult employees, so that there are no distractions from other employees/issues. √√
- Make intentions and reasons for action known, so that difficult person/people feel at ease. √√
- Employees should be told what specific behaviours are acceptable by giving details about what is wrong/unacceptable and also an opportunity to explain their behaviour. √√
- A deadline should be set for improving bad/difficult behaviour. √√
- The deadline date should be discussed with the difficult employee and his/her progress should be monitored/assessed prior to the deadline. √√
- Guidelines for improvement should be given. √√
- Do not judge the person, but try to understand him/her/Understand his/her intentions and why he/she reacts in a certain way. √√
- Keep communication channels open/Encourage employees to communicate their grievances to management. √√
- Build rapport/sound relations by re-establishing personal connection with colleagues, instead of relying on e-mails/messaging/social media. √√
- Help difficult employees to be realistic about the task at hand. √√
- Remain calm and in control of the situation to get the person(s) to collaborate. √√
- Treat people with respect, irrespective of whether they are capable/competent or not. √√
- Sometimes it may be necessary to ignore and only monitor a difficult person. √√
- Identify and provide an appropriate support program to address areas of weakness. √√
- Any other relevant answer related to how businesses can deal with difficult people/personalities.

Max (4)

OR

Option 2 (Different personalities)

TYPE OF PERSONALITY	STRATEGY TO DEAL WITH PERSONALITY
Complainer✓	<ul style="list-style-type: none"> • Listen to the complaints but do not acknowledge them. ✓ • Interrupt the situation and move to the problem-solving process as soon as possible. ✓
Indecisive✓	<ul style="list-style-type: none"> • Guide them through alternatives. ✓ • Stay in control and emphasise the importance of making a decision. ✓ • Help them make the decision or solve the problem. ✓
Over agree✓	<ul style="list-style-type: none"> • Be firm and do not let them make promises that they cannot keep. ✓ • Follow up on their actions. ✓
Negativity✓	<ul style="list-style-type: none"> • Be firm with them and do not let them draw you into their negativity. ✓ • Listen to them but do not agree with them. ✓
Expert✓	<ul style="list-style-type: none"> • Be firm and assertive. ✓ • Do not accuse them of being incorrect and do not get caught in their game. ✓ • Know your facts. ✓
Quiet✓	<ul style="list-style-type: none"> • Do not fill their silence with words. ✓ • Wait for their response. ✓ • Prompt them through the process so that they give input. ✓ • Restrict the time of the discussion. ✓
Aggressive✓	<ul style="list-style-type: none"> • Allow them time to speak and blow off. ✓ • Be firm, but do not attack them. ✓ • Do not allow them to be hostile towards others. ✓

NOTE: (Applicable to OPTION 2):

1. Allocate a maximum of TWO (2) marks for only identifying the type of personality without a strategy.
2. Allocate TWO (2) marks for indicating the strategy without identifying the type of the personality. Take particular note of overlap of strategies.

Max (4)

5.6 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 (8)

BUSINESS OPERATIONS

5.7 5.7.1 Internal recruitment ✓✓ **(2)**

5.7.2 Sources of external recruitment

- Job advertisements in newspapers and on websites ✓
- Recruitment agencies ✓
- Campus recruitment (recruitment done at universities) ✓
- External referrals (recommendations from employees regarding people outside the organisation) ✓
- CV pool from past applications ✓
- Any other relevant source of external recruitment.

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

5.8 Legal requirements of the employment contract

- Employment contract is the written agreement ✓ between the employer and the employee. ✓
- It is a legally binding document ✓ even though certain aspects of the contract are negotiable. ✓
- It may not contain any requirements ✓ that are in conflict with the BCEA. ✓
- Parties involved ✓ must have contractual capacity. ✓
- The employer and the employee must both be satisfied ✓ with the conditions in the employment contract. ✓
- Neither the employee nor the employer may unilaterally ✓ change aspects of the employment contract. ✓
- It should include a code of conduct and/or a code of ethics ✓ for employees. ✓
- Specific details of the job/remuneration package ✓ should be clearly explained to employees/stipulated in the contract. ✓
- The human resources manager must explain the terms and conditions ✓ of the employment contract to employees if deemed necessary. ✓
- It should set out clearly ✓ the conditions of employment/duties/ responsibilities of the employees. ✓

- It must stipulate what employee would receive ✓ in terms of benefits and labour legislation. ✓
- All business policies/procedures/disciplinary codes ✓ should form part of the employment contract. ✓
- Employers must allow employees to read through the conditions of service and code of conduct ✓ before they sign the contract. ✓
- New employees may also consult legal experts ✓ to help them understand the terms and conditions of the contract. ✓
- Any other relevant answer related to the legal requirements of the employment contract.

**Max (10)
[60]**

BREAKDOWN OF MARKS	
Question	Marks
5.1	8
5.2	6
5.3	12
5.4	4
5.5	7
5.6	8
5.7	5
5.8	10
TOTAL	60

TOTAL SECTION B: 180

SECTION C**QUESTION 6: BUSINESS ENVIRONMENTS (LEGISLATION)****6.1 Introduction**

- The CPA was promulgated / introduced to redress economic inequalities of the past.√
- It applies to consumers / buyers in South Africa.√
- It promotes the social / economic welfare of consumers in South Africa.√
- The Act impacts on almost every business sector in South Africa.√
- Consumers are regarded as recipients of goods and services.√
- Any other relevant introduction related to the Consumer Protection Act

(2x1) (2)**6.2 Purpose of the Consumer Protection Act (CPA)**

- Promotes fair / accessible and sustainable places for people to sell their products√√
- Establishes national standards to protect consumers√√
- Provides guidelines for better consumer information and to prohibit unfair business practices√√
- Promotes responsible consumer behaviour√√
- Promotes consistent laws relating to consumer transactions and agreements√√
- Establishes a National Consumer Commission (NCC)√√
- Ensures that consumers have access to information they need to make informed choices√√
- Promotes the rights and full participation of historically disadvantaged individuals as consumers√√
- Ensures that consumers are not misled / deceived by suppliers of goods / services√√
- Promotes consumer safety by protecting them from hazardous products / services√√
- Strengthens a culture of consumer rights and responsibilities√√
- Empowers consumers to take legal action if their rights are not upheld√√
- Protects consumers against contracts which include unfair terms that limit the liability of suppliers√√
- Protects consumers against unscrupulous businesses such as fly-by-night franchisors√√
- Allows consumers and businesses to resolve disputes fairly√√
- Any other relevant answer related to the purpose of the Consumer Protection Act

Max (10)**6.3 Consumer rights****6.3.1 Right to choose√√**

Consumers have the right to:

- choose suppliers√ and goods.√
- shop around√ for the best prices.√
- reject goods that are not the same√ as the marketed sample.√
- cancel / renew√ fixed-term agreements.√
- request written√ quotations / cost estimates.√
- Any other relevant answer related to the consumers' right to choose

Sub max (4)

6.3.2 Right to privacy and confidentiality√√

- Consumers have the right to stop / restrict√ unwanted direct marketing.√
- They can object√ to unwanted promotional e-mails / telesales.√
- They have the right to stop / lodge complaints√ about the sharing of their personal details.√
- Any other relevant answer related to the consumers' right to privacy and confidentiality

Sub max (4)**6.3.3 Right to fair and honest dealings**√√

- Suppliers may not use√ physical force or harass customers.√
- Suppliers may not give√ misleading / false information.√
- Businesses may not promote pyramid schemes√ and / or chain-letter schemes.√
- Businesses may not overbook / oversell goods / services√ and then not honour the agreement.√
- Any other relevant answer related to the consumers' right to fair and honest dealings

Sub max (4)**6.3.4 Right to information about products and agreements / Right to disclosure and information**√√

- Contracts and agreements√ should be in plain language and easy to understand.√
- Businesses should display prices√ which are fully inclusive, disclosing all costs.√
- Consumers may request the unit and bulk price√ of the same product.√
- If two prices for the same product are displayed√, consumers should pay the lower price.√
- Businesses should label products√ and trade descriptions correctly.√
- Any other relevant answer related to the consumers' right to information / disclosure

Sub max (4)**6.3.5 Right to fair / responsible marketing / promotion**√√

- Businesses should not mislead consumers√ on pricing, benefits / uses of goods.√
- Consumers may cancel purchases made through direct marketing√ within five working days / cooling off-period.√
- All information related to the country of origin / expiry dates / ingredients of the products√ should be disclosed / clearly labelled.√
- Any other relevant answer related to the consumers' right to fair marketing / promotion

Sub max (4)**6.3.6 Right to fair value / good quality and safety**√√

- Consumers have the right to demand√ quality service or goods.√
- They have the right to return faulty items√ if the fault occurs within six months after purchasing the item.√
- Consumers may receive an implied√ warranty or a written warranty.√

- Any other relevant answer related to the consumers' right to fair value, good quality and safety

Sub max (4)**6.3.7 Right to accountability from suppliers**✓✓

- Consumers have the right to be protected✓ in lay-by agreements.✓
- Businesses should honour credit vouchers✓ and prepaid services.✓
- Any other relevant answer related to the consumers' right to accountability from suppliers

Sub max (4)**6.3.8 Right to fair / just / reasonable terms and conditions**✓✓

- Businesses should provide consumers with written notices of clauses ✓ that may limit consumer rights.✓
- Businesses may not market / sell goods✓ at unfair prices.✓
- Any other relevant answer related to the consumers' right to fair / just / reasonable terms and conditions

Sub max (4)**6.3.9 Right to equality in the consumer market place**✓✓

- Businesses should not limit✓ access to goods and services.✓
- Quality of goods may not vary✓ when supplied to different consumers.✓
- Businesses may not charge different prices✓ for the same goods / services.✓
- No discrimination should occur✓ when businesses market products and services in different areas / places.✓
- Any other relevant answer related to the consumers' right to equality in the consumer market place

Sub max (4)**Mark allocation of rights:****Right (2)****Discussion (2)****NOTE: Mark the first FOUR (4) only.****Max (16)****6.4 Impact of CPA on businesses****Positives / Advantages**

- Enables businesses to resolve disputes fairly✓ through the National Consumer Commission / Consumer Court / Industrial ombudsmen✓
- Businesses may build a good image✓ when they ensure that consumer rights are not violated.✓
- May gain consumer loyalty✓, if they comply with the CPA.✓
- Businesses are less likely to have court cases against them✓ for consumer rights violations.✓
- Businesses may be protected✓ if they are regarded as consumers.✓
- They may be safeguarded✓ from dishonest competitors.✓
- Prevents larger businesses✓ from undermining smaller ones✓
- Any other relevant answer related to the positive impact / advantages of CPA on businesses

AND / OR

Negatives / Disadvantages

- Businesses have to replace / repair faulty items / refund money√ if the fault occurs within six months after purchase.√
- They must disclose more information√ about their products and processes / services.√
- Confidential business information√ may become available to competitors.√
- Consumers can take advantage of businesses√ and return goods when it is not necessary to do so.√
- Processes and procedures required by CPA√ can be expensive and time consuming.√
- Businesses may feel unnecessarily burdened√ by legal processes.√
- Penalties for non-compliance√ may be very high.√
- Staff need to be trained / Legal experts need to be consulted√, which can increase costs.√
- Many business documents need to be simplified / revamped at extra cost√, as consumers have a right to receive contracts in simple / understandable language.√
- Administration costs increase√, as legal contracts need to be worded in plain language / pitched at the level of the consumer.√
- Businesses may need insurance√ against claims from consumers√
- Supply chain management in stock levels will have to change√, as defective goods have to be replaced within six months at the request of the customer.√
- Information technology systems need to be improved√ as the retailer must keep more detailed records of interactions with consumers / be able to report to the National Consumer Commission.√
- Any other relevant answer related to the negative impact / disadvantages of the CPA on businesses

Max (12)

6.5 Practical ways to comply with the CPA

- Disclose prices of all products on sale.√√
- Ensure that goods / services offered are standardised / of the same quality.√√
- Comply with the legal requirements of promotional competitions.√√
- Display the name of the business on all business documents, e.g. letterheads / invoices / contracts.√√
- All agreements must provide for a five-day cooling-off period.√√
- Comply with requirements regarding the display of information on labels / packaging, e.g. smoking is hazardous for pregnant woman.√√
- Bundling of goods / services should benefit consumers, e.g. offering a cell phone and a tablet at a special price.√√
- Provide adequate training to staff on the CPA.√√
- Implement measures that will facilitate complaints, e.g. suggestion boxes.√√
- Any other practical way that business should implement to comply with the CPA

Max (8)

6.6 Conclusion

- The CPA forces both businesses and consumers to act responsibly when doing business.√√
- Non-compliance by businesses may result in penalties / legal action.√√
- Any other relevant conclusion related to the CPA

**Max (2)
[40]**

BREAKDOWN OF MARKS		
DETAILS	MAXIMUM	TOTAL
Introduction	2	Max 32
Purpose of CPA	10	
Consumer rights	16	
Impact of CPA	12	
Compliance with CPA	8	
Conclusion	2	
INSIGHT		8
Layout	2	
Analysis	2	
Synthesis	2	
Originality	2	
TOTAL		40

QUESTION 7: BUSINESS ROLES (CORPORATE SOCIAL INVESTMENT)**7.1 Introduction**

- Businesses and their communities are interdependent and the one cannot do without the other. ✓
- The interdependence can be improved if businesses and communities recognise their social responsibility. ✓
- A responsible business should contribute towards the upliftment of the community. ✓
- CSR improves the lifestyle and quality of life of their human resources and caring for the environment by ensuring that they have the most efficient and sustainable resources. ✓
- Businesses are corporate citizens and therefore have a responsibility towards society. ✓
- CSI is a component of CSR, where social responsibility is the intension and social investment is the action. ✓
- Through their CSR programmes businesses can focus on the triple bottom line, which is making profits, uplifting/supporting the people and their communities, and caring for the environment/planet. ✓
- Any other relevant introduction related to social responsibility, CSR, CSI and triple bottom line.

Max. (2)**7.2 CSR and CSI****Corporate social responsibility/CSR**

- The way a business conducts itself ethically and morally, ✓ regarding the use of human resources, physical resources and their funds. ✓
- An business's obligation ✓ to protect/promote the welfare of all shareholders, who have an interest on or that will be affected by a business. ✓
- An obligation by a business to pursue ✓ sound long term goals for society. ✓
- Refers to any strategy used by a business to take responsibility ✓ for their impact on society and the environment. ✓
- It is not a single action but rather an approach ✓ to doing business that guides all decision making in the firm. ✓
- It is the way in which companies manage their business operations ✓ so that it does not negatively affect all stakeholders. ✓
- Any other relevant answer related to Corporate Social Responsibility.

Sub max. (4)**Corporate social investment/CSI**

- Refers to the contribution that the company makes ✓ to uplift, develop and solve problems in the community. ✓
- Refer to any project undertaken by an organisation ✓ which is over and above the normal business activities of the company and not directly aimed at increasing profitability. ✓
- Programmes ✓ that will benefit the community and/or the environment, into which time, skills, expertise and money are invested. ✓
- Any other relevant answer related to Corporate Social Investment.

Sub max. (4)**Max. (8)**

7.3 Relationship between social responsibility and triple bottom line

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 link between profit and social responsibility.

Heading (2)
Explanation (2)
Sub max. (4)

People/Social √√

- Business operations should not have a negative impact on/exploit √ people/ employees/customers. √
- 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 link between people and social responsibility.

Heading (2)
Explanation (2)
Sub max. (4)

Planet/Environment √√

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

Heading (2)
Explanation (2)
Sub max. (4)
Max. (12)

NOTE: The link should be clear in each of the three 'P's (people, planet and profit).

7.4 Impact of CSR on businesses

Positives/Advantages

- Can serve as a marketing strategy √ and promote the image of the business. √
- A company may have a competitive advantage, √ as it leads to good publicity and an improved reputation. √
- May attract √ experienced employees √ /increase the pool of skilled labour √ that would increase productivity. √
- It helps to attract and retain √ staff √ /Lower √ staff turnover √ as employees' health and safety √ are considered √ /Improves √ the health of its employees. √
- The business enjoys the goodwill √ and support of communities. √
- CSR helps to attract √ investors. √

- If the CSR is aligned with company policies/vision/mission statement, ✓ it shows accountability towards all stakeholders. ✓
- Businesses that support CSR through various programmes, ✓ encourages and rewards employees ✓ if they get involved in CSI programmes.
- CSI programmes have better success rate if it is fully supported ✓ by top management. ✓
- Sustained environmental consideration programmes may lead to reducing costs, ✓ which can make funds available for other business operations. ✓
- If the corporate sector gets involved voluntarily in CSR, ✓ it is less likely that Government will enforce the issue through legislation. ✓
- Businesses may enjoy ✓ tax rebates from SARS. ✓
- Any other relevant answer related to positive impact of CSR on businesses.

AND/OR

Negatives/Disadvantages

- The community may not support ✓ the enterprise ✓/ i.e. may not buy ✓ the products of the enterprise. ✓
- Difficulty ✓ in adherence to legislation ✓ governing CSR.
- Small and medium enterprises find it difficult ✓ to implement CSI programmes. ✓
- CSI activities can distract ✓ businesses from their core business functions. ✓
- Social involvement is paid from a company's profit ✓ that could have been used to lower prices to the benefit of customers. ✓
- Detailed reports must be drawn up, ✓ which can be time consuming. ✓
- Social spending reduces ✓ a company's economic efficiency and makes it less competitive. ✓
- It can increase financial risk, ✓ as programmes cost money and may impact negatively on profits. ✓
- Company directors are accountable to shareholders, ✓ not to the communities. ✓
- It is difficult to accurately measure ✓ the effectiveness of social investment. ✓
- It is difficult to determine ✓ the exact needs of the community. ✓
- Most managers are not trained and lack experience ✓ to handle social programmes. ✓
- Some shareholders/stakeholders might withdraw their support from the company ✓ as they feel that social issues should be the government's responsibility. ✓
- Providing goods and services that meet the needs of the consumers is, ✓ according to some stakeholders, already socially responsible. ✓
- Some CSI programmes will be regarded as a public relations stunt, as these programmes improve the business's image ✓ without having a sustainable/long term effect. ✓
- Shareholders, as the only real stakeholders, may suffer ✓ as their profits are spent on CSR. ✓
- Employees may spend more time working ✓ on CSI programmes instead of focusing on their core duties. ✓
- Any other relevant answer related to negative impact of CSR on businesses.

Max. (16)

7.5 Ways in which CSR projects can contribute to the community

- Charitable contribution towards NGOs/Businesses can donate blankets to old age homes/orphanages/running soup kitchens. √√
- Involvement in community education/Build schools in communities/Offer bursaries to needy students/Donate old computers to less privileged schools/Provide/Support adult education and training in the local community. √√
- Teach entrepreneurial skills/Offer support to individuals starting new business ventures. √√
- Conduct skills development/job creation projects/Offering bricklaying courses. √√
- Sponsor art and cultural programmes, such as school choirs. √√
- Support youth programmes, such as sport/recreational activities. √√
- Any other relevant answer related to the contribution of corporate social investment (CSI) projects to the community.

NOTE:

1. Mark the first FIVE (5) only.
2. Award a maximum of TWO (2) marks if the example demonstrates the same practical way and contribution of CSI projects to the community.
3. Award only ONE (1) mark for short/one word responses.

Max. (10)**7.6 Conclusion**

- Despite challenges, most businesses do take their social responsibility very seriously and contribute positively to communities/society. √√
- Successful CSI programmes will improve the general standard of living of the community. √√
- CSI programmes will contribute positively if they are strategically planned and not just be given hand-outs/contributions randomly. √√
- CSR is an obligation required by law and benefits both business and society. √√
- CSR programmes and CSI projects allow businesses to influence people's lives in many ways. √√
- Businesses use CSR programmes and CSI projects to comply with the laws and ethics. √√
- Triple bottom line allows businesses to consider the impact of their operations on people, profit and the planet. √√
- Any other relevant conclusion related to social responsibility, CSR, CSI and triple bottom line.

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

BREAKDOWN OF MARKS		
DETAILS	MAXIMUM	TOTAL
Introduction	2	Max 32
CSR and CSI	8	
Relationship between social responsibility and triple bottom line	12	
Impact of CSR on businesses	16	
Ways in which CSR project contribute	10	
Conclusion	2	
INSIGHT		
Layout	2	
Analysis	2	
Synthesis	2	
Originality	2	
TOTAL		40

QUESTION 8: BUSINESS OPERATIONS (QUALITY OF PERFORMANCE)

8.1 INTRODUCTION

- Top management is ultimately responsible for quality of performance. ✓
- Senior executives need to be able to guide and direct all business functions to improve its quality of performance. ✓
- Everyone employed in a business has a role to play in realising the goal of quality performance. ✓
- Any other relevant introduction related to quality of performance within business /Total Quality Management (TQM).

(Any 2 x 1) (2)

8.2 Concepts

8.2.1 Quality Assurance

- It is the process of ensuring that errors will be avoided ✓ during the production process. ✓
- It involves taking steps ✓ to prevent defects from occurring. ✓
- Ensure that control measurements ✓ are properly implemented. ✓
- Any other relevant answer relating to quality assurance.

Sub max (4)

8.2.2 Quality Management

- The techniques and tools to design and improve the quality of a product, ✓ a service of a system, to ensure that the end-user will be guaranteed a reliable product and an efficient service. ✓
- Accountability ✓ within each of the business functions. ✓
- Striving to improve ✓ on the existing delivery of products and services. ✓
- Any other relevant answer relating to quality management.

Sub max (4)**8.2.3 Quality Control**

- The process of ensuring that products are manufactured ✓ to consistently high standards. ✓
- Checking raw materials, employees, machinery, workmanship and products ✓ to ensure that high standards are maintained. ✓
- Any other relevant answer relating to quality assurance.

Sub max (4)**Max (12)****8.3 Components of the PDCA Model**

- Identify an aspect that can be improved ✓ and develop a plan to do it. ✓
- Implement the plan ✓ on a small scale. ✓
- Assess ✓ whether the plan is working. ✓
- Implement the plan ✓ on a large scale. ✓
- Plan, Do, Check/analyse and Act as needed. ✓✓
- Any other relevant answer related to how business can apply the PDCA model.

Max (8)**8.4 Impact on business**

TQM ELEMENTS	LARGE BUSINESS
Continuous skills development	<p>Positives:</p> <ul style="list-style-type: none"> • Large businesses have a Human Resources department ✓ dedicated to skills training and development. ✓ • Human resource experts ✓ ensures that training programmes are relevant to increase customer satisfaction. ✓ <p style="text-align: center;">AND/OR</p> <p>Negatives:</p> <ul style="list-style-type: none"> • Trained employees may leave for better jobs ✓ after they have gained more skills. ✓ • Demotivate employees, ✓ if they do not receive recognition for training. ✓ <p>Any other positives and/or negatives of continuous skills development on large businesses.</p> <p style="text-align: right;">Sub max (6)</p>

<p>Total client satisfaction</p>	<p>Positives:</p> <ul style="list-style-type: none"> • Large businesses can afford ✓ to have a customer service department. ✓ • The customer service department ✓ focuses on achieving customer satisfaction. ✓ <p style="text-align: center;">AND/OR</p> <p>Negatives:</p> <ul style="list-style-type: none"> • In large businesses there is limited personal contact ✓ with customers. ✓ • Customer satisfaction surveys ✓ are used which may be costly. ✓ <p>Any other positives and/or negatives of total client satisfaction on large businesses.</p> <p style="text-align: right;">Sub max (6)</p>
<p>Teamwork</p>	<p>Positives:</p> <ul style="list-style-type: none"> • In larger businesses there is more diversity ✓ and teams are capable to experience ✓ the full benefit of teamwork. ✓ • Encourage the formation of inter-departmental teams ✓ to improve systems. ✓ <p style="text-align: center;">AND/OR</p> <p>Negatives:</p> <ul style="list-style-type: none"> • Members are from different departments ✓ which may lead to conflict of interests. ✓ • Too many members ✓ prolong decision making. ✓ <p>Any other positives and/or negatives of teamwork on large businesses.</p> <p style="text-align: right;">Sub max (6)</p>

8.5 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 (10)

8.6 Conclusion

- The quality of performance of business functions plays an important role in ensuring that customers are satisfied. √√
- Continuous improvement to processes and systems ensures that businesses keep abreast with current business development. √√
- Any other relevant conclusion related to the quality of performance within the above-mentioned business functions.

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

BREAKDOWN OF MARKS		
DETAILS	MAXIMUM	TOTAL
Introduction	2	Max 32
Concepts	12	
PDCA-model	8	
Continuous skills development	6	
Total client satisfaction	6	
Teamwork	6	
TQM badly implemented	10	
Conclusion	2	
INSIGHT		
Layout	2	
Analysis	2	
Synthesis	2	
Originality	2	
TOTAL		40

TOTAL SECTION C: 80

GRAND TOTAL: 300