



Province of the  
**EASTERN CAPE**  
EDUCATION

**NATIONAL  
SENIOR CERTIFICATE**

**GRADE 12**

**SEPTEMBER 2016**

**BUSINESS STUDIES  
MEMORANDUM**

**MARKS: 300**

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This memorandum consists of 52 pages.

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**NOTES TO MARKERS**

1. Candidates' responses for SECTIONS B and C must be in full sentences; however this would depend on the nature of the question.
2. 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: SECTION A:**

- There are no alternative answers.
- Each question has only one correct answer.

3. Take note of other relevant answers provided by candidates and allocate marks accordingly. (In cases where the answer is unclear or indicates some understanding, part-marks should be awarded, for example, one mark instead of the maximum of two marks.)
4. The word 'sub-max' is used to facilitate the allocation of marks within a question or sub-question.
5. The purpose of circling marks (guided by 'max' in the breakdown of marks) on the right-hand side is to ensure consistency and accuracy in the marking of scripts.
6. In an indirect question, the theory as well as the response must be relevant and related to the question.
7. **Incorrect numbering of questions or sub-questions will be penalised. This is applicable to all the sections of the paper.**
8. No additional credit must be given for repetition of facts. Indicate with an R.
9. 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 memo. Only the total for each question should appear in the left-hand margin next to the appropriate question number.

**10. SECTION B**

- 10.1 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 only applies to questions where the number of facts is specified.

- 10.2 If two facts are written in one sentence, award the candidate FULL credit. Point 10.1 above still applies.
- 10.3 If candidates are required to provide their own examples/views, brainstorm this to come up with alternative answers.
- 10.4 **USE OF THE COGNITIVE VERB AND ALLOCATION OF MARKS**
- 10.4.1 Where the number of facts are specified questions that require candidates to 'explain/discuss/describe' will be marked as follows:
- Heading 2 marks
  - Explanation 1 mark (or as indicated in the memorandum).
- The 'heading' and 'explanation' are given separately to facilitate mark allocation.
- 10.4.2 If the number of facts is not specified, the candidate must be informed by the nature of the question and the maximum marks allocated.
- 10.5 **ONE mark will be awarded for answers that are easy to recall, requires one-word answers, or is quoted directly from scenario/case study. This applies to SECTIONS B and C in particular.**

**11. SECTION C**

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

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

11.2 Insight consists of the following components:

<b>Layout/Structure:</b>	(Is there an introduction, body, proper paragraphs and a conclusion?)	<b>2</b>
<b>Analysis and interpretation:</b>	(Learners' ability to break down the question/interpret it correctly to show understanding of what is being asked.)	<b>2</b>
<b>Synthesis:</b>	(What parts of the question would you have included in the answer? Are there decisions made from a combination of relevant points?) Marks to be allocated using this guide: Mostly irrelevant facts/No relevant facts: 0 Some irrelevant facts/Some relevant facts: 1 No irrelevant facts/Only relevant facts: 2	<b>2</b>
<b>Originality:</b>	(Examples, recency of 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 allocated for layout, if the headings 'Introduction, Conclusion,' etc. in 'Insight' is not supported by an explanation.

- 11.3 Indicate insight in the left-hand margin with a symbol e.g. ('L, A, S and/or O').
- 11.4 The components of insight are indicated at the end of the suggested answer for each question.
- 11.5 Mark all the relevant facts until the **MAXIMUM** mark in a subsection has been attained. Write **MAX** after maximum marks have been obtained.
- 11.6 At the end of each essay indicate the allocation of marks for facts and marks for insight as follow: (L – Layout, A – Analysis, S – Synthesis, O – Originality) as in the table below.

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

- 11.7 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 sub-headings are encouraged and contribute to insight (structuring/logical flow/sequencing) and indicate clarity of thought. (See **MARKS BREAKDOWN** at the end of each question.)
- 11.8 If the candidate identifies/interprets the question **INCORRECTLY**, then he/she may still obtain marks for layout.
- 11.9 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.
- 11.10 Award **TWO** marks for complete sentences. Award **ONE** mark for phrases, incomplete sentences and vague answers.

**SECTION A: COMPULSORY****QUESTION 1**

- 1.1 1.1.1 B √√ Autocratic  
 1.1.2 C √√ Basic Conditions of Employment  
 1.1.3 A √√ Preference  
 1.1.4 D √√ Recruitment  
 1.1.5 B √√ Belbin role  
 1.1.6 D √√ Employment Contract  
 1.1.7 C √√ Public relations  
 1.1.8 B √√ R7 024,64  
 1.1.9 C √√ Partnership  
 1.1.10 A √√ Diversification
- (10 x 2) (20)
- 1.2 1.2.1 Conglomerate √√  
 1.2.2 Responsibility √√  
 1.2.3 Control √√  
 1.2.4 Staff development √√  
 1.2.5 Personal liability company √√
- (5 x 2) (10)
- 1.3 1.3.1 C √√  
 1.3.2 D √√  
 1.3.3 G √√  
 1.3.4 A √√  
 1.3.5 I √√
- (5 x 2) (10)

**TOTAL SECTION A: 40**

<b>BREAKDOWN OF MARKS</b>	
1.1	20
1.2	10
1.3	10
<b>TOTAL</b>	<b>40</b>

## SECTION B

## QUESTION 2: BUSINESS ENVIRONMENT

2.1 2.1.1 Basic Conditions of Employment Act ✓✓ (2)

2.1.2 **Ways of non-compliance**

- Making workers work for long hours without rest periods. ✓
- Forcing workers to work overtime. ✓
- No extra pay for overtime. ✓
- Denied all applications of leave. ✓

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

2.1.3 **Conditions of Employment**

**(a) Working time**

- Workers who work five or less days per week, ✓ may not work more than nine hours per day, or 45 hours per week. ✓
- Workers who work more than five days per week, ✓ may not work more than eight hours per day, ✓ or 45 hours per week.
- Workers must have a meal break of 60 minutes ✓ after five hours of work. ✓
- Any other relevant answer related to working time in the Basic Conditions of Employment Act.

Max. (4)

**(b) Leave conditions**

Annual leave:

- Workers are entitled to 21 consecutive days' ✓ annual leave per year ✓/One day for every 17 days worked ✓/One hour for every 17 hours worked. ✓

Sick leave:

- Workers are entitled to six weeks paid sick leave ✓ in period of 36 months ✓/1 day's paid sick leave ✓ for every 26 days worked during the first six months of employment. ✓
- A medical certificate may be required ✓ before paying an employee who is absent for more than two consecutive days or who is frequently absent. ✓

Maternity leave

- A pregnant employee ✓ is entitled to four consecutive months' leave. ✓
- A pregnant employee may not be allowed ✓ to perform work that is hazardous to her or her child. ✓

**NOTE: Adoption leave may also be accepted.**

Family responsibility leave

- Three to five (3 to 5) days paid leave per year ✓ on request, when:
  - The employee's child is born/sick. ✓
  - In the event of the death of the employee's spouse/life partner/parent/adoptive parent/grandparent/child/adoptive child/grandchild/sibling. ✓

- An employer may require reasonable proof, ✓ before granting this leave. ✓
- Male employees are entitled to up to three/five day's paternity leave ✓ when the child is born. ✓
- Any other relevant answer related to leave in the Basic Conditions of Employment Act.

Max. (4)

**(c) Overtime**

- Only by agreement/Employees cannot be forced ✓ to work overtime. ✓
- No more than ✓ 3 hours per day. ✓
- No more than ✓ ten hours a week. ✓
- Overtime worked on week days and Saturdays ✓ employees get paid 1,5 times normal wage. ✓
- Overtime worked on Sundays and public holidays employees ✓ get paid double the normal wage. ✓
- Any other relevant answer related to the working time in the Basic Conditions of Employment Act.

Max. (4)

**2.2 2.2.1 Consumer rights**

- Right to choose ✓✓
- Right to privacy and confidentiality ✓✓
- Right to fair and honest dealings ✓✓
- Right to information about products and agreements/Right to disclosure and information ✓✓
- Right to fair/responsible marketing/promotion ✓✓
- Right to fair value/good quality and safety ✓✓
- Right to accountability from suppliers ✓✓
- Right to fair, just and reasonable terms and conditions ✓✓
- Right to equality in the consumer market place ✓✓

**NOTE: Mark the first FOUR only.**

(4 x 2) (8)

**2.2.2 Impact of Consumer Protection Act (CPA) on consumers****Positives**

- There is now only one law protecting consumers ✓ and this makes it easier to enforce and apply the law. ✓
- Protects the consumers from unfair, exploitative ✓ and aggressive business and marketing activities. ✓
- Promotes consumer rights and ensures that businesses do not ✓ violate these rights. ✓
- Allows all consumers fair access to ✓ for goods and services. ✓
- Educate consumers about how to participate ✓ responsibly in the goods and services market. ✓
- Ensures that consumers do not buy goods of poor quality ✓ which do not meet quality standards. ✓
- Provide consumers with information ✓ and thereby promote consumer education. ✓

- Consumers are forced to make responsible ✓ and informed decisions. ✓
- Consumers have a cooling-off period of five working days ✓ after purchasing a product. ✓
- Protect consumers from hazardous products ✓ or poor workmanship in terms of service rendered. ✓
- Encourage consumers to complain, ✓ if there is something wrong with the product. ✓
- Any other relevant answer related to the positives of the CPA for consumers.

**AND/OR****Negatives**

- Consumers may not be aware ✓ of the CPA/their consumer rights. ✓
- Consumers may be unaware ✓ of mechanisms in place to lodge disputes. ✓
- Serious implementations problems ✓ with regard to handling consumer complaints. ✓
- Any other relevant answer related to the negatives of the CPA for consumers.

Max. (8)

## 2.3 2.3.1 Secondary sector ✓

Motivation – Fashion Factory manufactures African dresses. ✓✓

Max. (3)

2.3.2	CHALLENGE	ENVIRONMENT
	Frank the human resources manager does not have much knowledge of the new labour legislation. ✓	Micro ✓✓
	Supplier of material is unreliable and often out of stock. ✓	Market ✓✓
	Strong competition abroad. ✓/Difficult to break into international market; strong competition abroad. ✓	Market ✓✓ Macro ✓✓
	Increase in fuel price. ✓	Macro ✓✓
	Socio-economic problems: HIV/Aids, unemployment, crime and poverty. ✓	Macro ✓✓
	Sub-max. (4)	Sub-max. (8)

**NOTE: Mark the first FOUR only.**

Max. (12)

2.4 **Activities of strategy evaluation**

- Examine the underlying bases of business strategy. ✓✓
- Compare expected performance (measure business' performance). ✓✓
- Take corrective action when necessary. ✓✓
- Any other relevant answer related to activities of strategy evaluation.

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

(2 x 2) (4)



### 2.5 Ways to comply with the Skills Development Act (SDA)

- Businesses should register with SARS. √√
- Skills development levy must be paid. √√
- Register employees with SARS to be able to claim back after training.√√
- Businesses with more than 50 employees must appoint a skills development facilitator. √√
- Assess the skills of employees to determine areas in which skills development are needed. √√
- Encourage employees to participate in learnerships and other training programmes. √√
- Provide all employees with the opportunity to improve their skills. √√
- Businesses should register with the relevant SETAs. √√
- Any other relevant answer related to the ways in which businesses may comply with the SDA.

Max. (8)  
[60]

BREAKDOWN OF MARKS	
2.1.1	2
2.1.2	3
2.1.3	12
2.2.1	8
2.2.2	8
2.3.1	3
2.3.2	12
2.4	4
2.5	8
<b>TOTAL</b>	<b>60</b>

**QUESTION 3: BUSINESS VENTURES****3.1 3.1.1 Types of investment**

- RSA Retail Savings Bonds ✓
- Unit trusts ✓

(2)

**3.1.2 Differences between RSA Retail Savings Bonds and Unit trusts**

<b>RSA Retail Savings Bonds</b>	<b>Unit Trusts</b>
- Two different types of bonds are available, ✓ i.e. fixed rate savings bonds and inflation-linked retail savings bond. ✓	- It consists of a number of different shares/ securities/other types of investments ✓ put together by a fund manager. ✓
- It is easily obtainable ✓ on the RSA Retail Savings Bond website/directly from the National Treasury/from any branch of the post office/Pick 'n Pay. ✓	- Funds are pooled by fund/portfolio managers ✓ to buy shares on the JSE in a variety of sectors. ✓
- Minimum of R1 000 ✓ can be invested. ✓	- Minimum amounts ✓ is not always specified. ✓
- Early withdrawals may be made after 12 months, ✓ subject to a penalty. ✓	- It can easily be converted into cash ✓ without penalties. ✓
- Interest is earned half yearly ✓ on 31 March and 30 September. ✓	- Interest and/or dividends are re-invested ✓ for the period of the investment. ✓
- Interest earned is paid out ✓ into the bond holder's bank account ✓/ Investors can choose to re-invest interest ✓ in a new investment. ✓	- Dividends and/or interest earned are re-invested ✓ to ensure higher growth. ✓
- Any other relevant answer related to RSA Retail Savings Bonds.	- Any other relevant answer related to unit trusts.
Sub-max. (4)	Sub-max. (4)

Max. (8)

- NOTE:**
1. The differentiation must be clear.
  2. Answer does not have to be in tabular format.
  3. Award a maximum of 2 marks if the distinction is not clear.
  4. Accept paragraph style answer.

3.1.3 **Factors to consider when choosing a type of investment**

- Return of investment ✓
- Risk ✓
- Investment term/period ✓
- Tax implications ✓
- The influence of the inflation rate on investment ✓

Max. (2)

3.2 3.2.1 **Non-compulsory** ✓

Motivation:

- Non-compulsory insurance is not required by law but it can provide additional protection for businesses. ✓✓
- Non-compulsory insurance is insurance that businesses and individuals can choose to take out voluntarily/optional cover. ✓✓
- Non-compulsory insurance is not a legal requirement and is not set up by the government as a minimum requirement. ✓✓
- Non-compulsory insurance is chosen by the insured and not enforced by law. ✓✓
- Any other relevant answer related to non-compulsory insurance.

Type: (1)  
 Motivation: (2)  
 Max: (3)

3.2.2 **Underinsurance**

- Underinsurance is when property or assets are not insured for their full market value. ✓✓
- Underinsurance is when property or assets are insured for less than the current/actual value. ✓✓
- Any other relevant answer related to underinsurance.

Max. (2)

3.2.3  $\frac{\text{Amount insured}}{\text{Market value}} \times \text{damages (formula)}$

$$= \frac{780\,000 \checkmark}{1\,200\,000 \checkmark} \times 300\,000 \checkmark$$

$$= R195\,000 \checkmark$$

- NOTE:**
1. **Award full marks (5) if the answer is correct and no workings are shown.**
  2. **If workings (process/procedure) demonstrate understanding of the concept, but the final answer is wrong, award the maximum of THREE (3) marks.**
  3. **If there are no workings shown and the answer is incorrect, award a ZERO mark.**

Max. (5)

## 3.3 Private company

	<b>Factor</b>	<b>Success</b>	<b>Failure</b>
3.3.1	Capital	<ul style="list-style-type: none"> <li>- Capital can be increased ✓ by taking on more shareholders. ✓</li> <li>- There is no limit to the number of shares ✓ a private company can register with CIPC and issue to obtain capital. ✓</li> <li>- Any other relevant answer related to impact of capital.</li> </ul>	<ul style="list-style-type: none"> <li>- Shares cannot be sold ✓ to the public. ✓</li> <li>- Capital is limited ✓ to private shareholders. ✓</li> <li>- Any other relevant answer related to the impact of capital.</li> </ul>
		Sub-max. (2)	Sub-max. (2)
			Max.
3.3.2	Management	<ul style="list-style-type: none"> <li>- Business managed by directors ✓ with expertise. ✓</li> <li>- Directors are usually highly skilled individuals ✓ who know how to run a business. ✓</li> <li>- Directors are accountable ✓ to shareholders. ✓</li> <li>- It is easy to make quick decisions ✓ regarding new opportunities that arises, since only one board member is needed. ✓</li> <li>- Any other relevant answer related to impact of management.</li> </ul>	<ul style="list-style-type: none"> <li>- Owners can remove themselves from the daily running of the business, ✓ so often there is no personal involvement. ✓</li> <li>- Large management structures ✓ can result in decision-making taking time. ✓</li> <li>- Shareholders have the power to elect directors, ✓ but not all shareholders exercise their voting rights. ✓</li> <li>- Directors may sometimes act in their own interest, ✓ not in the company's best interests. ✓</li> <li>- Any other relevant answer related to impact of management.</li> </ul>
		Sub-max. (2)	Sub-max. (2)
			Max.

(4)

(4)

3.3.3	Legislation	<ul style="list-style-type: none"> <li>- Easier to establish ✓ under the Companies Act. ✓</li> <li>- Must complete ✓ Memorandum of Incorporation and Notice of Incorporation and payment fee to register company. ✓</li> <li>- Any other relevant answer related to impact of legislation.</li> </ul>	<ul style="list-style-type: none"> <li>- Take a long time ✓ and is a long process to form a company. ✓</li> <li>- Can be expensive ✓ to make the necessary payments. ✓</li> <li>- Can become complicated ✓ to obtain all the necessary legal documents. ✓</li> <li>- Any other relevant answer related to the impact of legislation.</li> </ul>
		Sub-max. (2)	Sub-max. (2)
		Max.	

(4)

3.4 **Presentation of business information**

3.4.1 **Factors to be considered when preparing for a presentation**

- Clear purpose/intentions/objectives ✓ and main points of the presentation. ✓
- Main aims ✓ captured in the introduction/opening statement of the presentation. ✓
- Information presented ✓ should be relevant and accurate. ✓
- Fully conversant ✓ with the content/objectives of the presentation. ✓
- Background/Diversity/Size/Pre-knowledge of the audience ✓ to determine the appropriate visual aids. ✓
- Prepare a rough draft of the presentation ✓ with a logical structure/format/introduction, body and conclusion. ✓
- Conclusion shows a summary of the key facts ✓ and how it relates to the objectives/shows that all aspects have been addressed. ✓
- Create visual aids/graphics ✓ that will consolidate the information/facts to be conveyed to the audience. ✓
- Find out about the venue for the presentation, ✓ e.g. what equipment is available/appropriate. ✓
- Consider the timeframe for presentation, ✓ e.g. fifteen minutes allowed to complete the presentation. ✓
- Rehearsal ✓ to ensure a confident presentation/time was used effectively. ✓
- Prepare for the feedback session, ✓ by anticipating possible questions/comments. ✓
- Any other relevant answer related to the factors that must be considered when preparing for a presentation.

Max. (10)

**3.4.2 Handling of feedback and responding to questions**

- Stand up throughout the feedback session. √√
- Be polite, confident and courteous/humorous. √√
- Listen and then respond. √√
- Make sure that you understand the question/s before responding. √√
- Acknowledge good questions. √√
- Rephrase questions if uncertain. √√
- Do not get involved in a debate. √√
- Do not avoid the question, if you do not know the answer, refer the question to the audience or the employees √√/ Rectify if incorrect answers are given. √√
- Address the whole audience and not only the person asking the question. √√
- Provide feedback as soon as possible after the observed event. √√
- Be direct, honest, sincere. √√
- Use simple language and support what you say with an example/Keep answers short and to the point. √√
- Presenter must encourage questions from the audience. √√
- Do not allow any one member of the audience to dominate the discussion. √√
- Note/write down the questions asked to be able to respond correctly. √√
- Challenge during feedback should be studied to improve future presentations. √√
- Feedback can be given orally or in writing. √√
- Anticipate the questions and prepare possible answers beforehand. √√
- Questions should be addressed in an orderly manner. √√
- Any other relevant answer related to factors are to be considered when handling feedback and responding to questions.

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

(5 x 2) (10)

3.5 **Disadvantages of partnerships**

- Unlimited liability √√
  - Partners are jointly and severally liable for all business debts. √
  - Wrongful actions of one partner will affect all other partners. √
- Limited capital √√
  - Amount of capital that can be invested is limited by partners' savings/credibility. √
- Lacks continuity√√
  - If one partner dies/moves away a new partnership agreement has to be established/a new partnership is formed.√
- Uneven distribution of duties/responsibilities/contribution√√
  - Some partners may do more work/spend more time in the business than others.√
  - Partners may all contribute equally.√
- Different personalities√√
  - Personalities/Opinions of partners may lead to conflict/disagreement.√
- Any other relevant answer related to the disadvantages of partnership.

**NOTE:** 1. **Mark the first TWO (2) only.**  
2. **Award marks if the fact is integrated in the explanation.**

Heading (2)  
Explanation (1)  
Max. (6)  
**[60]**

<b>BREAKDOWN OF MARKS</b>	
3.1.1	2
3.1.2	8
3.1.3	2
3.2.1	3
3.2.2	2
3.2.3	5
3.3.1	4
3.3.2	4
3.3.3	4
3.4.1	10
3.4.2	10
3.5	6
<b>TOTAL</b>	<b>60</b>

**QUESTION 4: BUSINESS ROLES****4.1 Ethics and Professionalism**

4.1.1 Abusing working time/resources ✓ (1)

**4.1.2 Possible strategies**

- The code of conduct/ethics should contain clear rules about abusing work time/conduct of personal matters during working hours. ✓✓
- Policy should be signed by all employees so that they are aware of its content. ✓✓
- Implement policies for employees to have restricted access to business assets. ✓✓
- Employees should be monitored and work towards realistic goals to get work done. ✓✓
- Business must introduce/implement time monitoring systems and time recording procedures. ✓✓
- Structure work hours in such a way that employees have free/flexible time for personal matters. ✓✓
- Create a culture of responsibility towards the business ✓✓/Strengthen team spirit so that all employees feel responsible for what has to be achieved. ✓✓
- Any other relevant answer related to addressing abuse of work time/resources.

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

(2 x 2) (4)

**4.1.3 Problem solving steps**

- Identify the problem. ✓✓
  - Edge Line must recognise that low productivity ✓ and rising expenses is a problem. ✓
- Define the problem. ✓✓
  - Edge Line must define low productivity and rising expenses, ✓ e.g. employees are abusing work time/resources. ✓
  - Write down the possible causes ✓ of low productivity and rising expenses. ✓
- Identify possible solutions to the problem. ✓✓
  - Edge Line must generate a wide range of possible solutions, ✓ e.g. through brainstorming/creative and/or lateral thinking. ✓
  - Investigate to make sure all aspects of the problem ✓ are fully understood. ✓
- Facilitate the discussion amongst the persons involved with problem/evaluate each solution. ✓✓
  - Edge Line must use critical and analysis skills ✓ to evaluate each solution. ✓
  - Consider the advantages and disadvantages ✓ of each alternative solution. ✓
- Select the most appropriate alternative. ✓✓
  - Edge Line must set criteria for the best solution, ✓ in terms of aspects such as time/cost/risk involved. ✓
  - The best solution should match ✓ the size and the resources of the business. ✓
  - If the solution is not appropriate, ✓ go back to defining the problem. ✓



- Develop an action plan. ✓✓
  - Edge Line must arrange the necessary resources ✓ and delegate tasks. ✓
  - Formulate policies for employees ✓ to have restricted access to business's assets. ✓
  - Employees should be monitored ✓ and work towards realistic goals to get work done. ✓
  - Business must introduce/implement time monitoring systems ✓ and time recording procedures. ✓
- Implement the suggested solution. ✓✓
  - Edge Line must carry out ✓ the planned actions. ✓
- Monitor the implementation of the action plan. ✓✓
  - Edge Line must continuously monitor ✓/test the implementation of the solution/action plan. ✓
- Evaluate the chosen solution to the problem. ✓✓
  - Edge Line must continuously monitor ✓/test the solution/action plan. ✓
  - If problems emerge, Edge Line must recognise ✓ and re-formulate the problem for improved solutions in the future. ✓
  - Take ✓ corrective measures. ✓

- NOTE:**
1. **Mark steps in any order.**
  2. **The 'Sub max' of TWO (2) marks for application in each step must be adhered to.**
  3. **Allocate SIX (6) marks for naming, mark until you reach a maximum of 6 marks and avoid marking the first THREE steps only.**

Step: Sub-max. (6)  
 Application: Sub-max. (6)  
 Max. (12)

#### 4.2 4.2.1 **Benefits of Twizza hits a six**

- Open many new opportunities for those young players. ✓
- Help develop their cricket skills. ✓
- Increase their discipline and character. ✓

(3 x 1) (3)

#### 4.2.2 **Benefits for the business**

- 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 benefits to the business.

Max. (6)

#### 4.2.3 Challenges for the business

- 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 challenges to the business.

Max. (6)

#### 4.2.4 CSI projects

- Charitable contribution towards NGOs/Businesses can donate blankets to old age homes/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 THREE (3) 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.**

Max. (6)

#### 4.3 Causes of conflict within a team

- Lack of proper communication between leaders and members. √√
- Ignoring rules/procedures may result in disagreements and conflict. √√
- Leaders and/or members may have different personalities/background. √√
- Different values/levels of knowledge/skills/experience of team members. √√
- Little/no co-operation between internal and/or external parties/stakeholders. √√
- Lack of recognition for good work, e.g. a leader may not show appreciation for extra hours worked to meet deadlines. √√
- Lack of member development may increase frustration levels as members may repeat errors due to lack of knowledge/skills. √√
- Unfair disciplinary procedures, e.g. favouritism. √√
- Little/no support from management with regard to supplying the necessary resources. √√
- Leadership styles used, e.g. autocratic leaders may not consider members' inputs. √√
- Unrealistic deadlines and heavy workloads lead to stress resulting in conflict. √√
- Lack of agreement on mutual matters, e.g. remuneration/working hours. √√
- Unhealthy competition/Inter-team rivalry may cause members to lose focus on team targets. √√
- Lack of commitment which may lead to an inability to meet pre-set targets. √√
- Any other relevant answer related to causes of conflict.

Max. (10)

#### 4.4 Stages of teamwork

- Forming ✓✓
  - A team is formed consisting of different individuals, ✓ who will have to work together towards a common goal. ✓
  - Team members volunteer ✓ to work together. ✓
  - Formed ✓ to solve a problem/challenge. ✓
  - Individuals are driven ✓ by the desire to be accepted by the other team members. ✓
  - Team members gather information ✓ about each other/the objectives of the team. ✓
  - This is a good opportunity ✓ to see how each member performs as an individual and how he/she responds to pressure. ✓
  - Any other relevant answer related to the formation of a team.
  
- Storming ✓✓
  - After the team has been formed, ✓ it goes through a period of uneasiness known as storming. ✓
  - Different ideas ✓ are stormed for consideration. ✓
  - Team members open up to each other ✓ and confront each other's ideas/perspectives. ✓
  - This stage is necessary/important ✓ for the growth of the team. ✓
  - Team members should be tolerant of/patient ✓ with each other to survive this stage. ✓
  - Any other relevant answer related to the storming stage of a team.
  
- Norming ✓✓
 

Team members:

  - Agree on a mutual/common plan ✓ for the team. ✓
  - Consider their own ideas, ✓ but agree with others to make the team perform well. ✓
  - Take the responsibility/have ✓ the ambition to work towards the success of the team. ✓
  - May focus too much on preventing conflict ✓ that they become reluctant to share controversial ideas. ✓
  - Any other relevant answer related to the norming stage of a team.
  
- Performing ✓✓
 

Team members:

  - Know each other ✓ and can function as a unit. ✓
  - Find ways to get the job done smoothly ✓ without conflict/external supervision. ✓
  - Are motivated/knowledgeable/competent/able ✓ to handle the decision-making process in the team. ✓
  - Will make the most of the necessary decisions ✓ to work towards a common goal. ✓
  - Will go through all four stages ✓ many times as they encounter changing circumstances. ✓
  - Any other relevant answer related to the performing stage of a team.

- Adjourning/Mourning ✓✓
  - The focus is on the completion ✓ of the task/ending the project. ✓
  - Breaking up the team may be traumatic ✓ as team members may find it difficult to perform as individuals. ✓
  - Any other relevant answer related to the adjourning/mourning stage of a team.

**NOTE: Mark the first FOUR only.**

Stage (2)  
 Explanation (2)  
 Max. (12)  
**[60]**

<b>BREAKDOWN OF MARKS</b>	
4.1.1	1
4.1.2	4
4.1.3	12
4.2.1	3
4.2.2	6
4.2.3	6
4.2.4	6
4.3	10
4.4	12
<b>TOTAL</b>	<b>60</b>

**QUESTION 5: BUSINESS OPERATIONS**

**Human resource function**

**5.1 5.1.1 Human resource activities**

- Recruitment ✓
- Selection ✓

Max. (2)

**5.1.2 Procedure of Selection**

- Determine fair assessment criteria ✓ on which selection will be based. ✓
- Use the assessment criteria to assess all CV's/application forms ✓ received during recruitment. ✓
- Screening: ✓ determine which applications meet the minimum job requirements and separate these from the rest. ✓
- Compile a shortlist ✓ of potential candidates identified. ✓
- Inform unsuccessful applicants ✓ about the outcome of their application. ✓
- Reference checks should be made to verify the contents of CV's, ✓ e.g. contact previous employers to check work experience. ✓
- Invite shortlisted candidates ✓ for an interview. ✓
- Shortlisted candidates may be subjected to various types of selection tests ✓ e.g. skills tests. ✓
- Any other relevant answer related to the procedures of selection.

Max. (8)

5.1.3 **Advantages of external recruitment**

- The business recruits from other businesses/educational institutions/advertisements ✓ in the media/recruitment agencies/headhunting, etc. ✓
- New candidates' bring ✓ new talents/ideas/experiences/skills into the business. ✓
- It may help the business to meet ✓ affirmative action and BBBEE plans. ✓
- There is a larger pool of candidates ✓ to choose from. ✓
- There is a better chance ✓ of getting suitable candidates with the required skills/qualifications/competencies ✓ who do not need much training/development ✓ which reduce costs. ✓
- Minimises unhappiness/conflict ✓ amongst current employees who may have applied for the post. ✓
- Any other relevant answer related to advantages of external recruitment.

Max. (8)

5.2 5.2.1 **Types of fringe benefits**

- Medical allowance ✓
- Cellphone allowance ✓

**NOTE: Mark the first TWO only.**

Max. (2)

5.2.2 **Benefits of fringe benefits**  
**Positives/Advantages**

- Attractive fringe benefit packages ✓ may result in higher employee retention/ reduces employee turnover. ✓
- It increases employee satisfaction/loyalty, ✓ as they may be willing to work under pressure/improve personal performance. ✓
- Leads to higher productivity, ✓ as workers work for longer hours/more days. ✓
- Attracts good/qualified employees ✓ who do not always need extra training. ✓
- Any other relevant answer related to the positives/advantages of fringe benefits.

**AND/OR**

**Negatives/Disadvantages**

- Fringe benefits are additional costs for businesses, ✓ which may result in cash flow problems. ✓
- Administrative costs increase ✓ as payments need to be correctly allocated and recorded for tax purposes. ✓
- Decreases business profits, ✓ as remuneration costs are increasing. ✓
- It may create conflict/lead to corruption ✓ if allocated unfairly. ✓
- Workers only stay with the business because of fringe benefits ✓, and may not be committed to their tasks/loyal to the business. ✓
- Any other relevant answer related to the negatives/disadvantages of fringe benefits.

Max. (8)

### 5.3 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)

**5.4 Quality of performance****5.4.1 Administration**

- Processing of data and information. √√
- Ensuring the captured data or information is accurate. √√
- Making information available so that management can react timeously to opportunities and threats. √√
- Effective administration improves the liquidity, cash flow and profitability position. √√
- Regular control of outstanding payments, timeous payment of creditors and salaries. √√
- Quick handling of complaints in an effective manner. √√
- Utilising technology efficiently/effectively. √√
- Any other relevant answer related to the relationship between quality and the administration function.

Max. (6)

**5.4.2 Marketing**

- Increasing their market share. √√
- Winning customers by satisfying their needs/wants and building positive relationships. √√
- Adhering to ethical advertising practices when promoting products/services. √√
- Identifying a competitive advantage to focus/improve on marketing strengths. √√
- Differentiating products in order to attract more customers. √√
- Constantly reviewing value issues. √√
- Communicating effectively with customers to get feedback about their experience of products/services sold. √√
- Co-ordinating distribution with production and advertising strategies. √√
- Using pricing techniques to ensure a competitive advantage. √√
- Measuring gaps between customer expectations and actual experiences, so that problems/unhappiness may be diagnosed and addressed. √√
- Making adjustments and changes to products/services based on feedback from customers/results of market research. √√
- Using aggressive advertising campaigns√ to sustain/increase the market share. √√
- Any other relevant answer related to the relationship between quality and the marketing function.

Max. (6)



### 5.5 Continuous Improvement to processes and system cycle

- Plan: ✓
  - Identify the problem. ✓
  - Develop a plan for improvement to processes and systems. ✓
  - Answer questions such as 'what to do' and 'how to do it.' ✓
  - Plan the method and approach. ✓

Sub-max. (3)
- Do: ✓
  - Implement the change on a small scale. ✓
  - Implement the processes and systems. ✓

Sub-max. (3)
- Check/Analyse: ✓
  - Use data to analyse the results of change. ✓
  - Determine whether it made a difference. ✓
  - Check whether the processes are working effectively. ✓
  - Assess, plan and establish if it is working/if things are going according to plan. ✓

Sub-max. (3)
- Act as needed: ✓
  - Institutionalise the improvement. ✓
  - Devise strategies on how to continually improve. ✓
  - If the change was successful, implement it on a wider scale. ✓
  - Continuously revise the process. ✓

Sub-max. (3)
- Any other relevant answer related to how continuous improvement to processes and systems cycle can improve the quality of products.
 

Max. (6)

### 5.6 Impact of Continuous skills development /Education and training on large businesses

#### Positives/Advantages

- Large businesses have a human resources department ✓ dedicated to skills training and development. ✓
- Human resources experts ✓ ensure that training programmes are relevant to increase customer satisfaction. ✓
- Ability to afford ✓ specialised/skills employees. ✓
- May be able to conduct skills audits ✓ to establish the competency/education levels of staff performing work which could affect the quality of products/processes. ✓
- May be able to hire qualified trainers ✓ to train employees on a regular basis. ✓
- Any other relevant answer related to the positives/advantages of continuous skills development on large businesses.

**AND/OR**

**Negatives/Disadvantages**

- Poor communication system ✓ may prevent effective training from taking place. ✓
- Trained employees may leave for better jobs ✓ after they gained more skills. ✓
- De-motivates employees, ✓ if they do not receive recognition for training. ✓
- Employees who specialise in narrowly defined jobs ✓ may become frustrated/demotivated. ✓
- Employees may not be aware of the level of competency they should meet ✓ in order to achieve their targets. ✓
- It may be difficult to monitor/evaluate ✓ the effectiveness of training. ✓
- Any other relevant answer related to the negatives/disadvantages of continuous skills development on large businesses.

Max. (8)  
[60]

<b>BREAKDOWN OF MARKS</b>	
5.1.1	2
5.1.2	8
5.1.3	8
5.2.1	2
5.2.2	8
5.3	6
5.4.1	6
5.4.2	6
5.5	6
5.6	8
<b>TOTAL</b>	<b>60</b>

**QUESTION 6: MISCELLANEOUS TOPICS****BUSINESS ENVIRONMENT**

- 6.1 6.1.1 Conglomerate Diversification/Conglomerate  $\checkmark\checkmark$  (Diversification  $\checkmark$ )
- 6.1.2 Market development  $\checkmark\checkmark$  (Intensive  $\checkmark$ )
- 6.1.3 Backward vertical integration/Backward integration  $\checkmark\checkmark$   
(Accept Vertical Integration  $\checkmark\checkmark$ /Vertical $\checkmark$ /Integration  $\checkmark$ )
- 6.1.4 Liquidation  $\checkmark\checkmark$  (Defensive  $\checkmark$ )
- 6.1.5 Horizontal integration  $\checkmark\checkmark$  (Horizontal $\checkmark$ /Integration $\checkmark$ ) (5 x 2) (10)
- 6.2 **Forces of Porter's Model**
- The power of supplier  $\checkmark$
  - Competitive rivalry  $\checkmark$
  - The power of buyers  $\checkmark$
  - Threat of new entry  $\checkmark$
  - Threat of substitute  $\checkmark$
- (5 x 1) (5)

**BUSINESS VENTURE**

- 6.3 **Types of Compulsory insurance**
- Unemployment Insurance Fund/(UIF)  $\checkmark$
  - Road Accident Fund/(RAF)  $\checkmark$
  - Compensation for Occupational Injuries and Diseases/(COIDA)  $\checkmark$
- NOTE: Mark the first THREE only.**
- (3 x 1) (3)
- 6.4 **Function of Johannesburg Securities/Stock Exchange**
- Serves as a link  $\checkmark$  between investors and entrepreneurs.  $\checkmark$
  - Keeps investors informed  $\checkmark$  through newspapers and other media by publishing share prices daily.  $\checkmark$
  - Regulates market  $\checkmark$  for dealing with shares.  $\checkmark$
  - Serves as a barometer/indicator $\checkmark$  of economic conditions.  $\checkmark$
  - Mobilises the funds $\checkmark$  of insurance companies and other institutions.  $\checkmark$
  - Raises $\checkmark$  primary capital.  $\checkmark$
  - Venture capital market $\checkmark$  is made possible.  $\checkmark$
  - Provides protection $\checkmark$  for investors.  $\checkmark$
  - Has strict listing requirements $\checkmark$  which increase liquidity for investors.  $\checkmark$
  - Creates a safe environment $\checkmark$  for exchanging securities.  $\checkmark$
  - Forces listed companies to improve their reporting,  $\checkmark$  and provide better information for decision-making by investors.  $\checkmark$
  - Encourages $\checkmark$  short term investments.  $\checkmark$
  - Allows small investors to buy shares $\checkmark$  in large companies.  $\checkmark$
  - Enables financial institutions to invest $\checkmark$  their surplus funds in shares.  $\checkmark$
  - Enables companies to offer share option incentives,  $\checkmark$  which increases their ability to attract and retain high-quality investment talent.  $\checkmark$
  - Monitors change $\checkmark$  in listed companies.  $\checkmark$
  - Monitors the activities  $\checkmark$  of the stockbrokers.  $\checkmark$

- Uses STRATE ✓ to facilitate share transactions. ✓
- Promotes the JSE to the general public ✓ and educates the public about the stock exchange. ✓
- Plans, researches and advises ✓ on investment possibilities. ✓
- Allows shareholders to realise the value of their investments ✓ through a public trading platform. ✓
- Any relevant answer related to the functions of the JSE.

Max. (6)

### 6.5 Data projector/PowerPoint

#### Positives

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

#### AND/OR

#### Negatives

- Unprofessional handling of the data projector/Power-Point presentation material ✓ may lead to irritation/may result in the audience losing interest. ✓
- Less effective ✓ to people with visual impairments. ✓
- Simply reading off the slides ✓ makes a presentation boring/meaningless. ✓
- Unable to show slides ✓ without electricity/data projector. ✓
- Any other relevant answer related to the negative evaluation of a data projector/Power-Point presentation.

Max. (6)

**BUSINESS ROLES****6.6 Grievance procedure**

- An aggrieved employee must verbally report the incident/grievance to his/her supervisor/manger, ✓ 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 lodge in writing/completes a business grievance form. ✓
- He/she 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. ✓
- 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)

**6.7 Creative thinking**

- 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 swops ✓ 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 that come up with creative ideas. ✓
- Provide a conducive working environment ✓ 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 (6)

**BUSINESS OPERATIONS**

**6.8 Details of employment contract**

- Key performance areas/Duties and responsibilities √√
- Code of conduct √√
- Job description √√
- Name and address of the business/employer √√
- Name and address and other personal information of the employee √√
- Job title √√
- Probation period √√
- Bonus and salary/employee wages/salary and method of calculating the wage/salary √√
- Remuneration package/other payments the employee is entitled to √ √
- The date of commencement of employment √√
- Details of termination of a contract/notice period √√
- Rate of overtime payment √√
- All deductions that will be made from the employee salary/wage must be clearly indicated √√
- Leave √√
- Working hours √√
- Any other relevant answer related to the aspects included in an employment contract.

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

Max. (4)

**6.9 Differences between job description and job specification**

<b>Job description</b>	<b>Job specification</b>
- Describe duties/responsibilities √ of a specific job √/Summary √ of the nature/type of the job. √	- Specifies the minimum acceptable personal qualities/skills/qualifications √ needed for the job. √
- Written description of the job √ and its requirements. √	- Written description of specific qualifications/skills/experience √ needed for the job. √
- Describe key performance areas/tasks for a specific job. √ e.g. job title/working conditions/relationship of the job with other jobs in the business, √ etc.	- Describes key requirements for the person who will fill the position, √ e.g. formal qualifications/willingness to travel/work unusual hours, √ etc.
- Any other relevant answer related to job description.	- Any other relevant answer related to job specification.
Sub-max. (3)	Sub-max. (3)

- NOTE:**
1. The differentiation must be clear.
  2. Allocate a maximum of THREE (3) marks if distinction is not clear.
  3. Answer does not have to be in tabular format.

Max. (6)

6.10 **Impact of TQM if poorly implemented**

- Setting unrealistic deadlines ✓ that may not be achieved. ✓
- Employees may not be adequately trained ✓ resulting in poor quality products. ✓
- Decline in productivity, ✓ because of stoppages. ✓
- Businesses may not be able to make necessary changes ✓ to satisfy the needs of customers. ✓
- The reputation of the business ✓ may suffer because of faulty goods. ✓
- Customers will have many alternatives to choose from ✓ and the impact could be devastating to businesses. ✓
- Investors might withdraw investment, ✓ if there is a decline in profits. ✓
- Bad publicity ✓ due to poor quality products supplied. ✓
- Decline in sales, ✓ as returns from unhappy customers' increase. ✓
- 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 poor TQM.

Max. (6)  
[60]

BREAKDOWN OF MARKS	
6.1	10
6.2	5
6.3	3
6.4	6
6.5	6
6.6	8
6.7	6
6.8	4
6.9	6
6.10	6
<b>TOTAL</b>	<b>60</b>

**TOTAL SECTION B: 180**

**SECTION C****QUESTION 7: BUSINESS ENVIRONMENT****7.1 Introduction**

- The Labour Relations Act provides a detailed and comprehensive outline of the rights of employers and employees. ✓
- The Labour Relations Act was passed to redress the inequalities of the past and to repeal laws that were discriminatory. ✓
- The Labour Relations Act is guided by the Constitution which protects the rights of employees and employers. ✓
- Any other relevant introduction relating the Labour Relations Act.

Max. (2)

**7.2 Rights of employees and employers as specified in the Labour Relations Act****Rights of employees**

- Right to fair ✓ labour practices. ✓
- Right to organise ✓ and bargain collectively. ✓
- Right to correct ✓ and fair dismissal procedures. ✓
- Right to form ✓ and belong to trade union/freedom of association. ✓
- Right to take part in legal strike ✓ or embark on other forms of legal industrial action. ✓
- Right to take part in a picket ✓ to support a protected strike or oppose a lockout. ✓
- Right to participate ✓ in the election of office bearers or trade union representatives. ✓
- Right to stand for election ✓ and eligible for appointment as an office bearer in their trade union/employee organisation. ✓
- Right to not be discriminated against in the work place, ✓ as all employees should be given the same opportunities. ✓
- Right to a fair representation ✓ during disciplinary hearings/grievance and be presented by union representative/colleague/legal advisor. ✓
- Right to form workplace forums ✓ to resolve workplace issues. ✓
- Right to take reasonable time off, ✓ to perform their trade union duties. ✓
- Any other relevant answer related to the rights of employees specified in the LRA.

Sub-max. (6)



**Rights of employer**

- Right to participate in forming an employers' organisation, ✓ join the organisation or participate in any lawful activity arranged by the organisation. ✓
- Right to a lawful lock-out ✓ when employees embark on a strike/industrial action negotiations. ✓
- Right to participate ✓ in the election of office bearers or employers' organisation representatives. ✓
- Right to stand for election ✓ and eligible for appointment as an office bearer in the employers' organisations. ✓
- Right not to pay an employee ✓ who has taken part in a protected strike for services or work they did not perform during the strike. ✓
- Right to dismiss ✓ employees who engage in unprotected strikes. ✓
- Right to claim compensation ✓ via the Labour Court for losses suffered as a result of unprotected strikes. ✓
- Right to protection ✓ of business interests in labour related issues. ✓
- Any other relevant answer related to the rights of business/employer specified in the LRA.

Sub-max. (6)

Max. (10)

**7.3 Purpose of the Labour Relations Act**

- Provides a framework where the employees, trade unions and employers work together ✓ to discuss matters relating to employment, e.g. wages, conditions of employment. ✓
- Promotes orderly negotiations and employee participation ✓ in decision making in the workplace. ✓
- Promotes resolution ✓ of labour disputes. ✓
- Promotes fair ✓ employment practices. ✓
- Outlines the relationship ✓ between employees and employers. ✓
- Provides simple procedures ✓ for the registration of trade unions and employers' organisations. ✓
- Regulates the rights of trade unions and facilitates ✓ collective bargaining. ✓
- Regulates the effectiveness of bargaining councils ✓ and statutory councils. ✓
- Allows workplace forums ✓ where employees may participate in decision-making. ✓
- Establishes the Commission for Conciliation, Mediation and Arbitration (CCMA) to resolve labour disputes ✓ through statutory conciliation, mediation and arbitration. ✓
- Endorses the right to strike against retrenchments, ✓ and facilitates labour disputes. ✓
- Clarifies the transfer ✓ of contracts of employment procedures. ✓
- Establishes Labour Courts and Labour Appeal Courts ✓ to deal with labour issues. ✓
- Offers codes ✓ of good practice. ✓
- Deals with ✓ strikes and lockouts and workplace forums. ✓
- Establishes workplace forums to promote ✓ the interest of all employees in the workplace whether they belong to the trade union or not. ✓
- Any other relevant answer related to the purpose of the Labour Relations Act.

Max. (12)

#### 7.4 Actions regarded as discriminatory by the LRA

- Unfair/illegal dismissal ✓ of employees. ✓
- Cancellation of employees' contract by a new owner/employer ✓ when a business is sold/ transferred. ✓
- Refusing the formation/recognition ✓ of workplace forums. ✓
- Refusing to give workplace forum members time off ✓ with pay for attending meetings during working hours. ✓
- Forcing employees ✓ to give up trade union membership. ✓
- Preventing employees ✓ from joining trade unions. ✓
- Refusing leave to trade union representatives ✓ to attend trade union activities. ✓
- Breaching of collective agreements/resolution mechanisms ✓ by either employer/employee. ✓
- Not allowing employees ✓ to take part in legal strikes. ✓/Not adhering to the right ✓ of employees to strike when legalised. ✓
- Any other relevant answer related to actions regarded as discriminatory by the LRA.

Max. (10)

#### 7.5 Impact on businesses

##### Positives

- Protects the rights/interests of businesses ✓ in labour related issues. ✓
- Protects employers who embark on lawful lock-outs ✓ when negotiations between parties fail. ✓
- Ensures participation of all parties in collective bargaining/decision-making ✓ which leads to reducing conflict in the workplace. ✓
- Labour disputes are settled quicker ✓ and are less expensive. ✓
- Workplace forum can be tasked to resolve workplace issues ✓ as they take part in decision making. ✓
- Provides for dispute resolution through consensus ✓ between organised labour, the business and the state. ✓
- Provides mechanisms, ✓ e.g. statutory councils, collective bargaining and CCMA to settle labour disputes. ✓
- Prevents unfair discrimination in the workplace ✓ as all employees should be given the same opportunities. ✓
- The Act gives the employers the right to dismiss ✓ employees who engage in unprotected strikes. ✓
- Employers may claim compensation ✓ via the Labour Court for losses suffered as a result of unprotected strikes. ✓
- Any other relevant answer related to positive impact of the LRA on businesses.

**AND/OR**

**Negatives**

- Productivity/Profitability may decrease, ✓ if employees are allowed to participate in the activities of trade unions during work time. ✓
- Quick decision making may be affected ✓ as workplace forum representatives may put the interest of employees above that of the business. ✓
- Disputes resolution through consensus ✓ may be time-consuming. ✓
- When a business is transferred/sold to new owners, the new employer has to take-over/continue with existing employees' contracts. ✓ Incompetent employees may be inherited. ✓
- Information about workplace issues may be disclosed to trade union representatives, ✓ which may be leaked to competitors. ✓
- Cost of labour increase, ✓ 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)

**7.6 Conclusion**

- The main impact of this Act on businesses is to limit their powers in relation to how they treat their employees. ✓✓
- The Labour Relations Act regulates the fundamental rights of employers and employees. ✓✓
- Any other relevant conclusion relating the Labour Relations Act.

Max. (2)

**[40]**

**BREAKDOWN OF MARKS**

Details	Maximum	Total
Introduction	2	Max. 32
Rights of employees and employer	10	
Purpose of the Labour Relations Act	12	
Actions regarded as discriminatory	10	
Impact on business operations	14	
Conclusion	2	
<b>INSIGHT</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 8: BUSINESS VENTURES****8.1 Introduction**

- Many business persons or entrepreneurs are familiar with the different leadership and management styles which are used in the business undertakings. ✓
- Different management or leadership styles are used to influence employees. ✓
- Different situations need different leadership and management styles. ✓
- Leadership style is the manner in which a leader provides direction, puts plans into operation and motivates people in the organisation. ✓
- A personal attitude is a choice which can limit employees or empower them. ✓
- Any other relevant introduction relating to management, leadership, leadership styles and personal attitude in successful leadership.

Max. (2)

**8.2 Distinction between management and leadership.**

<b>Management</b>	<b>Leadership</b>
Demands respect, authority ✓ and wants to control. ✓	Invites and motivates freedom of speech ✓ and inspires trust. ✓
Gives orders/instructions ✓ to guide human behaviour. ✓	Seeks to empower/facilitates employees ✓ to influence human behaviour. ✓
Thinks that they know ✓ all the answers. ✓	Asks the right questions ✓ to get to the right answers. ✓
Focuses on the task. ✓✓	Focuses on individuals/groups. ✓✓
Focuses on the implementation ✓ of policies. ✓	Focuses on motivating ✓ workers to help with the implementation processes. ✓
Follows/Implements ✓ the vision of the enterprise. ✓	Provides a vision ✓ for the enterprise. ✓
Minimises ✓ and controls risks. ✓	Always on the lookout ✓ for business opportunities. ✓
Ensures that profit targets ✓ are met. ✓	Strategises ✓ to increase profitability. ✓
Any other relevant answer related to management.	Any other relevant answer related to leadership.
Sub-max. (4)	Sub-max. (4)

- NOTE:**
1. The distinction must be clear.
  2. Allocate a maximum of **FOUR (4)** marks if distinction is not clear.
  3. Answer does not have to be in tabular format.

Max (8)

### 8.3 Leadership/Management styles

#### 8.3.1 Autocratic/Authoritarian/Boss-centred leadership style

- The leader makes ✓ all the decisions alone. ✓
- The leader has little or no consideration ✓ for the needs or opinions of subordinates. ✓
- The leader tells employees what to do and how to do it ✓ without asking them for input. ✓
- The leader gives directives/instructions ✓ as a way of communicating with subordinates. ✓
- It is used when the manager ✓ has all the information to solve the problem. ✓
- This leadership style, if not used correctly, ✓ may lead to crisis situations within the organisation. ✓
- Leaders must use this style carefully ✓ because it may de-motivate subordinates. ✓
- Any other relevant answer related to Autocratic leadership/management style.

Sub-max. (6)

#### 8.3.2 Laissez-faire/Free reign/Subordinate centred leadership style

- The leader is not part of the decision making process, ✓ but allows employees to make all the decisions within the framework/limits of the policy. ✓
- The leader gets involved ✓ when requested. ✓
- The leader is responsible and accountable ✓ for the employees' decisions and actions. ✓
- Employees are left on their own ✓ with minimal interference. ✓
- This may lead to frustration ✓ on the part of employees when they lack experience or have not earned the trust of the leader. ✓
- It is suitable when employees ✓ are highly experienced and qualified. ✓
- Any other relevant answer related to Laissez-faire leadership style.

Sub-max. (6)

#### 8.3.3 Bureaucratic Leadership Style

- The leader provide ✓ strict rules of the business. ✓
- The leader ensures that employees follow ✓ rules and procedures accurately and constantly. ✓
- The leader leads ✓ through instituting processes and procedures. ✓
- The leaders follows the rules systematically ✓ and makes sure that employees also adhere to the rules. ✓
- Leaders expect employees to follow ✓ a formal business attitude and follow procedures precisely. ✓
- There is little adjustment ✓ to changes in the environment. ✓
- The leaders encourages ✓ no creativity. ✓
- Any other relevant answer related to the bureaucratic leadership style.

Sub-max. (6)

#### 8.3.4 Democratic/Participative/Consultative/Consensus leadership style

- The leader invites team members ✓ to take part in decision making. ✓
- The leader considers the needs and input of followers ✓ and encourages group involvement. ✓
- The employees provide lots of feedback ✓ before decisions are made. ✓
- The tasks are delegated to employees ✓ and they take full control over the completion of the work. ✓
- The leader remains responsible ✓ for making decisions. ✓
- This style is time-consuming ✓ especially when discussing different ideas and making different decisions. ✓
- This type of leadership includes employees in decision making ✓ but still has the authority to make the final decision. ✓
- This leadership style improves employee motivation and helps ✓ leader to win the support of the subordinates. ✓
- Any other relevant answer related to Democratic/Participative/Consultative/Consensus leadership style.

Sub max. (6)

Max. (24)

### 8.4 Situations in which leadership style will be used

#### 8.4.1 Autocratic/Authoritarian/Boss-centred leadership style

- Used under crisis situations, e.g. disaster relief management. ✓✓
- Applied when implementing business policies. ✓✓
- Applied when implementing government legislation. ✓✓
- Used when all the information is available to solve the problem. ✓✓
- Used when dealing with employees who are not cooperative in the workplace. ✓✓
- Applied when dealing with routine decisions/tasks are clearly defined. ✓✓
- Applied when dealing with newly appointed employees. ✓✓
- Any other relevant answer related to the situation of using the Autocratic leadership style in the workplace.

**NOTE: Mark the first ONE (1) only.**

Sub-max. (2)

#### 8.4.2 Laissez-faire/Free reign/Subordinate centred leadership style

- This style is appropriate when the leader is empowering his employees through the delegation of duties. ✓✓
- Useful when employees are knowledgeable and experienced. ✓✓
- Applied in situations where employees are highly skilled in analysing situations and offering solutions. ✓✓
- Applied in businesses that require flexibility, creativity and innovation. ✓✓
- Any other relevant answer related to the situation of using the Laissez-faire leadership style in the workplace.

**NOTE: Mark the first ONE (1) only.**

Sub-max. (2)

**8.4.3 Bureaucratic Leadership Style**

- This style is used where accountability is very important, e.g. government departments, accountable to the general public. √√
- This style is used at dangerous places such as mines, oil rigs and construction sites where health and safety is important. √√
- This style is used for routine jobs. √√
- Any other relevant answer related to the situation of using the Bureaucratic leadership style in the workplace.

**NOTE: Mark the first ONE (1) only.**

Sub-max. (2)

**8.4.4 Democratic/Participative/Consultative/Consensus leadership style**

- Is effective in situations where the leader does not have all the information needed to make a decision and employees have valuable information and expertise to contribute. √√
- This style is used when changes have to be made to systems and processes. √√
- This style is used in creative-type businesses and manufacturing concerns, in professional business where training, professional and leadership development takes place, and in non-profit organisations where ideas are needed to generate funds. √√
- This style is suitable when cooperation is required between a leader and a team. √√
- This style is suitable when decisions need to be looked at from several perspectives. √√
- Any other relevant answer related to the situation of using the Democratic/Participative/Consultative/Consensus leadership style in the workplace.

**NOTE: Mark the first ONE (1) only.**

Sub-max. (2)

Max. (8)

**8.5 Effect 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 style effectively. √
- Great leaders understand that the right attitude √ will set the right atmosphere. √
- Leaders' attitude can influence employees'/teams' thoughts √ and behaviour. √
- Leaders should model the behaviour √ that they want to see in team members. √
- Leaders must know/understand their teams √ to be able 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 and professional success. √
- Leaders with a positive attitude know that there is always more to learn √ and space to grow. √
- Any other relevant answer related to the role of personal attitude in successful leadership.

Max. (6)

8.6 **Conclusion**

- The people in control of successful businesses must have basic leadership and management skills.√√
- Different leadership styles are influenced by the nature of the organisation and expertise of the employees.√√
- The personality of the leader plays an integral part in the type of leadership style administered.√√
- Any other relevant conclusion relating to management/leadership, leadership styles and effect of personal attitude in successful leadership.

Max. (2)  
[40]

**BREAKDOWN OF MARK ALLOCATION**

Details	Maximum	Total
Introduction	<b>2</b>	Max. 32
Management and Leadership	<b>8</b>	
Leadership styles	<b>24</b>	
Situations	<b>8</b>	
Effect of personal attitude	<b>6</b>	
Conclusion	<b>2</b>	
<b>INSIGHT</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****9.1 Introduction**

- Diversity refers to the variety of people employed based on age/race/ gender/ethnic groups/people with disabilities/material wealth/ personalities/how employees see themselves and others. ✓
- People are important within the business environment. ✓
- Businesses need to uphold the key human rights listed in the Constitution. ✓
- Businesses must consider the impact of their actions on the environment. ✓
- The protection of human health from the harmful effects of an unsuitable environment is one of the fundamental human rights contained in the Bill of Rights. ✓
- Businesses should put systems in place to support human rights, inclusivity and environmental issues. ✓
- Any other relevant introduction related to human rights, diversity and environmental issues in the workplace.

Max. (2)

**9.2 Human rights in the workplace**

- **Privacy** ✓✓
  - PCL may not violate the rights ✓ of the employees and clients. ✓
  - They should not provide personal information ✓ about employees to anyone else. ✓
  - Information on employees who have disclosed their HIV/Aids status or any chronic illness ✓ must be kept confidential. ✓
  - It is illegal to read other people's emails/record conversations ✓ unless stated clearly and upfront. ✓
  - Any other relevant answer related to privacy.

Sub-max. (4)

- **Respect/Dignity** ✓✓
  - PCL must treat all employees with respect/dignity ✓ regardless of their socio-economic status. ✓
  - They should not force workers ✓ to do embarrassing or degrading work. ✓
  - Any other relevant answer related to respect/dignity.

Sub-max. (4)

- **Equity** ✓✓
  - PCL must give equal opportunities/not discriminate against their employees ✓ on the basis of gender/race/religion/sexual orientation, ✓ etc.
  - Equal pay ✓ for work of equal value. ✓
  - They should apply relevant legislation ✓ fairly on all levels. ✓
  - Managers should ensure that no employee suffers ✓ because of discrimination. ✓
  - Any other relevant answer related to the right to equity.

Sub-max. (4)

- **Freedom of speech and expression** √√
  - PCL should allow open communication channels √ between management and employees. √
  - They should give employees a platform to raise their grievance √ without any victimisation. √
  - An employee should not be punished/discriminated against √ for voicing their opinion. √
  - Any other relevant answer related to the right to freedom of speech and expression.

Sub-max. (4)
  
- **Information** √√
  - Workers should have access to information, √ including all information held by the government, e.g. policies/work schedules/employment contracts/labour laws such as BCEA/EEA/SDA, √ etc.
  - PCL needs to be transparent √ in their financial statements √ / Employees may request to see these statements √ with motivation. √
  - Employees should be updated √ as new information becomes available. √
  - Any other relevant answer related to the right to information.

Sub-max. (4)
  
- **Freedom of association** √√
  - An employer may not refuse √ employees to join the trade union of their choice. √
  - Any other relevant answer related to the right to freedom of association.

Sub-max. (4)
  
- **Free choice of a trade, occupation or profession** √√
  - Every employee has the right to receive suitable training √ for positions at their place of work. √
  - Any other relevant answer related to the right to a free choice of trade, occupation or profession.

Sub-max. (4)
  
- **Labour rights/Freedom of assembly/Rights to protest** √√
  - PCL may not discriminate against any employee √ who opts to follow the correct process to strike/withhold labour. √
  - PCL should respect employees' membership to unions/taking part in legal strikes √ as long as the industrial action is within the law. √
  - Any other relevant answer related to the right to freedom of assembly/the right to protest.

Sub-max. (4)

- **Freedom of thought and religion** √√
  - PCT may not prevent an employee √ from practising his or her religion. √
  - Employees should be allowed to observe √ their religious holidays/given time off. √
  - Employees should be allowed to practice their religion √ without any fear. √
  - Any other relevant answer related to the right to freedom of thought and religion.

Sub-max. (4)
  
- **Health care/food/water and social assistance** √√
  - Employees should have access √ to clean water and sanitation at the workplace. √
  - Some employers subsidise √ healthy meals/arrange for primary health care services to be available on site. √
  - PCL must promote the basic human rights, √ e.g. support workers living with HIV/Aids/those affected by occupationally related illnesses. √
  - Any other relevant answer related to the right to health care/food/water and social assistance.

Sub max. (4)
  
- **Fair labour practices** √√
  - PCL should pay √ fair salaries and wages. √
  - They must adhere to the terms and conditions √ of BCEA. √
  - Any other relevant answer related to the right to fair labour practices.

Sub-max. (4)
  
- **Education and training/universal right to basic education** √√
  - Employees should be sent √ for skills development training programmes. √
  - Coaching/Mentoring √ to prepare employees for managerial positions. √
  - Every employee has the right to training, √ including ABET training for employees who have little formal education. √
  - Any other relevant answer related to the right to education and training/universal right to basic education.

Sub-max. (4)
  
- **Safety/Security and Protection/Life** √√
  - Employees must work in a safe working environment √ free from hazardous areas/products. √
  - PCL should provide workers with protective clothing √ e.g. gloves and footwear. √
  - They should comply to legislation √ such as the OHSA/COIDA, etc. √
  - PCL should take precautionary measures √ to ensure employees and their belongings are safe in the workplace. √
  - Any other relevant answer related to the right to safety and protection/life.

Sub-max. (4)

- **Freedom of slavery, servitude or forced labour** √√
  - PCL should comply with legislation √ such as BCEA/Labour Relations Act. √
  - No business should threaten/apply pressure on/intimidate an employee, √ to perform a specific act. √
  - Any other relevant answer related to the right to freedom of slavery, servitude or forced labour.

Sub-max. (4)
  
- **Vote** √√
  - PCL should ensure that their employees have time available √ to vote in general elections. √
  - Any other relevant answer related to the right to vote.

Sub-max. (4)
  
- **Freedom of movement** √√
  - PCL may not prevent an employee from applying √ for any suitable position at another office of the employer/at any other business. √
  - Any other relevant answer related to the right to freedom of movement.

Sub-max. (4)
  
- Children's rights** √√
  - PCL may not employ children √ of 15 years and younger. √
  - Any other relevant answer related to children's rights.

Sub-max. (4)
  
- **Freedom to choose your own language/participate in own cultural life** √√
  - PCL may not discriminate √ against any employee's cultural/language choice. √
  - They must ensure that all employees √ are treated equally. √
  - PCL should have a detailed policy √ dealing with diversity in the workplace. √
  - Any other relevant answer related to the right of employees to choose their own language/participate in own cultural life.

Sub-max. (4)
  
- **Access to Labour institutions/Court** √√
  - Employees have the right to apply to the CCMA/Labour Court for assistance, √ if discussions with PCL did not resolve any labour disputes. √
  - Any other relevant answer related to the right to access Labour institutions/Court.

Sub-max. (4)

**Max. (16)**

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

### 9.3 Positive impact/benefits of a diverse workforce

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

Max. (10)

### 9.4 Dealing with gender and poverty in the workplace

#### Gender

- PCL should employ both males and females. ✓✓
- Males and females are entitled to equal treatment in the workplace. ✓✓
- PCL directors should promote both men and women. ✓✓
- The Employment Equity Act forbids gender discrimination and states that men and women should receive equal treatment/have access to equal opportunities in the workplace. ✓✓
- BBBEE promotes the economic empowerment of women. ✓✓
- Promotion should be based on skills and ability. ✓✓
- Introduce affirmative action by offering female employees a fair chance in the workplace with regard to remuneration/promotion/other employment opportunities. ✓✓
- Effectively deal with sexual harassment incidences. ✓✓
- Any other relevant answer related to gender as a diversity issue in the workplace.

Sub-max. (8)

**Poverty**

- PCL should employ people from different socio-economic backgrounds/ status. ✓✓
- Give previously disadvantaged individuals a chance to be educated by incorporating Adult Basic Education and Training (ABET) into training programmes of the business. ✓✓
- Train all employees so that they can be able to deal with retrenchment. ✓✓
- Reward employees for services well-rendered. ✓✓
- Ensure that the prices of products are affordable for the identified consumer market. ✓✓
- Sponsor learnerships for unemployed people/use grants received from SETAs to train more unemployed people from local communities. ✓✓
- Train some unemployed people from local communities as part of a business's CSI projects. ✓✓
- Offer subsidised meals/canteen facilities on the premises. ✓✓
- Supply free uniforms to employees for safety purposes. ✓✓
- Any other relevant answer related to poverty as a diversity issue in the workplace.

Sub-max. (8)  
**Max. (10)**

9.5 **Ways to protect the environment and promote human health**

- Laws and regulations should be adhered to so that profits are not generated at the expense of the environment. ✓✓
- Pollution and other environmental issues should always be considered in all business activities, e.g. safe disposal of waste/dumping of toxic waste, ✓✓ etc.
- Become involved in environmental awareness programs. ✓✓
- The environment can be protected by altering production techniques in favour of cleaner and greener technologies. ✓✓
- Water for human consumption should be tested before it is used. ✓✓
- Promote nature conservation by looking after natural resources. ✓✓
- Minimise pollution, by re-using, reducing and recycling. ✓✓
- Reduce consumption of goods/services which are environmentally unfriendly. ✓✓
- Register/Engage with recognised institutions/bodies that promote green peace. ✓✓
- Physical working conditions should always be worker friendly, safe and promote occupational health. ✓✓
- Physical working conditions, e.g. adequate lighting/ventilation should be available and functional. ✓✓
- Machines must be serviced/maintained regularly. ✓✓
- Educate people about hygiene issues. ✓✓
- Encourage employees to do regular health checks. ✓✓
- Any other relevant answer related to ways that PCL can implement to protect the environment and promote human health.

**NOTE: No sub-max for environment and human health.**

**Max. (10)**

9.6 **Conclusion**

- Businesses should effectively deal with diversity to avoid bias/racism/ stereotypes in the workplace. √√
- Businesses can achieve inclusivity by promoting equality, respect and dignity in the workplace. √√
- Businesses should assess, control and address all the physical, chemical and biological factors in the environment. √√
- Any other conclusion related to human right, inclusivity and environmental issues.

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

**BREAKDOWN OF MARK ALLOCATION**

<b>DETAILS</b>	<b>MAXIMUM</b>	<b>TOTAL</b>
Introduction	2	Max. 32
Five human rights in the workplace	16	
Benefits of diversity	10	
Ways to deal with gender and poverty issues in the workplace	10	
How to protect the environment and promote a healthy working environment	10	
Conclusion	2	
<b>INSIGHT</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 10: BUSINESS OPERATIONS****10.1 Introduction**

- Total quality relates to products that totally satisfy customers' needs and expectations in every respect on a continuous basis.√
- Quality is to satisfy customers' needs.√
- Business functions and employees' activities must be properly managed to ensure quality goods and services.√
- Quality management should not just be an inspection process, but become part of the culture of the business.√
- TQM is an integrated system and methodology applied throughout the organisation which helps to design, produce and provide quality products and quality service to customers.√
- Any other relevant introduction related to total quality management. (TQM)

**Max. (2)****10.2 Elements of the TQM****10.2.1 Top management involvement/Commitment of top management** √√

- Management should have a clear vision and mission statement with regards to TQM. √√
- Management is responsible for giving strategic guidance with regards to quality management. √√
- Top management should support all TQM activities. √√
- Appoint managers/supervisors to control and oversee all stages of TQM processes. √√
- Act on customer feedback and complaints. √√
- Ensure that quality reviews are regularly conducted. √√
- Ensure that shareholders are totally satisfied with the standards of quality. √√
- Any other relevant answer related to top management's involvement.

Sub-max. (6)

**10.2.2 Total client satisfaction/Total customer satisfaction**√√

- The business should understand current and future customer needs.√√
- Quality products and services satisfy customer's needs and expectations.√√
- Customers will be satisfied if products and services meet their needs, requirements and expectations.√√
- Businesses need to conduct effective market research to determine customer's needs and to develop products and services that will meet or exceed those needs.√√
- Businesses need to implement efficient, friendly customer services and customer care systems.√√
- Any other relevant answer related to total client satisfaction.

Sub-max. (6)



**10.2.3 Continuous improvement to systems and processes** √√

- Processes and systems are the flow of activities implemented to create or deliver products and services to customers. √√
- Businesses that have quality processes and systems in place will produce good quality products and can provide excellent customer services. √√
- It should be easy for customers to understand processes so that they do not waste their time with long and complicated procedures. √√
- Employees need to understand the operating system and the service delivery system. √√
- Identify the problem areas of the business. √√
- Give details and specific instructions on the improvement of systems and processes. √√
- Encourage team work and delegate responsibilities. √√
- Any other relevant answer related to continuous improvement to systems and processes.

Sub-max. (6)

**10.2.4 Involvement of all employees/People Based Management** √√

- Management should ensure that all employees are involved in quality management. √√
- Management should ensure that employees are totally satisfied with the standards of quality. √√
- Effective meetings should be encouraged at all times. √√
- Effective communication tools will ensure high quality standards. √√
- Regular internal quality audits may maintain high quality standards. √√
- There should be regular reviews of non-conformities in order to be pro-active/ to take remedial action. √√
- Any other relevant answer related to involvement of all employees/People Based Management.

Sub-max. (6)

**10.2.5 Continuous skills development/Education and training** √√

- A skills audit should be conducted to determine the qualifications and competence of staff that can influence the quality of products/processes. √√
- Employees who lack skills should be trained in line with their job descriptions. √√
- Regularly evaluate the effectiveness of the training. √√
- Suitable induction programmes that promote quality should be implemented. √√
- Quality guidelines for managers should be used to monitor continuous skills development. √√
- Any other relevant answer related to continuous skills development/ education and training.

Sub-max. (6)

- 10.2.6 **Adequate financing and capacity** ✓✓
- There should be enough funds available for proper quality management processes, e.g. systems to prevent errors in the process/detect defects in raw materials. ✓✓
  - Funds should be available for market and product research to gather information on quality improvement. ✓✓
  - Suitable equipment should be available for testing and maintaining high quality standards. ✓✓
  - Funds should only be used to buy the best quality raw materials to avoid/prevent faulty products. ✓✓
  - Funds should be available for regular internal/external testing of products and processes to maintain high quality. ✓✓
  - Any other relevant answer related to adequate financing and capacity.
- Sub-max. (6)
- 10.2.7 **Planning** ✓✓
- Proper planning for quality assurance of processes should be in place before production commences. ✓✓
  - Enough staff/Quality assurers should be available at key production points to quality assure products and processes. ✓✓
  - Any other relevant answer related to adequate planning.
- Sub-max. (6)
- 10.2.8 **Monitoring and Evaluation** ✓✓
- Monitoring/Evaluation systems and quality assurance processes should be in place to prevent product defects and wastages. ✓✓
  - Allow for quality control checks and procedures at key production points. ✓✓
  - Any other relevant answer related to planning, monitoring and evaluation.
- Sub-max. (6)
- 10.2.9 **Management by facts** ✓✓
- Management should be kept informed about all quality processes. ✓✓
  - Facts should be measurable/based on observation and experiments. ✓✓
  - Analysis of data and information should be accurate. ✓✓
  - Accurate data and information would assist the management to make informed decisions. ✓✓
  - Regular quality feedback meetings between management and employees should be held to discuss ways of improving quality. ✓✓
  - Any other relevant answer related to management by facts.
- Sub-max. (6)

10.2.10 **Teamwork**

- TQM requires everyone to work effectively as an individual and as a team member within a department of a business or across departments. √√
- An initiative that works well within teamwork to improve quality is the use of quality circles. √√
- A quality circle is a group of employees with a variety of skills and experience coming together to solve problems related to quality and to implement improvements. √√
- They give/suggest solutions to top management. √√
- Any other relevant answer related to teamwork.

Sub-max. (6)

**NOTE: Mark the first FOUR (4) elements only.****Max. (24)**10.3 **Benefits of good quality management system**

- Effective customer service will be rendered, √ resulting in increased customer satisfaction. √
- Time and resources √ are used efficiently. √
- Productivity increase √ through proper time management √ and using high quality resources. √
- Products and services are constantly improved, √ resulting in greater customer satisfaction. √
- Vision and mission √ may be achieved. √
- The business may achieve a competitive advantage √ over its competitors. √
- Continuous training √ will continuously improve the quality of employees' skills and knowledge. √
- Employers and employees will have a healthy working relationship √ which results in happy workers. √
- Increased market share √ and profitability. √
- Any other relevant answer related to the benefits of a good quality control system.

**Max. (10)**10.4 **Recommendation for reducing 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 amongst 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 quality challenges/deviations, so that everyone can learn from 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.

**Max. (12)**

10.5 **Conclusion**

- A quality management system is a belief:
  - o In the employee's ability to solve problems. √√
  - o That people doing the work are best able to improve on it. √√
  - o That everyone is responsible for quality. √√
- TQM is a thought revolution in management, where the entire business is operated with customer orientation in all activities all the time by everyone in the organisation. √√
- Any other relevant conclusion related to TQM.

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

**BREAKDOWN OF MARK ALLOCATION**

Details	Maximum	Total
Introduction	<b>2</b>	Max. 32
Elements of TQM	<b>24</b>	
Benefits of good quality management system	<b>10</b>	
Reducing cost of quality through TQM	<b>12</b>	
Conclusion	<b>2</b>	
<b>INSIGHT</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.

**TOTAL SECTION C: 80**  
**GRAND TOTAL: 300**