



Province of the  
**EASTERN CAPE**  
EDUCATION

**NATIONAL  
SENIOR CERTIFICATE**

**GRADE 12**

**SEPTEMBER 2018**

**BUSINESS STUDIES  
MARKING GUIDELINE**

**MARKS: 300**

---

This marking guideline consists of 48 pages.

---

**NOTES TO MARKERS**

1. Candidates' responses must be in full sentences for SECTIONS B and C. However, this would depend on the nature of the question.
2. Comprehensive marking guidelines have been provided but this is by no means exhaustive. Due consideration should be given to an answer that is correct, but:
  - Uses a different expression from that which appears in the marking guideline
  - Comes from another source
  - Original
  - A different approach is used

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

3. Take note of other relevant answers provided by candidates and allocate marks accordingly. (In cases where the answer is unclear or indicates some understanding, part-marks should be awarded, for example, one mark instead of the maximum of two marks).
4. The word 'Submax.' is used to facilitate the allocation of marks within a question or sub-question.
5. The purpose of circling marks (guided by 'max' in the breakdown of marks) on the right-hand side is to ensure consistency and accuracy in the marking of scripts as well as for calculation purposes.
6. Subtotals to questions must be written in the right-hand margin. Circle the subtotals as indicated by the allocation of marks. This must be guided by 'max' in the marking guideline. Only the total for each question should appear in the left-hand margin next to the appropriate question number.
7. In an indirect question, the theory as well as the response must be relevant and related to the question.
8. Incorrect numbering of answers to questions or sub-questions in SECTIONS A and B will be severely penalised. Therefore, correct numbering is strongly recommended in all sections.
9. No additional credit must be given for repetition of facts. Indicate with an 'R'.
10. Note that no marks will be awarded for indicating Yes/No in evaluation type questions requiring substantiation or motivation. (Applicable to SECTIONS B and C).

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

11.1 When 'evaluate' is used, candidates are expected to respond in either a positive/negative manner or take a neutral (positive and negative) stance, e.g. **Positive:** 'COIDA eliminates time and costs spent√ on lengthy civil court proceedings.' √

11.2 When 'critically evaluate' is used, candidates are expected to respond in either a positive/negative manner or take a neutral (positive and negative) stance. In this instance, candidates are also expected to support their responses with more depth, e.g. 'COIDA eliminates time and costs spent √ on lengthy civil court proceedings, √ because the employer will not be liable for compensation to the employee for injuries sustained during working hours as long as it can be proved that the business was not negligent.' √

**NOTE:** 1. The above could apply to 'analyse' as well.  
2. Note the placing of the tick (√) in the allocation of marks.

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

Cognitive verbs, such as:

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

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

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

## 14. SECTION B

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

**NOTE:** This applies only to questions where the number of facts is specified.

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

14.3 If candidates are required to provide their own examples/views, brainstorm this to come up with alternative answers.

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

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

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

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

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

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

## 15. SECTION C

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

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

15.2 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>	Is the candidate able to break down the question into headings/sub-headings/interpret it correctly to show understanding of what is being asked?  Marks to be allocated using this guide:  All headings addressed: 1 (One 'A') Interpretation (16 to 32 marks): 1 (One 'A')	<b>2</b>
<b>Synthesis</b>	Are there relevant decisions/facts/responses made based on the questions?  Marks to be allocated using this guide:  No relevant facts: 0 (Two '-S') Some relevant facts: 1 (One '-S') Only relevant facts: 2 (No '-S')  Option 1: Where a candidate answers 50% or more of the question with only relevant facts: no '-S' appears in the left margin. Award the maximum of TWO (2) marks for synthesis.  Option 2: Where a candidate answers less than 50% of the question with only OR some relevant facts: one '-S' appears in the left margin. Award a maximum of ONE (1) mark for synthesis.  Option 3: Where a candidate answers less than 50% of the question with no relevant facts: two '-S' appear in the left margin. Award a ZERO mark for synthesis.	<b>2</b>
<b>Originality</b>	Is there evidence of 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** and **CONCLUSION** are not supported by an explanation.

- 15.3 Indicate insight in the left-hand margin with a symbol e.g. ('L, A, -S and/or O').
- 15.4 The breakdown of marks is indicated at the end of the suggested answer/ marking guidelines to each question.
- 15.5 Mark all relevant facts until the SUBMAX./MAX. mark in a subsection has been attained. Write SUBMAX./MAX. after maximum marks have been obtained.
- 15.6 At the end of each essay, indicate the allocation of marks for facts and marks for insight as follows: (L – Layout, A – Analysis, S – Synthesis, O – Originality) as in the table below.

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

- 15.7 When awarding marks for facts, take note of the sub-maxima indicated, especially if candidates do not make use of the same subheadings. Remember headings and 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.)
- 15.8 If the candidate identifies/interprets the question INCORRECTLY, then he/she may still obtain marks for layout.
- 15.9 If a different approach is used by candidates, ensure that the answers are assessed according to the mark allocation/subheadings as indicated in the marking guideline.
- 15.10 15.10.1 Award TWO marks for complete sentences. Award ONE mark for phrases, incomplete sentences and vague answers.
- 15.10.2 With effect from November 2015, the TWO marks will not necessarily appear at the end of each completed sentence. The ticks (√) will be separated and indicated next to each fact, e.g. "Product development is a growth strategy/where businesses aim to introduce new products√ into existing markets." √  
This will be informed by the nature and context of the question, as well as the cognitive verb used.
- 15.11 With effect from November 2017, the maximum of TWO (2) marks for facts shown as headings in the marking guideline, will not necessarily apply to each question. This would also depend on the nature of the question.

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

- 1.1 1.1.1 C ✓✓  
 1.1.2 A ✓✓  
 1.1.3 B ✓✓  
 1.1.4 D ✓✓  
 1.1.5 A ✓✓  
 1.1.6 C ✓✓  
 1.1.7 C ✓✓  
 1.1.8 D ✓✓  
 1.1.9 D ✓✓  
 1.1.10 B ✓✓ (10 x 2) (20)
- 1.2 1.2.1 Consumer Protection ✓✓  
 1.2.2 partnership ✓✓  
 1.2.3 Jungian ✓✓  
 1.2.4 diversity ✓✓  
 1.2.5 interview ✓✓ (5 x 2) (10)
- 1.3 1.3.1 I ✓✓  
 1.3.2 F ✓✓  
 1.3.3 G ✓✓  
 1.3.4 A ✓✓  
 1.3.5 C ✓✓ (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**

Mark the **FIRST THREE** questions in this section **ONLY**.

**QUESTION 2: BUSINESS ENVIRONMENTS****2.1 Business sectors**

- Primary ✓ sector
- Secondary ✓ sector
- Tertiary ✓ sector

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

(3 x 1) (3)

**2.2 Strategic management process****OPTION 1**

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

**OR**

**OPTION 2**

- Review ✓ vision statement. ✓
- Analyse/Re-examine ✓ mission statement. ✓
- Conduct an analysis ✓ using models such as PESTLE/PORTER'S. ✓
- Formulate strategy, ✓ referring to strategies such as defensive/retrenchment. ✓
- Implement strategy, ✓ using templates such as action plans. ✓
- Control of strategy ✓ to identify gaps in planning. ✓
- Evaluate strategy ✓ to identify deviations in implementation. ✓
- Take corrective action ✓ to ensure goals/objectives are met. ✓
- Any other relevant answer related to a description of the strategic management process.

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

Max. (10)



2.3 2.3.1 **Type of diversification**

- Horizontal ✓✓ (2)

**Motivation**

- By also selling coffee and cake in his bookshop. ✓ (1)
- Max. (3)

2.3.2 **Effectiveness of horizontal diversification**

- Horizontal diversification is not risky ✓ because the business is already familiar with its present customers. ✓
- Sales would increase ✓ by adding the new unrelated products. ✓
- The business will be highly competitive ✓ by adding the new unrelated products which would also increase the target market. ✓
- The business's present channels of distribution can be used ✓ to market the new products to current customers. ✓
- The new products would have different sales patterns ✓ compared to the present products. ✓
- Any other relevant answer related to the effectiveness of horizontal diversification.

Max. (6)

2.4 **Product Development and Market Development**

<b>PRODUCT DEVELOPMENT</b>	<b>MARKET DEVELOPMENT</b>
- Businesses generate new ideas ✓ and develop a new product or service. ✓	- A process of exploring/finding/ searching new markets ✓ for existing products. ✓
- The introduction of a new product or service ✓ into existing markets. ✓	- Businesses sell their existing products ✓ to new markets ✓/ Involves targeting consumers in a potential market ✓ that is outside its normal target market. ✓
- A business may need to acquire new technology ✓ to develop new products. ✓	- Business must research ✓ the market it wants to enter. ✓
- They improve/change the packaging of current products ✓ so that they look and seem different and appeal to the market. ✓	- They change the way the products are distributed ✓ to reach a different market. ✓
- Example: A cellphone manufacturer designs a new phone ✓ that can also be used to make internet phone calls. ✓	- Example: Finding new markets ✓ in other towns and cities. ✓
- Any other relevant answer related to product development.	- Any other relevant answer related to market development
Submax. (2)	Submax. (2)

Max. (4)

- Note:**
1. The answer does not have to be in a tabular format but the distinction must be clear.
  2. Award a maximum of TWO (2) marks if the distinction is not clear./Mark either product development or market development only.

2.5 2.5.1 Labour Relations Act ✓✓ (2)

**Motivation**

The owner, Luke, does not allow the employees to join a trade union of their choice. ✓ (1)

Max. (3)

2.5.2 **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 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. ✓
- Dispute resolution through consensus ✓ may be time-consuming. ✓
- 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. ✓
- 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. ✓
- 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. (8)

## 2.6 Provisions of Basic Conditions of Employment

- Overtime ✓
- Working hours ✓
- Meal breaks and rest periods ✓
- Leave conditions ✓
- Working on public holidays ✓
- Legal requirements of the employment contract ✓
- Termination conditions of the employment contract ✓
- Remuneration ✓
- Provision for compliance ✓
- Any other relevant answer related to the provisions of the BCEA.

**Note:** 1. Mark the first FIVE (5) only.  
2. Allocate a maximum of ONE (1) mark for an example of a specific provision.

Max. (5)

## 2.7 Advantages of Compensation for Occupational Injuries and Diseases Act

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

Max. (10)

### 2.8 Effectiveness of Employment Equity Act (EEA) on businesses

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

Max. (8)  
[60]

BREAKDOWN OF MARKS	
2.1	3
2.2	10
2.3.1	3
2.3.2	6
2.4	4
2.5.1	3
2.5.2	8
2.6	5
2.7	10
2.8	8
<b>TOTAL</b>	<b>60</b>

**QUESTION 3: BUSINESS VENTURES****3.1 Non-verbal presentation methods**

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

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

(3 x 1) (3)

**3.2.1 Aspects for designing a multimedia presentation**

- Use legible font and font size. ✓✓
- Start with the text. ✓✓
- Keep the text/images/language simple. ✓✓
- Structure information in logical order. ✓✓
- Limit information on a slide. ✓✓
- Make sure there are no spelling mistakes. ✓✓
- Use bright colours to increase visibility. ✓✓
- Use pictures to make it interesting for the audience. ✓✓
- Select a relevant/appropriate background. ✓✓
- Choose images that help communicate your message. ✓✓
- Create clear/relevant graphics. ✓✓
- Add special effects, e.g. sound/animation. ✓✓
- Create hyperlinks to allow access to files/other slides/video clips. ✓✓
- Any other relevant answer related to the aspects that must be considered when designing a multimedia presentation.

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

Max. (6)

**3.2.2 Advantages of a PowerPoint presentation**

- 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. ✓
- Variations of colour/background/sound immediately capture the attention of the audience ✓ and retain their interest throughout the presentation. ✓
- Slides should only be used ✓ where they can enhance the facts or summarise information. ✓
- PowerPoint slides can help to convey a large amount of facts ✓ in a short time. ✓
- Any other relevant answer related to the advantages of PowerPoint slides as a type of visual aid.

Max. (6)

### 3.2.3 Factors to be considered during a presentation

- Roland must make eye contact with the audience ✓ and look in all directions. ✓
- Be audible ✓ to all listeners/the audience. ✓
- He should adjust his voice level/tone ✓ to avoid monotony. ✓
- Add some appropriate humour ✓ to the presentation. ✓
- Use visuals effectively ✓ to enhance the presentation. ✓
- Roland should state the aims/main points of the presentation ✓ in the introduction. ✓
- Put the most important information first ✓ to capture the audience's attention. ✓
- Summarise the presentation ✓ in the conclusion. ✓
- He should stand upright ✓ during his presentation ✓/Avoid hiding himself ✓ behind the equipment. ✓
- Pace himself/do not rush/talk ✓ too slowly. ✓
- Keep it short ✓ and simple. ✓
- Make appropriate use of gestures e.g. hands, ✓ to emphasise points. ✓
- Any other relevant answer related to the factors to be considered during a presentation.

Max. (6)

### 3.3 Leadership styles

- 3.3.1 Transactional ✓✓
- 3.3.2 Democratic ✓✓
- 3.3.3 Charismatic ✓✓
- 3.3.4 Bureaucratic ✓✓

(8)

### 3.4 Role of personal attitude in successful leadership

- Positive attitude ✓ releases leadership potential. ✓
- A leader's good/bad attitude ✓ can influence the success/failure of the business. ✓
- Leaders must know their strengths and weaknesses ✓ to apply their leadership 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)

### 3.5 Impact of autocratic leadership style on business

#### Positives

- Quick decisions can be taken ✓ without consulting/considering followers/employees. ✓
- Work gets done ✓ in time/on schedule. ✓
- Line of command/communication is clear ✓ as it is top-down/followers know exactly what to do. ✓
- Direct supervision and strict control ✓ ensure high quality products/service. ✓
- Provides strong leadership ✓ which makes new employees feel confident and safe. ✓
- Works well in large companies where consultation ✓ with every employee is impractical. ✓
- Clear guidance can be given ✓ to low-skilled/inexperienced/new staff. ✓
- Useful in a crisis/urgent situation, ✓ e.g. after an accident/meeting tight deadlines. ✓
- Any other relevant answer related to a positive impact of an autocratic leadership style on business.

#### AND/OR

#### Negatives

- Leaders and followers may become divided ✓ and may not agree on ways to solve problems. ✓
- Workers can be demotivated ✓ as their opinions/ideas are not considered. ✓
- De-motivated workers ✓ impact negatively on productivity. ✓
- New/Creative/Cost reducing ideas ✓ may not be used/implemented/never be considered. ✓
- Followers may feel that they are not valued ✓ resulting in high absenteeism and high employee turnover. ✓
- Experienced and highly skilled workers will resist an autocratic leadership style ✓ because it results in less growth, participation and creativity. ✓
- Any other relevant answer related to a negative impact of an autocratic leadership style on business.

Max. (8)

3.6 Non-profit company (NPC)

3.6.1	<b>Capital</b>	
	<b>Success</b>	<b>Failure</b>
	<ul style="list-style-type: none"> <li>- Unlimited number of founders ✓ may contribute more capital to the company. ✓</li> <li>- More capital may be raised ✓ through donations/sponsorships for operation/expansion. ✓</li> <li>- It is easy to raise funds/capital, ✓ as donors enjoy tax benefits. ✓</li> <li>- Any other relevant answer related to the contribution of capital to the success of an NPC.</li> </ul>	<ul style="list-style-type: none"> <li>- Founders may contribute limited capital/may not contribute capital ✓ which may not be sufficient for the establishment/operation of the company. ✓</li> <li>- The company depends/relies on donations as their main source of capital ✓ which may hamper its operation/expansion. ✓</li> <li>- NPC may struggle to raise enough capital/funds ✓ if they fail to convince donors/donations are misused. ✓</li> <li>- Any other relevant answer related to the contribution of capital to the failure of an NPC.</li> </ul>

Max. (4)

3.6.2	<b>Management</b>	
	<b>Success</b>	<b>Failure</b>
	<ul style="list-style-type: none"> <li>- An NPC may be well managed ✓ as it requires a minimum of three directors. ✓</li> <li>- More directors may be appointed to bring more skills/ideas/innovations/expertise ✓ to the NPC. ✓</li> <li>- The legally prescribed management structure ✓ ensures a well-organised company. ✓</li> <li>- Any other relevant answer related to the contribution of management to the success of an NPC.</li> </ul>	<ul style="list-style-type: none"> <li>- Large management structure ✓ can complicate/delay decisions. ✓</li> <li>- Directors may mismanage business funds ✓ as they may not have a direct interest in the NPC. ✓</li> <li>- Directors are liable ✓ for any loss/damage/cost sustained by the company. ✓</li> <li>- Any other relevant answer related to the contribution of management to the failure of an NPC.</li> </ul>

Max. (4)

3.7 Benefits provided by Unemployment Fund

Unemployment benefits ✓✓

- Employees, who become unemployed/retrenched due to restructuring/ an expired contract, may claim within six months after becoming unemployed. ✓
- Unemployed employees may only claim if they contributed to UIF. ✓
- Unemployed employees enjoy these benefits until the allocated funds are exhausted. ✓
- If a worker voluntarily terminates his/her contract, he/she may not claim. ✓
- No tax is payable on unemployment benefits. ✓
- Any other relevant answer related to unemployment benefits.

Benefit (2)  
Explanation (1)  
Submax. (3)



Illness benefits √√

- Employees may receive these benefits if they are unable to work for more than 14 days without receiving a salary/part of the salary. √
- Employees may not claim these benefits if they refuse medical treatment. √
- Any other relevant answer related to illness benefits.

Benefit (2)  
 Explanation (1)  
 Submax. (3)

Maternity benefits √√

- Pregnant employees receive these benefits for up to 17 weeks/4 months/121 days. √
- If a person had a miscarriage, she can claim for up to six weeks/42 days. √
- Any other relevant answer related to maternity benefits.

Benefit (2)  
 Explanation (1)  
 Submax. (3)

Adoption benefits √√

- Employees may receive these benefits if they adopt a child younger than two (2) years. √
- Employees who take unpaid leave/may receive part of their salary while caring for the child at home. √
- Only one parent/partner may claim. √
- Any other relevant answer related to adoption benefits.

Benefit (2)  
 Explanation (1)  
 Submax. (3)

Dependants' benefits √√

- Dependants may apply for these benefits if the breadwinner, who has contributed to UIF, dies. √
- The spouse of the deceased may claim, whether he/she is employed or not. √
- Any other relevant answer related to dependant benefits.

Benefit (2)  
 Explanation (1)  
 Submax. (3)

**NOTE: 1. Mark the first THREE (3) only.  
 2. The benefit could be integrated in the explanation.**

(Any 3 x 3) (9)  
**[60]**

BREAKDOWN OF MARKS	
3.1	3
3.2.1	6
3.2.2	6
3.2.3	6
3.3	8
3.4	6
3.5	8
3.6.1	4
3.6.2	4
3.7	9
<b>TOTAL</b>	<b>60</b>

**QUESTION 4: BUSINESS ROLES****4.1 Causes of conflict**

- Lack of proper communication between leaders and members ✓
- Differences in backgrounds/cultures/values/beliefs/language ✓
- Limited business resources ✓
- Different goals/objectives for group/individuals ✓
- Personality differences between group/individuals ✓
- Different opinions ✓
- Unfair workload ✓
- Ill-managed stress ✓
- Unrealistic expectations ✓
- Poor organisation/leadership/administrative procedures and systems ✓
- Confusion about scheduling/deadlines ✓
- Ignoring rules/procedures ✓
- Misconduct/Unacceptable behaviour ✓
- High/Intense competition/Competitiveness ✓
- Poor communication ✓
- Unclear responsibilities ✓
- Distracted by personal objectives ✓
- Constant changes in the workplace ✓
- Unfair treatment of workers/Favouritism by management/Discrimination ✓
- Lack of trust amongst workers ✓
- Any other relevant answer related to the possible causes of conflict in the workplace.

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

(5 x 1) (5)

**4.2 Criteria for successful team performance**

- Interpersonal attitudes and behaviour ✓
- Shared values/Mutual trust and support ✓
- Communication ✓
- Co-operation/Collaboration ✓

**NOTE: Mark the first FOUR (4) only.**

(4 x 1) (4)

**4.3 Stages of team development**

- 4.3.1 Storming ✓✓
- 4.3.2 Performing ✓✓
- 4.3.3 Forming ✓✓

(3 x 2) (6)

**4.4 4.4.1 Unethical business practice**

The staff accessing social media and replying to personal emails during working time. ✓

(1)

**4.4.2 Type of unethical business practice**

Abuse of worktime ✓✓

(2)

**4.4.3 Strategies to deal with abuse of work time**

- Speak directly to those employees who abuse work time. ✓✓
- Code of conduct/ethics should contain clear rules about abuse of work time. ✓✓
- Conduct training on the contents of the code of conduct/ethics. ✓✓
- Code of conduct/ethics should be signed by all employees so that they are aware of its contents. ✓✓
- Monitor employees to ensure that tasks are completed. ✓✓
- Structure working hours in such a way that employees have free/flexible time for personal matters. ✓✓
- Create a culture of responsibility/strengthen team spirit in order for all employees to feel responsible for what has to be achieved. ✓✓
- Any other relevant answer related to strategies to deal with employees who abuse work time.

**NOTE: Award a maximum of TWO (2) marks if suggestions are based on the unethical business practice quoted in QUESTION 4.4.1**

Max. (6)

**4.5 King Code principles****4.5.1 Accountability**

- Business should be accountable/responsible ✓ for their decisions/actions. ✓
- Business should present accurate annual reports to shareholders ✓ at the Annual General Meeting (AGM). ✓
- Top management should ensure that other levels of management are clear about their roles and responsibilities ✓ to improve accountability. ✓
- Any other relevant answer related to accountability as a principle of ethical business conduct.

Max. (4)

**4.5.2 Transparency**

- Decisions/Actions must be clear ✓ to all stakeholders. ✓
- Business should give details of shareholders' voting rights to them ✓ before/at the Annual General Meeting (AGM). ✓
- Business dealings/transactions ✓ must be open/honest. ✓
- Business policies and processes ✓ must be clear and understood by all stakeholders. ✓
- The board of directors must report on both the negative and positive impact ✓ of the business on the community/environment. ✓
- Any other relevant answer related to transparency as a principle of ethical business conduct.

Max. (4)

**4.6 Responsibilities of workers in promoting human health and safety in the workplace**

- Workers should take care ✓ of their own health and safety in the workplace. ✓
- They should co-operate and comply with the rules and procedures, ✓ e.g. wear prescribed safety clothing, ✓ etc.
- Report unsafe/unhealthy conditions ✓ to relevant authorities/management. ✓
- Report accidents ✓ to the employer as soon as possible. ✓
- Any other relevant answer related to the responsibilities of workers in promoting human health and safety in the workplace.

Max. (4)

**4.7 Benefits of diversity in the workplace**

- Workforce diversity improves the ability of a business ✓ to solve problems/innovate/cultivate diverse markets. ✓
- Employees value each other's diversity ✓ and learn to connect/communicate across lines of difference. ✓
- Diversity in the workforce improves ✓ morale/motivation. ✓
- Employees demonstrate greater loyalty to the business ✓ because they feel respected/accepted/understood. ✓
- 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 and satisfy consumers. ✓
- Businesses with a diverse workforce are more likely to have a good public image ✓ and attract more customers. ✓
- Any other relevant answer related to the benefits of diversity in the workplace.

Max. (8)

**4.8.1 Advantages of CSI for businesses**

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

Max. (10)

#### 4.8.2 Ways of contributing to the well-being of the employees

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

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

Max. (6)  
[60]

BREAKDOWN OF MARKS	
4.1	5
4.2	4
4.3	6
4.4.1	1
4.4.2	2
4.4.3	6
4.5	8
4.6	4
4.7	8
4.8.1	10
4.8.2	6
<b>TOTAL</b>	<b>60</b>

**QUESTION 5: BUSINESS OPERATIONS****5.1 Types of recruitment**

- Internal ✓
- External ✓

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

(2 x 1) (2)

**5.2 Aspects that should be included in the induction programme**

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

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

Max. (6)

**5.3 Selection procedure****OPTION 1**

- Determine fair assessment criteria ✓ on which selection will be based. ✓
- Use the assessment criteria to assess all CVs/application forms ✓ received during recruitment ✓/Preliminary screening ✓ is done by sorting the applications received according to the criteria for the job. ✓
- Check that applicants have not submitted false documents ✓ such as forged certificates/degrees. ✓
- Make a preliminary list of all applicants ✓ who qualify for the post. ✓
- Screen and check references, ✓ e.g. check applicants' criminal records/credit history/social media, ✓ etc.
- Conduct preliminary interviews ✓ to sift out applicants who qualify for the job. ✓
- Inform all applicants ✓ about the outcome of the application. ✓
- Compile a shortlist ✓ of approximately five people. ✓
- Invite the shortlisted applicants/candidates ✓ for an interview. ✓
- Shortlisted candidates may be subjected to various types of selection tests, ✓ e.g. skills test. ✓
- A written offer is made ✓ to the chosen candidate. ✓
- Any other relevant answer related to the selection procedure as an activity of the human resources function.

OR

**OPTION 2**

- Receive documentation, ✓ e.g. application forms and sort it according to the criteria of the job. ✓
- Evaluate CVs ✓ and create a shortlist ✓/Screen the applicants. ✓
- Check information in the CVs ✓ and contact references. ✓
- Conduct preliminary sifting interviews ✓ to identify applicants who are not suitable for the job, although they all meet the requirements. ✓
- Assess/Test candidates ✓ who have applied for senior positions ✓/to ensure the best candidate is chosen.
- Conduct interviews ✓ with shortlisted candidates. ✓
- Offer employment in writing ✓ to the selected candidate(s). ✓
- Any other relevant answer related to the selection procedure as an activity of the human resources function.

**NOTE: Accept the procedure/steps in any order.**

Max. (6)

5.4 5.4.1 **Types of fringe benefits quoted from the scenario**

- Travelling allowance ✓
- Housing subsidy ✓

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

(2 x 1) (2)

5.4.2 **Advantages of fringe benefits for businesses**

- Attractive fringe benefit packages ✓ may result in higher employee retention/reduces employee turnover. ✓
- Attracts qualified/skilled/experienced employees ✓ who may positively contribute towards the business goals/objectives. ✓
- It increases employee satisfaction/loyalty ✓ as they may be willing to go the extra mile. ✓
- Improves productivity ✓ resulting in higher profitability. ✓
- Businesses save money ✓ as benefits are tax deductible. ✓
- Fringe benefits can be used as leverage ✓ for salary negotiations. ✓
- Any other relevant answer related to the advantages of fringe benefits for businesses.

Max. (4)

5.5 5.5.1 **Importance of training/skills development**

- Develops skills of existing workers ✓ resulting in a productive work force. ✓
- The development/training of staff ✓ increases the efficiency of the work force. ✓
- Provides opportunities ✓ to learn new skills. ✓
- Employees gain knowledge/skills ✓ and improve their abilities to find better job opportunities. ✓
- Training contributes to improved attitudes ✓ and a positive/motivated work force. ✓
- Any other relevant answer related to the importance of training to businesses.

Max. (4)



### 5.5.2 Implications of Skills Development Act on Human Resources function

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

Max. (6)

## 5.6 Quality of performance

### 5.6.1 General Management

- Develop, implement ✓ and monitor effective strategic plans. ✓
- Efficient organisation ✓ and allocation of resources to allow for the successful achievement of long-term and short-term plans. ✓
- Ensure that structured standards ✓ and norms are in place so that control mechanisms can be implemented. ✓
- Learn about and understand changes ✓ in the business environment on an on-going basis. ✓
- Set direction ✓ and establish priorities for the business. ✓
- Communicate shared vision, mission ✓ and values effectively. ✓
- Be prepared to set an example of the behaviour ✓ they expect from employees in terms of ethics as well as productivity. ✓
- Ensure that employees have the resources needed ✓ to do their work (effective allocation of resources). ✓
- Be proactive ✓ and always seek to improve comparative advantage over competitors. ✓
- Any other relevant answer related to the quality of performance within the general management function.

Max. (6)

**5.6.2 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 experiences 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 quality of performance within the marketing function.

Max. (6)

**5.7 Negative impact on businesses if TQM is poorly implemented**

- Lack of training/skills development ✓ may lead to poor quality products. ✓
- Decline in sales, ✓ as returns from unhappy customers increase. ✓
- Decline in productivity, ✓ because of stoppages. ✓
- Investors might withdraw investment ✓ if there is a decline in profits. ✓
- Bad publicity ✓ due to poor quality products supplied. ✓
- High staff turnover, ✓ because of poor skills development. ✓
- Unrealistic deadlines ✓ may not be achieved. ✓
- Businesses may not be able to make/afford the necessary changes ✓ that will satisfy customers' needs. ✓
- Loss of customers ✓ may lead to bankruptcy/closure. ✓
- Undocumented quality control systems/processes ✓ could result in error/deviations from pre-set quality standards. ✓
- Any other relevant answer related to the negative impact on businesses if TQM is poorly implemented.

Max. (10)

5.8 5.8.1 **PDCA model/cycle in the continuous improvement to processes and systems**

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

Submax. (2)
- Do√
  - o Businesses should implement the change on a small scale. ✓
  - o Implement the processes and systems. ✓

Submax. (2)
- Check/Analyse√
  - o Use data to analyse the results of change. ✓
  - o Determine whether it made a difference. ✓
  - o Check whether the processes are working effectively. ✓
  - o Businesses should assess, plan and establish if it is working/if things are going according to plan. ✓

Submax. (2)
- Act as needed√
  - o Institutionalise the improvement. ✓
  - o Devise strategies on how to continually improve. ✓
  - o If the change was successful, implement it on a wider scale. ✓
  - o Continuously revise the process. ✓

Submax. (2)
- Any other relevant answer related to how businesses can use the PDCA model/cycle to continuously improve their processes and systems.

**NOTE: 1. Do not award marks for the impact of continuous improvement of processes and systems.**

**2. The step could be integrated in the explanation.**

Step (1)  
Explanation (1)  
Max.

(8)  
**[60]**

<b>BREAKDOWN OF MARKS</b>	
5.1	2
5.2	6
5.3	6
5.4.1	2
5.4.2	4
5.5.1	4
5.5.2	6
5.6.1	6
5.6.2	6
5.7	10
5.8.1	8
<b>TOTAL</b>	<b>60</b>

**QUESTION 6: MISCELLANEOUS TOPICS****BUSINESS ENVIRONMENTS****6.1 Aspects of the PESTLE analysis model**

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

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

(6 x 1) (6)

**6.2 Distinction between BEE and BBBEE**

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

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

**2. Award a maximum of FOUR (4) marks if distinction is not clear./Mark either BEE or BBBEE only.**

Max. (8)

## BUSINESS VENTURES

### 6.3 Long-term insurance

- 6.3.1 Life cover policy/Life insurance ✓✓
- 6.3.2 Term insurance ✓✓
- 6.3.3 Retirement annuity/Pension fund/Provident fund ✓✓ (3 x 2) (6)

### 6.4 Functions of the JSE

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

Max. (10)

## BUSINESS ROLES

### 6.5 Economic rights of employees in the workplace

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

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

(4 x 1) (4)

### 6.6 Ways to conduct business professionally, responsibly, ethically and effectively

- Businesses should not start other business ventures at the expense of others. √√
- They should pay fair wages. √√
- All employees should be treated equally. √√
- Appoint honest/trustworthy accountants with a good reputation. √√
- Staffing and other processes should be open and transparent. √√
- Draw up a code of ethics. √√
- Managers must set the tone for professional/responsible/ethical behaviour. √√
- There must be adequate internal control systems in place. √√
- There should be honesty in all relationships/transactions in the business. √√
- Employees should understand ethical business practices through effective communication/training. √√
- Seminars on business ethics should be held for managers and the employees to help them understand the importance of the ethical work culture of the business. √√
- Management must consider the impact of their decisions/actions on all stakeholders. √√
- Regulations applicable to environmental protection should be taken seriously. √√
- They should charge fair prices in rural areas. √√
- Any other relevant recommendation related to ways in which businesses should conduct business professionally, responsibly, ethically and effectively.

Max. (6)

### 6.7 Strategies to deal with difficult people

#### 6.7.1 Expert

- Be firm and assertive. √√
- Do not accuse them of being incorrect and do not get caught in their game. √√
- Know your facts. √√
- Any other relevant strategy to deal with an expert.

**NOTE: Mark the FIRST strategy only.** (2 x 1) (2)

#### 6.7.2 Complainer

- Listen to the complaints but do not acknowledge them. √√
- Interrupt the situation and move to the problem-solving process as soon as possible. √√
- Any other relevant strategy to deal with a complainer.

**NOTE: Mark the FIRST strategy only.** (2 x 1) (2)

### 6.8 BUSINESS OPERATIONS

6.8.1 Purchasing √√

6.8.2 Financial √√

6.8.3 Production √√

(3 x 2) (6)

**6.9 Reasons for termination of the employment contract**

- Employer may dismiss employees for valid reason(s), ✓ e.g. unsatisfactory job performance, misconduct, ✓ etc.
- Employer may no longer have work for redundant employees, ✓ cannot fulfil the contract/is restructuring. ✓
- Employer may retrench ✓ some employees due to insolvency/may not be able to pay the employees. ✓
- Employees decided to leave ✓ and resign voluntarily. ✓
- An employee may have reached the pre-determined age ✓ for retirement. ✓
- Any other relevant answer related to the reasons for termination of an employment contract.

Max. (6)

**6.10 Distinction between piecemeal and time-related salary determination methods**

PIECEMEAL	TIME-RELATED
- Workers are paid according to the number ✓ of items/units produced/ action performed. ✓	- Workers are paid for the amount of time ✓ they spend at work/on a task. ✓
- Workers are not remunerated for the number of hours worked, ✓ regardless of how long it took to complete the items. ✓	- Workers with the same experience/qualifications are paid on salary scales ✓ regardless of the amount of work done. ✓
- Mostly used in factories ✓ particularly in the textile/technology industries. ✓	- Most private and public sector enterprises ✓ use this method. ✓
- Any other relevant answer related to a piecemeal salary determination method.	- Any other relevant answer related to a time-related salary determination method.
Submax (2)	Submax (2)

- NOTE: 1. The answer does not have to be in tabular format, but the distinction must be clear.**
- 2. Award a maximum of TWO (2) marks, if the distinction is not clear./Mark piecemeal or time-related method only.**

Max. (4)  
[60]

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

**TOTAL SECTION B: 180**

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

- The Skills Development Act, 1998 (Act 97 of 1998) (SDA) was developed in response to the demand for redress and equity. ✓
- The SDA is the integral part of the National Skills Development Strategy that aims to link learning to the demands of the world of work and enables employers/employees to become more productive and competitive. ✓
- Learnerships are theoretical and practical training opportunities that can lead to a recognised occupational qualification. ✓
- Any other relevant introduction related to SETA and the SDA.

(2 x 1) (2)

**7.2 Role of SETA**

- Develop skills plans in line with the National Skills Development Strategy. ✓✓
- Draw up skills development plans for their specific economic sectors. ✓✓
- Approve workplace skills plans and annual training reports. ✓✓
- Allocate grants to employers, education and training providers. ✓✓
- Pay out grants to companies that comply with the requirements of the Skills Development Act. ✓✓
- Monitor/Evaluate the actual training by service providers. ✓✓
- Promote and establish learnerships. ✓✓
- Register learnership agreements/learning programmes. ✓✓
- Provide training material/programmes for skills development facilitators. ✓✓
- Provide accreditation for skills development facilitators. ✓✓
- Oversee training in different sectors of the South African economy. ✓✓
- Promote learnerships and learning programmes by identifying suitable workplaces for practical work experience. ✓✓
- Collect levies and pay out grants as required. ✓✓
- Report to the Director General. ✓✓
- Supply the required skills mix for public investments programme. ✓✓
- Liaise with National Skills Authority. ✓✓
- Any other relevant answer related to the role of SETAs.

Max. (12)



### 7.3 Differences between National Skills Development Strategy and Human Resources Development Strategy

NATIONAL SKILLS DEVELOPMENT STRATEGY	HUMAN RESOURCES DEVELOPMENT STRATEGY
- Encourages good quality training in the workplace ✓ to ensure on-going development of skills. ✓	- Addresses skills shortages ✓ in the South African workforce. ✓
- Provides for the participation of government, ✓ organised business and labour. ✓	- Aims at achieving faster economic growth/ higher employment levels ✓ and reduced levels of poverty. ✓
- Improves social development ✓ through economic development. ✓	- Promotes social development and social justice ✓ which helps to alleviate poverty. ✓
- Indicates how Sector Education and Training Authorities (SETAs) ✓ should use the money allocated from the Skills Development Levy. ✓	- Develops short term ✓ and long term workforce skills. ✓
- Improves access ✓ to training programmes. ✓	- Improves the supply ✓ of skills. ✓
- Provides career/vocational guidance/training centres. ✓	- Increases employee participation ✓ in lifelong learning. ✓
- Any other relevant answer related to the National Skills Development Strategy.	- Any other relevant answer related to the Human Resources Development Strategy.
Submax (6)	Submax (6)

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

**2. Allocate a maximum of SIX (6) marks if distinction is not clear./ Mark either National Skills Development Strategy or Human Resources Development Strategy only.**

Max. (12)

### 7.4 Purpose of the Skills Development Act (SDA)

- Develops the skills of people in South Africa ✓ in order to improve productivity. ✓
- Invests ✓ in education and training of workers. ✓
- Encourages businesses ✓ to improve the skills of their workers. ✓
- Improves the chances of getting a job ✓ for previously disadvantaged people. ✓
- Redresses imbalances of the past ✓ through education and training. ✓
- Provides for the implementation of strategies ✓ on a national, sector and workplace basis. ✓
- Provides funds for skills development ✓ through the levy-grant scheme and a National Skills Fund. ✓
- Encourages workers to participate ✓ in learning programmes. ✓
- Any other relevant answer related to the purpose of the SDA.

Max. (10)

## 7.5 Impact of the Skills Development Act Employees

### Positives/Advantages

- Higher skilled employees ✓ have a better standard of living. ✓
- Improves work prospects ✓ and labour mobility. ✓
- Increases self-esteem ✓ when learnerships are completed. ✓
- Promotes self-employment ✓ and entrepreneurship. ✓
- More employment opportunities for new entrants ✓ who find it difficult to be employed. ✓
- Encourages on-going ✓ skills development and learning. ✓
- Employees have the opportunity ✓ to acquire new skills/qualifications/work experience. ✓
- Improves the quality of life of employees ✓ resulting in higher job satisfaction/ morale. ✓
- Any other relevant answer related to the positive impact of the SDA on employees.

### AND/OR

### Negatives/Disadvantages

- Some employees may not be interested in skills development ✓ and may perceive skills development programmes as a waste of time. ✓
- Employees are expected to acquire practical work experience and attend education/training programmes, ✓ which may increase their stress levels/work load. ✓
- Skills programmes may not always address training needs of employees, ✓ so it may discourage them from attending other training programmes in future. ✓
- Employees may not be credited by SETA ✓ when attending certain workshops. ✓
- Accumulation of credits may not be transferable/recognised ✓ by the relevant stakeholders. ✓
- Any other relevant answer related to the negative impact of the SDA on employees.

Max. (12)

## 7.6 Conclusion

- The SDA plays an important role in ensuring that the workforce is skilled and contributes to productivity and the economic growth of the country. ✓✓
- The SDA enables businesses to improve the skills of their employees and this increases employee morale/reduces staff turnover. ✓✓
- Any other relevant conclusion related to SETA and the SDA.

Max. (2)  
[40]

**BREAKDOWN OF MARK ALLOCATION**

DETAILS	MAXIMUM	TOTAL
Introduction	2	Max 32
Role of SETA	12	
Differences between National Skills Development Strategy and Human Resources Development Strategy	12	
Purpose of SDA	10	
Impact of SDA on employees	12	
Conclusion	2	
<b>INSIGHT</b>		
Layout/Structure	2	8
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**

- Investors have a range of investment opportunities to choose from. ✓
- These investment opportunities are measured against criteria for good investment, such as financial stability of the institution, reliable management and regular feedback on the investment. ✓
- The type of investment as well as the period of the investment will influence the risk/chance of receiving an income/increasing the value of the investment. ✓
- The purpose of a verbal presentation is to exchange information as it involves speaking and listening for both the presenter and the audience. ✓
- When responding to questions/remarks, the presenter should not be aggressive/defensive. ✓
- Any other relevant introduction related to investments and a presentation.

(2 x 1) (2)

**8.2 Factors to consider when making investment decisions****8.2.1 Return on Investment (ROI) ✓✓**

- Refers to income from the investment, ✓ namely interest, dividends or capital appreciation (growth/increase) on the original amount invested. ✓
- Generally, there will be a direct link ✓ between risk and return. ✓
- The return should be expressed ✓ as net after-tax gains on the investment. ✓
- Returns can be in the form of capital gains ✓ where the asset appreciates in value. ✓
- The net after-tax return should be higher ✓ than the inflation rate. ✓
- Any other relevant answer related to ROI.

Submax. (4)

**8.2.2 Risk** ✓✓

- Refers to the chance that the invested amount may reduce in value/lost in total over a period of time, ✓ due to unforeseen circumstances. ✓
- The higher the potential return, ✓ the higher the risk of a potential loss. ✓
- Example: investing in shares has a higher risk ✓ than investing in a fixed deposit. ✓
- Any other relevant answer related to risk.

Submax. (4)

**8.2.3 Liquidity** ✓✓

- An amount of capital could be invested in a type of investment ✓ that can easily be converted to cash. ✓
- The term liquidity is used to describe the ease and speed ✓ with which investors can convert an investment into cash. ✓
- Example: an investment in a savings account will be easier to convert into cash ✓ than an investment in a fixed deposit which is usually deposited for a fixed period of time. ✓
- Any other relevant answer related to liquidity.

Submax. (4)

**8.2.4 Taxation** ✓✓

- A good investment ✓ will yield good after-tax returns. ✓
- Income tax implications must be considered ✓ in order to ensure a high net after tax return. ✓
- Tax rates are not necessarily the same ✓ for different investments. ✓
- Any other relevant answer related to taxation.

Submax. (4)

**8.2.5 Inflation rate** ✓✓

- Inflation refers to a decrease ✓ in the value of money due to rising prices. ✓
- People are affected by a high inflation rate, ✓ because their money/purchasing power decreases. ✓
- The return on investment should be higher ✓ than the inflation rate. ✓
- Inflation has a positive effect on some investments ✓ such as property and shares where the income will increase as inflation increases. ✓
- Any other relevant answer related to inflation rate.

Submax. (4)

**8.2.6 Investment period** ✓✓

- This refers to the duration of the investment ✓ which may influence the return on investment. ✓
- It can be short, medium ✓ and/or long term. ✓
- The investment period will depend ✓ on a customer's personal needs. ✓
- Any other relevant answer related to the investment period.

Submax. (4)

**8.2.7 Investment planning factors** ✓✓

- Investors should always consider the safest ✓ possible investment opportunities. ✓
- Some investments offer a low income on invested capital, ✓ but it could be a safer investment than one that promises a higher income. ✓
- Examine opportunities ✓ with a history of good return. ✓
- Divide investments ✓ between various investment options. ✓
- The method of calculating ✓ the interest/return on investment should be considered. ✓
- Any other relevant answer related to investment planning factors.

Submax. (4)

**8.2.8 Budgets** ✓✓

- Investors can determine the amount of surplus money ✓ that can be invested. ✓
- Investors must budget ✓ for unforeseen costs. ✓
- Budget should provide ✓ for contingency plans/investments/savings. ✓
- Any other relevant answer related to budgets.

Submax. (4)

**8.2.9 Volatility/Fluctuations on investment markets** ✓✓

- Fluctuation in national ✓ and international economic trends should be considered. ✓
- The level of volatility ✓ will determine the amount of returns. ✓
- Any other relevant answer related to the volatility/fluctuations of the market.

Submax. (4)

Max. (12)

**8.3 Forms of investments****Shares**

- Companies sell/issue portions of its ownership to shareholders in the form of shares on the open market ✓ to obtain capital/funds to operate its core business. ✓
- Shares give the holder one vote per share ✓ and the right to receive a dividend (portion of the profit). ✓
- Companies do not have to repay share capital ✓ and it is therefore risk avoiding capital. ✓
- Shares of listed companies ✓ are traded on the JSE. ✓
- Shares can be bought/sold through stock/share brokers ✓ to whom a brokerage/ fee will be paid by the investor. ✓
- Types of shares differ with respect to the claims to profits/dividends/voting rights/claims to assets ✓ should the company be liquidated. ✓
- Ordinary shares can be divided into different types, ✓ e.g. blue chip/bonus/growth/income/defensive shares. ✓
- Ordinary shares have no special rights or restrictions ✓ and may yield/earn higher dividends, but also have higher risk. ✓
- Types of preference shares ✓ are cumulative/non-cumulative/participating/nonparticipating/redeemable/non-redeemable/convertible/non-convertible shares. ✓
- Preference shareholders mostly receive a fixed dividend ✓ and are paid before other shareholders. ✓
- Any other relevant answer related to a description of shares.

**Risk**

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

Description (4)  
Risk (2)  
Submax. (6)

**RSA Retail Savings Bonds**

- To encourage saving, ✓ the SA Government offers SA citizens the opportunity to invest in saving bonds. ✓
- Two different types of bonds are available, ✓ i.e. fixed rate/inflation linked retail savings bonds. ✓
- A market related interest rate is determined when investment is made ✓ and remains fixed for the whole term of the investment. ✓
- Interest is earned half-yearly on 31 March and 30 September ✓ and paid out into the bond holder's/investor's bank account. ✓
- It cannot be used as security to obtain loans, ✓ so creditors cannot have any claim on it. ✓
- It can be inherited ✓ by a nominated beneficiary/when the investor dies. ✓
- Any other relevant answer related to a description of RSA Retail Savings Bonds.

**Risk**

- Risk is very low, ✓ as an investment is made in the government which cannot disappear/go bankrupt. ✓
- It is a safe investment, ✓ as it cannot be sold on the open market/not exposed to market risks. ✓
- Any other relevant answer related to the level of risk of RSA Retail Savings Bonds.

Description (4)  
Risk (2)  
Submax. (6)  
Max. (12)

#### 8.4 Impact of RSA Retail Savings Bonds/ Government Retail Bonds on investors

##### Positives/Advantages

- Guaranteed returns, ✓ as interest rate is fixed for the whole investment period. ✓
- Interest rates ✓ are market related. ✓
- Investment may be easily accessible, ✓ as cash may be withdrawn after the first twelve months, subject to penalties. ✓
- Low risk/Safe investment, ✓ as it is invested with the South African Government which cannot be liquidated. ✓
- It is an affordable type of investment ✓ for all levels of income earners including pensioners. ✓
- Retail bonds are easily/conveniently obtained ✓ electronically/from any Post Office/ Pick 'n Pay shop/directly from National Treasury. ✓
- No charges/costs/commissions payable ✓ on this type of investment. ✓
- Interest is usually higher ✓ than on fixed deposits. ✓
- Retail bonds are listed ✓ on the capital bond markets/on the JSE. ✓
- Investors younger than 18 years/Minors may invest with the help of a legal guardian, ✓ which encourages saving from a young age. ✓
- Any other relevant answer related to the positive impact/advantages of RSA Retail Savings Bonds/Government Retail Bonds on investors.

Submax (6)

#### AND/OR

##### Negatives/Disadvantages

- Retail bonds cannot be ceded to banks ✓ as security for obtaining loans. ✓
- A minimum of R1 000 must be invested, ✓ which may be difficult for some small investors to accumulate. ✓
- Retail bonds are not freely transferable ✓ amongst investors. ✓
- Investors need to have valid SA identification/should be older than 18 years ✓ which may discourage foreigners/young people to invest. ✓
- Penalties are charged for early withdrawals, ✓ if the savings is less than 12 months old. ✓
- Any other relevant answer related to the negative impact/disadvantages of RSA Retail Savings Bonds/Government Retail Bonds on investors.

Submax (6)  
Max. (12)

#### 8.5 Ways to respond to feedback in a professional manner

- Mrs Malotana must stand up throughout the feedback session. ✓✓
- Be polite, confident, professional 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. ✓✓
- She must use simple language and support what she says with an example/keep the answer 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. ✓✓
- Mrs Malotana should address questions in an orderly manner. ✓✓
- Any other relevant answer related to how Mrs Malotana may respond to feedback in a professional manner.

Max. (10)

### 8.6 Conclusion

- Investors should always ensure that they do thorough research about the form of investment they want to use, before they make the investment. ✓
- All possible factors, advantages and disadvantages must be compared before choosing the best option that will suit the investors' needs. ✓
- Effective presentation of business information is one of the key elements of communicating with various stakeholders. ✓
- A good presentation promotes the image of the business/owner/management. ✓
- Being professional during a presentation/feedback/questions session should contribute to the success of the presentation. ✓
- Any other relevant conclusion related to investments and responding to feedback.

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

### BREAKDOWN OF MARK ALLOCATION

DETAILS	MAXIMUM	TOTAL
Introduction	2	<b>Max 32</b>
Factors to consider when making investment decisions	12	
Shares and RSA Retail Savings Bonds	12	
Impact of RSA Retail Savings Bonds on investors	12	
Ways to respond to questions	10	
Conclusion	2	
<b>INSIGHT</b>		
Layout/Structure	2	<b>8</b>
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**

- Solving problems requires businesses to apply creative and critical thinking skills. ✓
- Businesses have to solve many problems as they confront the challenges of dynamic and complex business environments. ✓
- Businesses should use creative thinking techniques to solve business problems. ✓
- Creative thinking is the thought process that leads to original/novel/new ideas. ✓
- Businesses need to find ways to break out from routine thinking. ✓
- Any other relevant introduction related to problem solving and creative thinking.

(2 x 1) (2)

**9.2 Steps in problem solving**

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

**NOTE: 1. Steps can be in any order.****2. Award marks when different approaches in problem solving are used, e.g. 3 or 4 steps, etc.**

Max. (8)

**9.3 Advantages of creative thinking**

- Better/Unique/Unconventional ideas/solutions ✓ are generated. ✓
- May give the business a competitive advantage ✓ if unusual/unique solutions/ideas/strategies are implemented. ✓
- Complex business problems ✓ may be solved. ✓
- Productivity increases ✓ as management/employees may quickly generate multiple ideas which utilises time and money more effectively. ✓
- Managers/Employees have more confidence ✓ as they can live up to their full potential. ✓
- Managers will be better leaders ✓ as they will be able to handle/manage change(s) positively and creatively. ✓
- Managers/Employees can develop a completely new outlook, ✓ which may be applied to any task(s) they may do. ✓
- Leads to more positive attitudes ✓ as managers/employees feel that they have contributed towards problem solving. ✓
- Improves motivation ✓ amongst staff members. ✓
- Managers/Employees have a feeling of great accomplishment ✓ and they will not resist/obstruct the process once they solved a problem/contributed towards the success of the business. ✓
- Management/employees may keep up ✓ with fast changing technology. ✓
- Stimulates initiative from employees/managers, ✓ as they are continuously pushed out of their comfort zone. ✓
- Creativity may lead to new inventions ✓ which improves the general standard of living. ✓
- Any other relevant answer related to the advantages of creative thinking.

Max. (10)

#### 9.4 Brainstorming

- State/Define the business problem clearly, ✓ so that all participants/stake-holders understand the problem. ✓
- Members state possible causes ✓ of the business problems. ✓
- Set a time limit ✓ for each brainstorming session. ✓
- Record/Write ideas down, ✓ where all participants can see it. ✓/Ideas may also be shared online ✓ during an e-brainstorming session. ✓
- Use each suggestion, ✓ to inspire new thoughts/ideas. ✓
- Do not judge/criticise/discuss the ideas, ✓ so that many ideas could be generated as quickly as possible. ✓
- All members of the group ✓ randomly make suggestions. ✓
- The group rates ideas ✓ according to their usefulness/success/difficulty/cost to implement. ✓
- The group evaluates all ideas, ✓ and combines similar ones/draw up a refined list. ✓
- Discuss a plan of action ✓ on how to implement the best ideas. ✓
- Any other relevant answer related to the application of the brainstorming technique to solve business problems.

**NOTE:**        **1. Do not allocate marks for advantages and disadvantages.**  
                  **2. Steps could be in any order.**

Submax     (8)

#### Delphi technique

- Businesses must invite a panel of experts ✓ to research the complaints from customers. ✓
- Experts do not have to be in one place ✓ and will be contacted individually. ✓
- Design a questionnaire consisting of questions on how to improve the quality of products ✓ and distribute it to the panel members/experts. ✓
- Request the panel to individually respond to the questionnaire/suggest improvements to the products ✓ and return it to the company. ✓
- Summarise the responses from the experts ✓ in a feedback report. ✓
- Send the feedback report and a second set of questions/questionnaire ✓ based on the feedback report to the panel members. ✓
- Request panel members to provide further input/ideas on how to improve the quality of products ✓ after they have studied the results/documentation. ✓
- Distribute a third questionnaire ✓ based on previous feedback from the second round. ✓
- Prepare a final summary/feedback report ✓ with all the methods to improve the quality of products. ✓
- Businesses should choose the best solution/proposal ✓ after reaching consensus. ✓
- Any other relevant answer related to the application of the Delphi technique by businesses.

**NOTE: Do not allocate marks for advantages and disadvantages as the question focuses on the process/application of the technique.**

Submax     (8)  
                  Max.     (16)

### 9.5 Ways in which a business can create an environment that stimulates creative thinking

- Emphasise the importance of creative thinking to ensure that all staff know that management 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/mindmapping/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 who come up with creative ideas. √√
- Provide a conducive working environment free from distractions. √√
- Any other relevant recommendations related to ways in which a business can stimulate creative thinking.

Max. (12)

### 9.6 Conclusion

- Constant changes in the market impact on business operations and so they need to adapt to it quickly and make quick/creative decisions. √√
- Creative thinking can help to solve business problems successfully. √√
- Businesses must know how to deal with problems that arise. √√
- Any other relevant conclusion related to problem solving and creative thinking.

Max. (2)  
[40]

### BREAKDOWN OF MARK ALLOCATION

DETAILS	MAXIMUM	TOTAL
Introduction	2	Max. 32
Steps in problem solving	8	
Advantages of creative thinking	10	
Application of creative thinking techniques	16	
Ways to create environment that stimulates creative thinking	12	
Conclusion	2	
<b>INSIGHT</b>		
Layout/Structure	2	8
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**

- Each business function and all employee activities should be properly managed to ensure quality goods and services. ✓
- A quality management system is a framework that a business uses to manage key processes. ✓
- The principles/values of quality are embedded in the organisational culture and ethics of the business. ✓
- Quality management should not just be an inspection process, but become part of the culture of the business. ✓
- Quality circles form part of the teamwork TQM element.
- Any other relevant introduction related to quality.

Max. (2)

**10.2 Differences between quality performance and quality management**

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

(2 x 1) (8)

**NOTE: 1. Answer does not have to be in tabular format.****2. The differences must be clear.****3. Award a maximum of FOUR (4) marks if the differences are clear./  
Mark either quality performance or quality management only.****10.3 Advantages of a good quality management system**

- Effective customer service will be rendered, ✓ resulting in increased customer satisfaction. ✓
- Time and resources ✓ are used efficiently. ✓
- Productivity increases ✓ 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 Impact of TQM elements on large businesses

### 10.4.1 Continuous improvement to processes and systems

#### Positives/Advantages

- Large businesses have more resources ✓ to check on quality performance in each unit/business function. ✓
- Enough capital resources are available for new equipment required ✓ to stay relevant to new developments. ✓
- Large businesses have a person dedicated ✓ to the improvement of systems and processes. ✓
- Willing to take risk on/try new processes and systems ✓ because they are able to absorb the impact of losing money. ✓
- They can afford to use the services of the quality circles ✓ to be competitive. ✓
- Large businesses use the PDCA model ✓ to continuously plan/do/check/act on new/revised processes and systems. ✓
- Any other relevant answer related to the positives/advantages of continuous improvement to processes and systems as an element of TQM for large businesses.

#### AND/OR

#### Negatives/Disadvantages

- Large scale manufacturing ✓ can complicate quality control. ✓
- Systems and processes take time and effort to be implemented in large businesses ✓ as communication/buy-in/distrust may delay the implementation process. ✓
- Face the risk in changing parts of the business ✓ that are actually working well. ✓
- Not all negative feedback from employees and customers is going to be accurate, ✓ which may result in incorrect/unnecessary changes to systems and processes. ✓
- Any other relevant answer related to the negatives/disadvantages of continuous improvement to processes and systems as an element of TQM for large businesses.

Submax (6)

### 10.4.2 Total client/customer satisfaction

#### Positives/Advantages

- Large businesses use market research/customer surveys ✓ to measure/monitor customer satisfaction/analyse customers' needs. ✓
- Continuously promote ✓ a positive company image. ✓
- May achieve a state of total customer satisfaction, if businesses follow sound business practices ✓ that incorporate all stakeholders. ✓
- Strive to understand and fulfil customer expectations ✓ by aligning cross-functional teams across critical processes. ✓
- Ensures that cross-functional teams understand their core competencies ✓ and develop/strengthen them. ✓
- May lead to higher customer retention/loyalty ✓ and businesses may be able to charge higher prices. ✓
- Businesses may be able to gain access ✓ to the global market. ✓
- May lead to increased ✓ competitiveness/profitability. ✓
- Any other relevant answer related to the positives impact of total client/customer satisfaction.

#### AND/OR

**Negatives/Disadvantages**

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

Submax (6)

10.4.3 **Continuous skills development****Positives/Advantages**

- Large businesses have a human resources department ✓ dedicated to skills training and development. ✓
- Human resources experts ✓ ensure that training programmes are relevant/focused to increased customer satisfaction. ✓
- Financially able to afford ✓ specialised/skilled employees. ✓
- May be able to conduct skills audits ✓ to establish the competency/education levels of staff. ✓
- 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 as an element of TQM for large businesses.

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

- Poor communication systems ✓ may prevent effective training from taking place. ✓
- Trained employees may leave for better jobs ✓ after they gained more skills. ✓
- Low/No recognition for training ✓ result in de-motivated employees. ✓
- 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 as an element of TQM for large businesses.

Submax (6)

Max. (18)

**10.5 Importance of quality circles**

- Solve problems related to quality and implement improvements. √√
- Investigate problems and suggest solutions to management. √√
- Ensure that there is no duplication of activities/tasks in the workplace. √√
- Make suggestions for improving systems and processes in the workplace. √√
- Improve the quality of products/services/productivity through regular reviews of quality processes. √√
- Monitor/Reinforce strategies √√ to improve the smooth running of business operations.
- Reduce costs of redundancy in the long run. √√
- Increase employees' morale /motivation. √√
- Quality circles discuss ways of improving the quality of work/workmanship. √√
- Contribute towards the improvement and development of the organisation. √√
- Reduce costs/wasteful efforts in the long run. √√
- Increase the demand for products/services of the business. √√
- Create harmony and high performance in the workplace. √√
- Build a healthy workplace relationship between the employer and employee. √√
- Improve employees' loyalty and commitment to the business and its goals. √√
- Improve employees' communication at all levels of the business.
- Develop a positive attitude/sense of involvement in decision making processes of the services offered. √√
- Any other relevant answer related to the importance of quality circles in TQM.

Max. (10)

**10.6 Conclusion**

- A quality management system shows a belief in employees' abilities to solve problems. √
- Top management should act as the main driver of TQM and create an environment that ensures success. √
- Improvement in quality should improve customer satisfaction. √
- Businesses require excellent management skills to coordinate the quality of performance of the various business functions in order to ensure success. √
- Any other relevant conclusion related to quality.

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

**BREAKDOWN OF MARK ALLOCATION**

<b>DETAILS</b>	<b>MAXIMUM</b>	<b>TOTAL</b>
Introduction	<b>2</b>	<b>Max 32</b>
Difference between quality performance and quality management	<b>8</b>	
Advantages of a good quality management system	<b>10</b>	
Impact of TQM elements	<b>18</b>	
Importance of quality circles	<b>10</b>	
Conclusion	<b>2</b>	
<b>INSIGHT</b>		
Layout/Structure	<b>2</b>	<b>8</b>
Analysis, interpretation	<b>2</b>	
Synthesis	<b>2</b>	
Originality/Examples	<b>2</b>	
<b>TOTAL MARKS</b>		<b>40</b>

\*LASO – For each component:  
 Allocate 2 marks if all requirements are met.  
 Allocate 1 mark if only some of the requirements are met.  
 Allocate 0 marks where requirements are not met at all.

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