



# basic education

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

**NATIONAL  
SENIOR CERTIFICATE**

**GRADE 12**

**BUSINESS STUDIES**

**NOVEMBER 2017**

**MARKING GUIDELINES**

**MARKS: 300**

**These marking guidelines consist of 51 pages.**

**NOTES TO MARKERS****PREAMBLE**

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

- (a) Fairness, consistency and reliability in the standard of marking
- (b) Facilitate the moderation of candidates' scripts at the different levels
- (c) Streamline the marking process considering the broad spectrum of markers across the country
- (d) Implement appropriate measures in the teaching, learning and assessment of the subject at schools/institutions of learning

1. For marking and moderation purposes, the following colours are recommended:  
Marker: Red  
Senior Marker: Green  
Deputy Chief Marker: Brown/Black/Blue  
Chief Marker: Pink  
Internal moderator: Orange  
DBE Moderator: Turquoise
2. Candidates' responses must be in full sentences for SECTIONS B and C. However, this would depend on the nature of the question.
3. Comprehensive marking guidelines have been provided but this is by no means exhaustive. Due consideration should be given to an answer that is correct, but:
  - Uses a different expression from that which appears in the marking guidelines
  - Comes from another source
  - Original
  - A different approach is used

**NOTE:** There is only ONE correct answer in SECTION A.
4. Take note of other relevant answers provided by candidates and allocate marks accordingly. (In cases where the answer is unclear or indicates some understanding, part-marks should be awarded, for example, one mark instead of the maximum of two marks.)
5. The word 'Sub-max' is used to facilitate the allocation of marks within a question or sub-question.
6. The purpose of circling marks (guided by 'max' in the breakdown of marks) on the right-hand side is to ensure consistency and accuracy in the marking of scripts as well as for calculation purposes.
7. Subtotals to questions must be written in the right-hand margin. Circle the subtotals as indicated by the allocation of marks. This must be guided by 'max' in the marking guidelines. Only the total for each question should appear in the left-hand margin next to the appropriate question number.
8. In an indirect question, the theory as well as the response must be relevant and related to the question.

9. Incorrect numbering of answers to questions or sub questions in SECTIONS A and B will be severely penalised. Therefore, correct numbering is strongly recommended in all sections.
10. No additional credit must be given for repetition of facts. Indicate with an 'R'.
11. Note that no marks will be awarded for indicating Yes/No in evaluation type questions requiring substantiation or motivation. (Applicable to SECTIONS B and C)
12. The differentiation between 'evaluate' and 'critically evaluate' can be explained as follows:
- 12.1 When 'evaluate' is used, candidates are expected to respond in either a positive/negative manner or take a neutral (positive and negative) stance, e.g. **Positive:** *'COIDA eliminates time and costs spent√ on lengthy civil court proceedings.'*√
- 12.2 When 'critically evaluate' is used, candidates are expected to respond in either a positive/negative manner or take a neutral (positive and negative) stance. In this instance candidates are also expected to support their responses with more depth, e.g. *'COIDA eliminates time and costs spent√ on lengthy civil court proceedings√, because the employer will not be liable for compensation to the employee for injuries sustained during working hours as long as it can be proved that the business was not negligent.'*√
- NOTE:** 1. The above could apply to 'analyse' as well.  
2. Note the placing of the tick (√) in the allocation of marks.
13. The allocation of marks must be informed by the nature of the question, cognitive verb used, mark allocation in the marking guidelines and the context of each question.

Cognitive verbs, *such as:*

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

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

15. **SECTION B**

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

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

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

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

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

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

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

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

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

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

16. **SECTION C**

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

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

## 16.2 Insight consists of the following components:

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

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

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

- 16.4 The breakdown of marks is indicated at the end of the suggested answer/ marking guidelines to each question.
- 16.5 Mark all relevant facts until the SUB MAX/MAX mark in a subsection has been attained. Write SUB MAX/MAX after maximum marks have been obtained.
- 16.6 At the end of each essay indicate the allocation of marks for facts and marks for insight as follows: (L – Layout, A – Analysis, S – Synthesis, O – Originality) as in the table below.

<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>

- 16.7 When awarding marks for facts, take note of the sub-maxima indicated, especially if candidates do not make use of the same subheadings. Remember, headings and subheadings are encouraged and contribute to insight (structuring/logical flow/sequencing) and indicate clarity of thought. (See MARK BREAKDOWN at the end of each question.)
- 16.8 If the candidate identifies/interprets the question INCORRECTLY, then he/she may still obtain marks for layout.
- 16.9 If a different approach is used by candidates, ensure that the answers are assessed according to the mark allocation/subheadings as indicated in the marking guidelines.
- 16.10 16.10.1 Award TWO marks for complete sentences. Award ONE mark for phrases, incomplete sentences and vague answers.
- 16.10.2 With effect from November 2015, the TWO marks will not necessarily appear at the end of each completed sentence. The ticks (√) will be separated and indicated next to each fact, e.g. 'Product development is a growth strategy√, where businesses aim to introduce new products into existing markets.'√  
This will be informed by the nature and context of the question, as well as the cognitive verb used.
- 16.11 With effect from November 2017, the maximum of TWO (2) marks for facts shown as headings in the marking guidelines, will not necessarily apply to each question. This would also depend on the nature of the question.



**SECTION B**

Mark **ONLY** the **FIRST THREE** answers.

**QUESTION 2: BUSINESS ENVIRONMENTS****2.1 Types of business sectors**

- Primary✓
- Secondary✓
- Tertiary✓

**NOTE: Mark the first THREE (3) responses, as they may include incorrect business sectors. (3 x 1) (3)**

**2.2 Steps to develop a strategy**

- Application of SWOT analysis/PESTLE/Porter's Five Forces/environmental scanning of the business environments.✓✓
- Formulate strategies to meet objectives/Develop measurable strategic goals/objectives.✓✓
- Implement strategies using action plans✓✓, etc.
- Evaluation of strategies/Compare the expected performance with the actual performance/ Measure business performance in order to determine the reasons for deviations and analyse these reasons✓✓, etc.
- Any other relevant answer related to the steps in strategy development.

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

**Max (8)**



2.3 PESTLE analysis

CHALLENGES (2.3.1)	PESTLE ELEMENT (2.3.2)	RECOMMENDATIONS (2.3.3)
(a) The profitability of the business has decreased/ due to high inflation rates.√ Sub max (1)	Economic√√ Sub max (2)	- Reduce the profit margin.√√ - Cut down on unnecessary spending.√√ - Any other relevant recommendation related to how MJF can deal with high inflation rates as an economic challenge. Sub max(2)
(b) Low income levels of customers.√ Sub max (1)	Social√√ Sub max (2)	- Offer learnerships/bursaries to members of the community.√√ - Offer skills development programmes.√√ - Any other relevant recommendation related to how MJF can deal with low income levels of customers as a social challenge. Sub max(2)
(c) MJF had to pay a hefty (heavy) fine/because their trading license was not renewed on time.√ Sub max (1)	Legal/ Legislation√√ Sub max (2)	- Renew the trading licence on time.√√ - Review the administrative clerk's job description.√√ - Diarise the renewal date and follow up with the administrative clerk.√√ - Any other relevant recommendation related to how MJF can deal with the renewal of a trading licence as a legal challenge. Sub max(2)
<b>Max (3)</b>	<b>Max (6)</b>	<b>Max (6)</b>

- NOTE:**
1. Recommendations must be linked to the identified challenge.
  2. Mark the first (1) recommendation for each challenge only.
  3. The answer does not have to be in tabular format.

2.4 Types of defensive strategies

2.4.1 Divestiture√√

- The business disposes/sells some assets/divisions that are no longer profitable/ productive.√
- Businesses may sell off divisions/product lines with slow growth potential.√
- Unproductive assets are sold to pay off debts/reduce operational costs.√
- Process used to withdraw its investment in another business.√
- Aims at acquiring additional capital.√
- Any other relevant answer related to divestiture as a defensive strategy.

**NOTE:** Accept divestment/disinvestment/unbundling as an alternative answer.

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

**2.4.2 Liquidation**√√

- All assets are sold to pay creditors due to a lack of capital/cash flow.√
- Selling the entire business in order to pay all liabilities/close down the business.√
- Creditors may apply for forced liquidation in order to have their claims settled.√
- Companies in financial difficulty may apply for business rescue to avoid liquidation.√
- Any other relevant answer related to liquidation as a defensive strategy.

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

**2.4.3 Retrenchment**√√

- Terminating the employment contracts of employees for operational reasons.√
- Decreasing the number of product lines/Closing certain departments may result in some workers becoming redundant.√
- Any other relevant answer related to retrenchment as a defensive strategy.

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

**NOTE: Mark the first THREE (3) responses as they may include incorrect defensive strategies. (3 x 3) (9)**

**2.5 Porter's Five Forces****2.5.1 Bargaining power of buyers/Buyer power**

- Business must assess how easy it is for its buyers/customers√ to drive prices down.√
- Determine the number of buyers/the importance of each buyer to the business√ and the cost of switching to other products.√
- A few powerful buyers√ are often able to dictate terms to the business.√
- Buyers buying in bulk√ can bargain for prices in their favour.√
- If buyers/customers can do without the business's products√ they may have more power to determine the prices and terms of sale.√
- Conduct market research√ to gather more information about its buyers.√
- Any other relevant answer related to the bargaining power of buyers/buyer power as a Porter's Five Force.

**Max (4)**

**2.5.2 Competitive rivalry**

- If competitors have a unique product/service√, they have greater power/impact on the market.√
- Draw up a competitor's profile of each similar business in the area√ to determine its strength√/Business should determine how many competitors there are√ and how influential they are in the market.√
- If a business has many competitors with similar products√, the business will have very little power in the market.√
- Some businesses have the necessary resources to start price wars√ and continue selling at a loss until some/all competitors leave the market.√
- Any other relevant answer related to competitive rivalry as a Porter's Five Force.

**Max (4)****2.6 Legislation****2.6.1 Labour Relations Act, 1995 (Act 66 of 1995)/Labour Relations Act/LRA√√ (2)****Quote from the scenario**

- Workers are allowed to join a trade union of their choice/The management of JTB resolves work related disputes through statutory conciliation, mediation and arbitration.√ (1)

**NOTE: Do not award marks for the motivation/quotation if the Act was incorrectly identified.****Max (3)****2.6.2 Negative impact of LRA on businesses/JTB  
Negatives/Disadvantages**

- Employers/JTB may have to disclose information about workplace issues to union representatives√ that could be the core of their competitive advantage.√
- Employers may not dismiss employees at will√, as procedures have to be followed.√
- Some businesses/JTB may feel that the LRA gives employees too much power√ as it creates lengthy procedures, e.g. consulting with workplace forums.√
- Employers may not get a court interdict√ to stop a strike.√
- Strike action always result in loss of production√ for which employers may not claim.√
- Some trade unions may not promote the mandate of their members√, but embark on industrial action, which is harmful to labour relations between employers and employees.√
- Labour disputes and bargaining council processes become disruptive/time-consuming√ and can lead to a decrease in productivity in businesses.√

- Many employees take advantage of the right to strike√ without acknowledging their responsibilities.√
- Expensive to consult labour experts/to appoint additional workers√ during strikes.√
- Any other relevant answer related to the negative impact/disadvantages of the LRA on businesses/JTB.

**NOTE: Accept relevant facts, if the Act/LRA was incorrectly identified as an answer in QUESTION 2.6.1.**

**Max (8)**

**2.7 Practical ways in which businesses can comply with the National Credit Act.**

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

**NOTE: 1. Mark the first THREE (3) only.  
2. Do not award marks for consumer rights.**

**(3 x 2) (6)  
[60]**

**BREAKDOWN OF MARKS**

<b>QUESTION 2</b>	<b>MARKS</b>
<b>2.1</b>	<b>3</b>
<b>2.2</b>	<b>8</b>
<b>2.3.1</b>	<b>3</b>
<b>2.3.2</b>	<b>6</b>
<b>2.3.3</b>	<b>6</b>
<b>2.4</b>	<b>9</b>
<b>2.5.1</b>	<b>4</b>
<b>2.5.2</b>	<b>4</b>
<b>2.6.1</b>	<b>3</b>
<b>2.6.2</b>	<b>8</b>
<b>2.7</b>	<b>6</b>
<b>TOTAL</b>	<b>60</b>

**QUESTION 3: BUSINESS VENTURES****3.1 Factors that should be considered when making investment decisions**

- Return on investment (ROI)✓
- Risk✓
- Investment term/period✓
- Tax implications/Taxation✓
- Inflation rate✓
- Fluctuations/Volatility of investment markets/Economic stability✓
- Liquidity✓
- Personal budget✓
- Track record/History/Performance of the business/sector to be invested in✓
- Additional costs/Administration fees/Brokerage applicable to the type of investment✓
- Any other relevant answer related to factors that should be considered when making investment decisions.

**NOTE: Mark the first FIVE (5) only.****(5 x 1) (5)****3.2 Rights of preference shareholders**

- Receive dividends regardless of how much profits are made.✓✓
- Receive a fixed rate of return/dividend.✓✓
- They are paid first/enjoy preferential rights to dividends.✓✓
- They have a preferred claim on company assets in the event of bankruptcy/liquidation of the company.✓✓
- Receive interim and annual reports.✓✓
- They only have voting rights at the AGM under particular circumstances/for certain resolutions.✓✓
- Cumulative shareholders must receive outstanding/accrued dividends from previous years.✓✓
- Participating preference shareholders have the right to share in surplus profits.✓✓
- Any other relevant answer related to the rights of preference shareholders.

**NOTE: 1. Mark the first FOUR (4) only.****2. Accept the specific rights linked to the types of preference shareholders.****(4 x 2) (8)****3.3 Leadership styles**

3.3.1 Laissez-Fair/Free Reign✓✓

3.3.2 Democratic/Participative/Consultative✓✓

3.3.3 Transactional✓✓

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

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

**Max (6)****3.5 Forms of ownership**

3.5.1 Private Company√√ (2)

**Motivation**

The name of Kadijah Printers ends with (Pty) Ltd/Kadijah Printers (Pty) Ltd cannot invite the public to buy shares.√ (1)

**NOTE: Do not award marks for the motivation, if the form of ownership was incorrectly identified.**

**Max (3)****3.5.2 Functions of the JSE**

- Gives opportunities to financial institutions such as insurance companies√ to invest their funds in shares√/Mobilises the funds√ of insurance companies and other institutions.√
- Serves as a barometer/indicator√ of economic conditions in South Africa.√
- Keeps investors informed√ on share prices by publishing it daily.√
- Acts as a link√ between investors and public companies.√
- Shares are valued√ and assessed by experts.√
- Small investors are invited to take part in the economy√ of the country through the buying/selling of shares.√
- Access to venture capital markets√ is made possible.√
- Serves as orderly market√ for securities/shares.√
- Regulates the market√ for dealing in shares.√
- Encourages new investments√ in South African companies.√
- Serves as a source for/Raises√ primary capital.√
- Plans/Researches and advises√ on investment possibilities.√
- Ensures that the market operates√ in a transparent manner.√

- 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.

**NOTE: Do not award marks for 'selling shares to the public'.**

**Max (10)**

### 3.6 Presentation

#### 3.6.1 Factors to be considered before doing 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 with an introduction, body and conclusion.√
- The conclusion must summarise 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 board of directors.√
- Find out about the venue for the presentation√, e.g. what equipment is available/appropriate/availability of generators as backup to load shedding.√
- Consider the time frame√ for presentation, e.g. fifteen minutes allowed.√
- Rehearse√ to ensure a confident presentation/effective use of time management.√
- Prepare for the feedback session√, by anticipating possible questions/comments.√
- Any other relevant answer related to the factors that must be considered before doing a presentation.

**Max (8)**

#### 3.6.2 Aspects to be considered when designing a multimedia presentation

- Start with the text/headings.√√
- Use legible font and font size.√√
- Select the background.√√
- Choose images that may help to communicate the message.√√
- Include/Create graphics.√√
- Add special effects/sound/animation.√√
- Create hyperlinks to allow quick access to other files/documents/video clips.√√
- Keep slides/images/graphs simple.√√
- Make sure there are no grammatical/spelling errors.√√
- Use bright colours to increase visibility.√√
- Structure information in a logical sequence.√√
- Limit the information on each slide.√√
- Any other relevant answer related to aspects to be considered when designing a multimedia presentation.

**Max (6)**

**3.7 Importance of a state-owned company (SOC)**

- Profits may be used to finance other state departments/reduce taxes.√√
- Generates income to finance social programmes.√√
- Jobs are created for all skills levels.√√
- Offer essential services which may not be offered by the private sector.√√
- Prices are kept reasonable/Create sound competition with the private sector to make services affordable to more citizens.√√
- Wasteful duplication of services is eliminated.√√
- Planning can be co-ordinated through central control.√√
- Any other relevant answer related to the importance of a state-owned company (SOC).

**Max (8)  
[60]**

**BREAKDOWN OF MARKS**

QUESTION 3	MARKS
3.1	5
3.2	8
3.3	6
3.4	6
3.5.1	3
3.5.2	10
3.6.1	8
3.6.2	6
3.7	8
<b>TOTAL</b>	<b>60</b>

**QUESTION 4: BUSINESS ROLES**

**4.1 Components of Corporate Social Responsibility**

- Environment/Environmental awareness√
- Ethical corporate social investment√
- Health and safety√
- Corporate governance√
- Business ethics√
- Employment equity√
- Supply chain√
- Customers√
- Community√
- Any other relevant answer related to the components of CSR.

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

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



**4.2 Benefits of CSI for businesses**

- May attract experienced employees/increase the pool of skilled labour√ which could increase productivity.√
- The business may have a good public image/reputation√ as they look after their employees/conduct themselves in a responsible way.√
- CSI projects may be used as a marketing strategy√ to promote products/ services.√
- The business may have a competitive advantage√, resulting in good publicity and an improved reputation.√
- Promotes customer loyalty√ resulting in increased sales/profit/more customers.√
- CSI projects promote teamwork√ amongst the employees of the business.√
- Business may enjoy tax advantages√, e.g. tax reduction/rebates.√
- Assist in addressing socio-economic issues√ e.g. poverty.√
- If the corporate sector gets voluntarily involved in CSI√, it is less likely that government will enforce the issue through legislation.√
- Employees feel like they are making a difference√ in working for this business.√
- It helps to retain staff/lower staff turnover√ as employees' health/safety is considered.√
- CSI helps to attract investors√ which may lead to expansion/growth.√
- Improves the health of its employees√ through focussed CSI programmes.√
- The business may become more community-based√ by working closely with the community to roll out skills development projects.√
- Any other relevant answer related to the benefits of CSI for the businesses.

**Max (8)**

**4.3 Distinguish between Corporate Social Responsibility (CSR) and Corporate Social Investment (CSI)**

<b>CORPORATE SOCIAL RESPONSIBILITY (CSR)</b>	<b>CORPORATE SOCIAL INVESTMENT (CSI)</b>
- The intention is to change√ business practices.√	- Actively committing money and resources√ to uplift the community.√
- Focus is on increasing image√ and profits.√	- Focus is on upliftment of community√ without return on investment.√
- Ensure that all internal CSR policies/ practices√ include stakeholders' interests/environmental issues.√	- Ensure that CSI projects are relevant√ to the needs of communities.√
- Often intended√ as a marketing initiative.√	- Intended to benefit and uplift communi- ties√ through social development.√
- Projects are usually linked to the busi- ness√, e.g. a manufacturing business offering to train the unemployed.√	- Projects are external to the business√ and have a strong developmental approach.√
- Any other relevant answer related to Corporate Social Responsibility. Sub max (2)	- Any other relevant answer related to Corporate Social Investment. Sub max (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 either CSR or CSI only.**

**Max (4)**



(b) Cindy, a manager, promised Anton a promotion if he agrees to have a relationship with her.√	Sexual harassment √√	- SCC should address internal complaints and implement disciplinary procedures.√√
		- Educate employees on sexual harassment matters.√√
		- Formulate a policy regarding sexual harassment.√√
		- SCC should create a good working environment where all employees' rights and dignity are respected.√√
		- Internal investigation should be made in order to determine the seriousness of the harassment.√√
		- Serious cases/matters on sexual harassment should be reported to the appropriate institutions such as the SA Police Services (SAPS).√√
		- Ensure compliance with the law/business code of conduct.√√
		- Any other relevant answer related to practical ways to deal with sexual harassment.
Sub max (1)	Sub max (2)	Sub max (4)
<b>Max (2)</b>	<b>Max (4)</b>	<b>Max (8)</b>

- NOTE:**
1. Suggestions must be linked to the identified TYPES of unethical business practices in QUESTION 4.4.2.
  2. Award a maximum of TWO (2) marks if suggestions are based on the unethical business practices quoted in QUESTION 4.4.1.
  3. Allocate TWO (2) marks for the TYPE of unethical business practice identified in QUESTION 4.4.2, if the unethical business practice in QUESTION 4.4.1 was not directly quoted, but based on the scenario.

**4.5 Criteria for assessing successful team performance**

**Interpersonal attitudes and behaviour**√√

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

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

**Shared values/Mutual trust and support**√√

- Shows loyalty/respect/trust towards team members despite differences.√
- Shows respect for the knowledge/skills of other members.√
- Perform team tasks with integrity/pursuing responsibility/meeting team deadlines with necessary commitment to team goals.√
- Any other relevant answer related to shared values/mutual trust and support as criteria for assessing successful team performance.

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

**Communication**√√

- A clear set of processes/procedures for team work ensures that every team member understands his/her role.√
- Efficient/Good communication between team members may result in quick decisions.√
- Quality feedback improves the morale of the team.√
- Open/Honest discussions lead to effective solutions of problems.√
- Continuous review of team progress ensures that team members can rectify mistakes/act pro-actively to ensure that goals/targets are reached.√
- Any other relevant answer related to communication as criteria for assessing successful team performance.

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

**Co-operation/Collaboration**√√

- Clearly defined realistic goals are set, so that all members know exactly what is to be accomplished.√
- Willingness to co-operate as a unit to achieve team objectives.√
- Co-operate with management to achieve team/business objectives.√
- Agree on methods/ways to get the job done effectively without wasting time on conflict resolution.√
- All members take part in decision making.√
- A balanced composition of skills/knowledge/experience/expertise ensures that teams achieve their objectives.√
- Any other relevant answer related to co-operation/collaboration as criteria for assessing successful team performance.

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

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

**(3 x 3) (9)**

4.6 **Problem solving techniques**

4.6.1

<b>PROBLEM SOLVING TECHNIQUE</b>	<b>QUOTE FROM SCENARIO</b>
Brainstorming√√  (2)	- Employees were requested to suggest new ideas in a large group without working individually/These ideas were used to inspire new thoughts.√  (1)
Sub max (3)	
Force-field analysis√√  (2)	- SF wanted to change the design of some of their furniture/ The management of SF evaluated the advantages and disadvantages of each idea.√  (1)
Sub max (3)	

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

2. **Do not award marks for quotes if the problem solving techniques are incorrectly identified.**

**Max (6)**

4.6.2 **Advantages of problem solving techniques**

**Advantages of brainstorming**

- Better solutions are developed√ through collective contributions.√
- Combinations of ideas/improvements can be chosen√ after all the ideas have been written down.√
- Employees are motivated√ as they are allowed to contribute to problem solving.√
- Stimulates creative thinking√ in the workplace.√
- People get ideas from others√ and build on them.√
- Any other relevant answer related to the advantages of brainstorming as a problem solving technique.

**Max (4)**

**OR**

**Advantages of Force-field analysis**

- Employees feel included√ and understood.√
- Employees develop√ and grow with the business.√
- Informed decisions can be made√ as forces for and against are critically evaluated.√
- Enables businesses to strengthen the driving forces√ and weaken the restraining forces.√
- Any other relevant answer related to the advantages of Force-field analysis as a problem solving technique.

**NOTE:** 1. **Accept relevant facts, if brainstorming/force-field analysis was incorrectly identified as answers in QUESTION 4.6.1.**

2. **Do not award marks for 'change the design'/'inspire new thoughts' as advantages of problem solving techniques.**

**Max (4)**

**4.7 Correct procedure to deal with grievances**

- Mr Cloete should verbally state his problem to his supervisor.√√
- The supervisor listens, investigates the problem and suggests solutions.√√
- If Mr Cloete is not satisfied with the suggested solution(s), he can submit a formal written complaint to the next level of management.√√
- The next level of management investigates the problem further, suggests a solution and makes a recommendation.√√
- If Mr Cloete is happy with the solution/resolution, the grievance is solved.√√
- If Mr Cloete is not satisfied, he must declare a dispute in which case the matter will be referred for mediation and arbitration to the CCMA/Labour court.√√
- Any other relevant answer related to the correct procedure for dealing with grievances.

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

**Max (10)  
[60]**

**BREAKDOWN OF MARKS**

<b>QUESTION 4</b>	<b>MARKS</b>
<b>4.1</b>	<b>5</b>
<b>4.2</b>	<b>8</b>
<b>4.3</b>	<b>4</b>
<b>4.4.1</b>	<b>2</b>
<b>4.4.2</b>	<b>4</b>
<b>4.4.3</b>	<b>8</b>
<b>4.5</b>	<b>9</b>
<b>4.6.1</b>	<b>6</b>
<b>4.6.2</b>	<b>4</b>
<b>4.7</b>	<b>10</b>
<b>TOTAL</b>	<b>60</b>

**QUESTION 5: BUSINESS OPERATIONS****5.1 Aspects that should be included in the employment contract**

- Personal details of the employee.√
- Details of the business/employer, e.g. name/address√, etc.
- Job title/Position.√
- Job description.√
- Job specification.√
- Date of employment/commencement of employment.√
- Place where employee will spend most of his/her working time.√
- Hours of work, e.g. normal time/overtime.√
- Remuneration, e.g. weekly or monthly pay.√
- Benefits/Fringe benefits/Perks/Allowances.√
- Leave, e.g. sick/maternity/annual/adoption leave.√
- Employee deductions (compulsory/non-compulsory).√
- Period of contract/Details of termination.√
- Probation period.√
- Signatures of both the employer and employee.√
- List of documents that form part of the contract, e.g. appointment letter/code of conduct/ethics.√
- Disciplinary policy, e.g. rules and disciplinary procedure for unacceptable behaviour.√
- Any other relevant answer related to the aspects that should be included in the employment contract.

**NOTE:** 1. **Mark the first FOUR (4) only.**  
2. **Allocate a maximum of ONE (1) mark for each aspect when examples are used.**

**(4 x 1) (4)****5.2 Selection procedure/steps****OPTION 1**

- Determine fair assessment criteria on which selection will be based.√√
- Use the assessment criteria to assess all CV's/application forms received during recruitment/Preliminary screening is done by sorting the applications received according to the criteria for the job.√√
- Check that applicants are not submitting false documents such as forged certificates/degrees. √√
- Make a 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 identify suitable applicants.√√
- 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/steps 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 meet all 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/steps as an activity of the human resources function.

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

**Max (8)**

**5.3.1 Examples of job description and specification quoted from the scenario**

Job description	<ul style="list-style-type: none"> <li>- Municipal financial manager√</li> <li>- Prepare budgets√</li> <li>- Manage income and expenditure√</li> </ul> <p style="text-align: right;">Sub max (2)</p>
Job specification	<ul style="list-style-type: none"> <li>- BCom degree√</li> <li>- At least six years financial management at middle level√</li> </ul> <p style="text-align: right;">Sub max (2)</p>

**NOTE: Mark the first TWO (2) examples of job description and job specification only.**

**Max (4)**

**5.3.2 Examples of fringe benefits quoted from the scenario**

- Pension Fund√
- Medical Aid Fund√
- Housing subsidy√

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

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

**5.3.3 Impact of fringe benefits on businesses**

**Positives/Advantages**

- 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 positive impact/advantages of fringe benefits on businesses.

**AND/OR**



**Negatives/Disadvantages**

- Fringe benefits are additional costs√ that may result in cash flow problems.√
- Administrative costs increase√ as benefits need to be correctly recorded for tax purposes.√
- Decreases business profits√, as incentive/package/remuneration costs are higher.√
- It can create conflict/lead to corruption√ if allocated unfairly.√
- Workers only stay with the business for fringe benefits√, and may not be committed/loyal to the tasks/business.√
- Businesses who offer employees different benefit plans may create resentment√ to those who receive less benefit resulting in lower productivity.√
- Businesses who cannot offer fringe benefits√ fail to attract skilled workers.√
- Businesses have to pay advisors/attorneys√ to help them create benefit plans that comply with legislation.√
- Errors in benefit plans√ may lead to costly lawsuits/regulatory fines.√
- Any other relevant answer related to the negative impact/disadvantages of fringe benefits on businesses.

**Max (8)**

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

<b>PIECEMEAL</b>	<b>TIME-RELATED</b>
- 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.√	- Many private and public sector businesses√ 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.
Sub max (2)	Sub max (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)**

**5.5 Quality indicators of the purchasing function**

- Buy raw materials in bulk✓ at lower prices.✓
- Select reliable suppliers✓ that render the best quality raw materials/capital goods at reasonable prices.✓
- Place orders timeously/Do regular follow-ups✓ to ensure that goods are delivered on time.✓
- Effective co-ordination between purchasing and production departments✓ so that purchasing staff understand the requirements of the production process.✓
- Required quantities✓ are delivered at the right time/place.✓
- Implement/Maintain stock control systems✓ to ensure the security of stock.✓
- Maintain optimum stock levels✓ to avoid overstocking/reduce out-dated stock/no break in production.✓
- Monitor and report on minimum stock levels✓ to avoid stock-outs.✓
- Effective use of storage space/Maintain product quality✓ while in storage.✓
- Involve suppliers✓ in strategic planning/product design/material selection/quality control process.✓
- Establish relationships with suppliers✓ so that they are in alignment with the business's vision/mission/values.✓
- Have a thorough understanding✓ of supply chain management.✓
- Any other relevant answer related to quality indicators of the purchasing function.

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

**(4 x 2) (8)**

**5.6.1 Reasons why Speedy Supermarket changed to another supplier**

- Speedy Supermarket complained to CF that juices go sour soon after delivery.✓
- Employees are not trained properly.✓
- Equipment is outdated.✓
- An effective organisational structure is not in place.✓
- Management is ignoring issues.✓

**NOTE: 1. Mark the first FOUR (4) only.**

**2. Only allocate marks for responses that are quoted from the scenario.**

**(4 x 1) (4)**

**5.6.2 Advantages of monitoring and evaluating quality processes as a TQM element**

- Prevents product defects✓ and minimises wastage/customer complaints.✓
- Good quality checks/procedures minimises✓ the replacement/breakdown of equipment/machinery on a regular basis.✓
- May be equipped to get things done right✓ the first time.✓
- Improve performance✓ and maintain high quality standards.✓
- Improve current and future management✓ of quality outputs/outcomes/impact.✓
- Provide clear indication about quality aspects✓ that are contributing to the achievement of goals/targets.✓
- Modify interventions✓ that may improve the efficient use of resources.✓

- Support management√ to acquire information needed to make informed decision about processes.√
- Cost of production is reduced√ as deviations from set standards can be corrected.√
- Strategies are revised√ in order to improve the quality of the product and services/business image.√
- Allows for quality control checks and procedures√ at key points.√
- Key performance indicators are carefully selected√ to monitor and evaluate the outcome.√
- Benchmarking is used to find best practices√ in order to determine the competitive position of the business.√
- Quality circles meet on regular basis√ to evaluate the progress in terms of quality.√
- Continuous research is conducted on latest developments√ to ensure that TQM planning is up to date.√
- Any other relevant answer related to the advantages of monitoring and evaluating quality processes as a TQM element.

**Max (6)**

### 5.6.3 Benefits of a good quality management system

- Effective customer services are rendered, resulting in increased customer satisfaction.√√
- Time and resources are used efficiently.√√
- Productivity increases through proper time management/using high quality resources.√√
- Products/Services are constantly improved resulting in increased levels of customer satisfaction.√√
- Vision/Mission/Business goals may be achieved.√√
- Business has a competitive advantage over its competitors.√√
- Regular training will continuously improve the quality of employees' skills/knowledge.√√
- Employers and employees will have a healthy working relationship resulting in happy/productive workers.√√
- Increased market share and profitability/productivity.√√
- Any other relevant answer related to the benefits of a good quality management system.

**Max (8)**

### 5.7 Importance of quality circles in total quality management (TQM)

- They solve problems related to quality√ and implement improvements.√
- Investigate problems√ and suggest solutions to management.√
- Ensures 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.√
- Any other relevant answer related to the importance of quality circles in TQM.

**Max (4)**  
**[60]**

**BREAKDOWN OF MARKS**

<b>QUESTION 5</b>	<b>MARKS</b>
<b>5.1</b>	<b>4</b>
<b>5.2</b>	<b>8</b>
<b>5.3.1</b>	<b>4</b>
<b>5.3.2</b>	<b>2</b>
<b>5.3.3</b>	<b>8</b>
<b>5.4</b>	<b>4</b>
<b>5.5</b>	<b>8</b>
<b>5.6.1</b>	<b>4</b>
<b>5.6.2</b>	<b>6</b>
<b>5.6.3</b>	<b>8</b>
<b>5.7</b>	<b>4</b>
<b>TOTAL</b>	<b>60</b>

**QUESTION 6: MISCELLANEOUS TOPICS****BUSINESS ENVIRONMENTS****6.1 BCEA provisions**

- 6.1.1 Working hours/Ordinary hours of work/Working time/Normal work time√√
- 6.1.2 Family responsibility leave/Paternity leave√√
- 6.1.3 Meal interval/Meal break/Rest periods√√
- 6.1.4 Child labour/Forced labour√√
- 6.1.5 Overtime√√

**(5 x 2) (10)****6.2 Advantages of intensive strategies**

- Increased market share√ reduces the business's vulnerability to actions of competitors.√
- Increase in sales/income√ and profitability.√
- Improved service delivery√ may improve business image.√
- Businesses may have more control√ over the prices of products/services.√
- Gain loyal customers√ through effective promotion campaigns.√
- Decrease in prices√ may influence customers to buy more products.√
- Regular sales to existing customers√ may increase.√
- Eliminate competitors√ and dominate market prices.√
- Enables the business to focus on markets/well researched quality products√ that satisfy the needs of customers.√
- Any other relevant answer related to the advantages of intensive strategies.

**Max (6)**

**BUSINESS VENTURES****6.3 Differences between compound and simple interest**

<b>COMPOUND INTEREST</b>	<b>SIMPLE INTEREST</b>
- Interest earned on original amount invested✓, as well as interest earned in previous period(s).✓	- Interest earned on the original amount✓ and not on the interest accrued.✓
- The principal amount grows✓ with the addition of interest to it.✓	- The principal amount remains the same✓ over the entire period of investment.✓
- Interest is calculated on the higher principal amount✓ and again added to it.✓	- The interest is kept separate✓ unless it is reinvested.✓
- Yields higher✓ return on investment✓	- Yields lesser✓ return on investment✓
- Total amount of interest earned on investment✓ is high.✓	- Total amount of interest earned on investment✓ is less.✓
- Any other relevant answer related to compound interest.	- Any other relevant answer related to simple interest.
Sub max (4)	Sub max (4)

**NOTE:** 1. The answer should be in tabular format/Differences may be listed in an organised way.

2. The differences must be clearly linked.

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

**Max (8)**

6.4.1 Public company ✓✓

**(2)**

**6.4.2 Advantages of a public company**

- The business has its own legal identity✓ and can own assets/property.✓
- Easy to raise large amounts of capital for growth✓ through the issuing of shares to the public.✓
- Shareholders have a limited liability✓ for the debt of the company✓/Shareholders may only loose✓ the amount which they invested.✓
- Competent and knowledgeable directors✓ may be appointed by shareholders.✓
- Attracts small investors✓ as shares can be transferred freely/easily.✓
- No limitation on the number of shareholders✓, so growth/expansion is not limited.✓
- Additional capital can be raised✓ by issuing debentures to the public.✓
- The public has access to the company's financial information✓ as financial reports have to be published annually.✓
- The company keeps its shareholders/stakeholders regularly informed✓ about its performance/share values/future plans.✓
- The company continues to exist✓, even if shareholders die/retire/sell their shares.✓
- Any other relevant answer related to the advantages of a public company.

**NOTE:** Accept relevant facts, if the public company was incorrectly named as an answer in QUESTION 6.4.1.

**Max (6)**

**BUSINESS ROLES****6.5.1 Roles of the health and safety representatives from the scenario**

- Responsible for checking the effectiveness of LCM's health and safety measures.√
- Identify potential dangers in the workplace.√

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

**2. Do not allocate marks for responses that are not quoted from the scenario.**

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

**6.5.2 Other roles of health and safety representatives in the workplace**

- Investigate incidents/complaints√ from workers about health and safety.√
- Initiate/Promote/Maintain/Review measures√ for ensuring the health and safety of the workers.√
- Attend to any formal inquiry/investigation√ into an accident/health related incident in the workplace.√
- Ensure that protective clothing√ is provided/available to all workers.√
- Ensure that all equipment that is necessary to perform work√ are provided/maintained regularly.√
- Promote safety training√ so that employees may avoid potential dangers/act pro-actively.
- Ensure that dangerous equipment is used√ under the supervision of trained/qualified workers.√
- Ensure that workers' health and safety is not endangered√ by hazards resulting from production/processing/storage/transportation of material/equipment.√
- Co-operate with the employer to investigate any accidents/complaints from the workers√ concerning health and safety in the workplace.√
- Ensure that employers comply√ with COIDA.√
- Any other relevant answer related to the other roles of health and safety representatives in the workplace.

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

**Max (4)**

**6.5.3 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)****6.5.4 Ways in which LCM can protect the environment and human health**

- Adhere to laws/regulations so that profits are not generated at the expense of the environment.√√
- Consider pollution/other environmental issues in all business activities, e.g. safe disposal of waste/dumping of toxic waste√√, etc.
- Become involved in environmental awareness programs.√√
- LCM protects the environment by altering production techniques in favour of cleaner and greener technologies.√√
- Water for human consumption is tested before it is used.√√
- Promote nature conservation by looking after natural resources.√√
- Minimise pollution, by re-using/reducing/recycling.√√
- Reduce consumption of goods/services which are environmentally unfriendly.√√
- Register/Engage with recognised institutions/bodies that promote green peace.√√
- Ensure that physical working conditions are worker friendly/safe/adequate/functional/promoting occupational health.√√
- Maintain/Service machines regularly.√√
- Educate people about hygiene/health issues.√√
- Encourage employees to do regular health checks.√√
- Any other relevant answer related to ways in which businesses can protect the environment and human health.

**NOTE: 1. Mark the first TWO (2) only.****2. No sub max is allocated for environment and human health.****(2 x 2) (4)****BUSINESS OPERATIONS****6.6 TQM element**

- 6.6.1 Total client/customer satisfaction√√
- 6.6.2 Adequate financing and capacity√√
- 6.6.3 Continuous skills development/education and training√√
- 6.6.4 Top management involvement/commitment√√

**(4 x 2) (8)**

**6.7 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 customer's 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 (6)**  
**[60]**

**BREAKDOWN OF MARKS**

<b>QUESTION 6</b>	<b>MARKS</b>
<b>6.1</b>	<b>10</b>
<b>6.2</b>	<b>6</b>
<b>6.3</b>	<b>8</b>
<b>6.4.1</b>	<b>2</b>
<b>6.4.2</b>	<b>6</b>
<b>6.5.1</b>	<b>2</b>
<b>6.5.2</b>	<b>4</b>
<b>6.5.3</b>	<b>4</b>
<b>6.5.4</b>	<b>4</b>
<b>6.6</b>	<b>8</b>
<b>6.7</b>	<b>6</b>
<b>TOTAL</b>	<b>60</b>

**TOTAL SECTION B: 180**



**SECTION C**

**Mark only the first TWO (2) questions.**

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

**7.1 Introduction**

- BBBEE was introduced to bring the majority of the South Africans into the mainstream of the economy.√
- It increased the number of black people that manage/own/control the economy.√
- Enterprise and supplier development enable large businesses to empower black owned businesses and suppliers.√
- A BEE scorecard is used to determine the BBBEE status of a business.√
- The Skills Development Act was developed in response to the demand for redress and equity.√
- Any other relevant introduction related to BBBEE and SDA. **(2 x 1) (2)**

**7.2 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 includes all sectors of the society, especially the previously disadvantaged.√
- Any other relevant answer related to BEE.	- Any other relevant answer related to BBBEE.
<b>Sub max (4)</b>	<b>Sub max (4)</b>

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

**Max (8)**

### 7.3 Impact of BBBEE on businesses

#### Positives/Advantages

- Businesses that comply with BBBEE regarding the pillars✓ will be rated high on the BEE scorecard/may get government tenders/may attract other BBBEE business partners/-suppliers.✓
- Encourages businesses to address the demands✓ for redress/ equity directly.✓
- Provides a variety of business codes✓ to improve employment equity.✓
- Provides for human resources development✓ through training and development.✓
- Promotes enterprise development✓, by developing entrepreneurial skills of designated people to start their own businesses.✓
- Businesses will have a good overview on how it is performing✓ in comparison to other businesses in the rest of the country.✓
- A good BBBEE rating✓ will improve the image of the business.✓
- By focusing on BBBEE, the business will show commitment✓ towards the social/education/economic developments in the community/country.✓
- Once rated, the business will understand how to develop BBBEE strategies✓ that will increase its BBBEE ratings on an annual basis.✓
- Fronting is discouraged✓, as it may lead to the disqualification of a business's entire scorecard/BBBEE status.✓
- Share prices of BBBEE compliant businesses are likely to increase✓ as they attract more business.✓
- Businesses that support Small, Micro, Medium Enterprises (SMMEs)✓, may increase their own BBBEE ratings.✓
- Complying with BBBEE requirements gives businesses experience/exposure✓ to be able to provide better employment opportunities/staff development.✓
- Any other relevant answer related to the positive impact of BBBEE on businesses.

#### AND/OR

#### Negatives/Disadvantages

- Businesses have to go through the process of having their BBBEE compliance measured/verified✓ by an independent BEE verification agency.✓
- Businesses that wish to do business with the government✓, must have their BEE status assessed annually.✓
- Provides for preferential procurement✓, so certain businesses may be excluded from supplying goods/services.✓
- Processes may lead to corruption/nepotism✓, if not monitored properly.✓
- Many businesses have been disadvantaged due to BBBEE ratings✓ as they may not be able to meet all the scoring.✓

- Processes and procedures may be costly for a business√ as there are many legal requirements for scoring enough points to be compliant.√
- Businesses could experience large financial implications/penalties√ if they do not comply with BBBEE.√
- Businesses will have to spend money in areas covered by the seven/five BBBEE pillars√ to obtain a good BBBEE rating.√
- Investment/Ownership issues√ can cause unhappiness between existing shareholders.√
- Any other relevant answer related to the negative impact of BBBEE on businesses.

**Max (10)**

## 7.4 Implications of the BBBEE pillars

### 7.4.1 Ownership

- Business should include black people√ in shareholding/partnerships/franchises.√
- Exempted Micro Enterprises (EMEs) with an ownership of 50% or more of black people√ are promoted to level 3 of the BEE scorecard.√
- More opportunities are created for black people√ to become owners/entrepreneurs.√
- Encourage small black investors√ to invest in big companies and share ownership.√
- Large businesses should form joint ventures with small black owned businesses√ and share business risks.√
- Businesses sometimes find it difficult√ to locate suitable black business partners/shareholders.√
- Many black people cannot afford√ shares in companies/contributions to partnerships.√
- Any other relevant answer related to the implication of ownership as a BBBEE pillar on businesses.

**Max (6)**

### 7.4.2 Management

- Business must ensure that transformation√ is implemented at all levels.√
- Appoint black people√ in senior executive positions/to management.√
- Involve black people√ in the decision making processes.√
- Ensure that black females√ are represented in management.√
- Businesses score points in both management and ownership√ when selling more than 25 % of their shares to black investors so that some of them can become directors.√
- Due to a shortage of skilled black managers/directors√, some businesses find it difficult to make appointments.√
- Businesses are directly penalised√ for not implementing this pillar.√
- Any other relevant answer related to the implication of management as a BBBEE pillar on businesses.

**Max (6)**

**7.4.3 Enterprise and supplier development (ESD)****OPTION 1**

- Business must create jobs√ as ESD promotes local manufacturing.√
- Businesses are encouraged to invest/support√ black owned SMMEs.√
- Contribution can be monetary√, e.g. loans/investments/donations.√
- Contribution can be non-monetary√, e.g. consulting services/advice/entrepreneurial programmes√, etc.
- Outsource services√ to suppliers that are BBBEE compliant.√
- Identify black owned suppliers√ that are able to supply goods and services.√
- Develop the business skills of small/black owned suppliers√, e.g. sales techniques, legal advice√, etc.
- Support the cash flow of small suppliers√ by offering them preferential terms of payment.√
- Businesses should invest in/support√ black owned SMMEs.√
- SMMEs will be encouraged to use their own business initiatives√ to make them sustainable.√
- Develop and implement√ a supplier development plan/supply chain.√
- Small/Large businesses may not be able√ to afford enterprise development investment/support.√
- Black owned SMMEs may become too reliant√ on support from other businesses/unable to take their own initiatives.√
- BBBEE suppliers√ may be without good workmanship.√
- Smaller businesses that are not BBBEE compliant√ lose business.√
- Businesses are forced√ to choose from a smaller pool of suppliers.√
- Any other relevant answer related to the implication of enterprise and supplier Development (ESD) as a BBBEE pillar on businesses.

**OR****OPTION 2****Supplier development/Preferential procurement**

- Identify black owned suppliers√ that are able to supply goods and services.√
- Develop business skills of small/black owned suppliers√, e.g. sales techniques, legal advice√, etc.
- Support the cash flow of small suppliers√ by offering them preferential terms of payment.√
- Develop and implement√ a supplier development plan/supply chain.√
- BBBEE suppliers√ may be without good workmanship.√
- Smaller businesses that are not BBBEE compliant√ lose business.√
- Businesses are forced√ to choose from a smaller pool of suppliers.√
- Any other relevant answer related to supplier development/Preferential procurement as a BBBEE pillar on businesses.

**AND/OR**

**Enterprise development**

- Contribution can be monetary√ e.g. loans/investments/donations.√
- Contribution can be non-monetary√ e.g. consulting services/advice/entrepreneurial programmes√, etc.
- Businesses should invest in/support√ black owned SMME's.√
- SMME's will be encouraged to use their own business initiatives√ to make them sustainable.√
- Small/Large businesses may not be able√ to afford enterprise development investment/support.√
- Black owned SMME's may become too reliant√ on support from other businesses/unable to take their own initiatives.√
- Any other relevant answer related to enterprise development as a BBBEE pillar on businesses.

**Max (6)****7.5 Effectiveness/Advantages of Skills Development Act**

- Increases the number of skilled employees√ in areas where these skills are scarce.√
- Trained employees√ to improve productivity in the workplace.√
- Increases global√ competitiveness.√
- Increases investment in education and training√ in the labour market.√
- Increases the return on investment√ in education and training.√
- Improves employment opportunities√ and labour movement of workers from previously disadvantaged groups.√
- Self-employment√ and black entrepreneurship are promoted.√
- Workplace discrimination√ can be addressed through training.√
- Workplace is used as an active learning environment√ where employees can gain practical job experience.√
- BBBEE-compliant businesses can improve their products/service delivery√ as they employ more skilled workers.√
- Any other relevant answer related to the effectiveness/advantages of SDA to ensure the successful implementation of BBBEE.

**Max (10)****7.6 Conclusion**

- An economy that is not growing cannot integrate all its citizens in a meaningful way.√√
- To obtain a good rating, businesses will have to spend money in the areas covered by the BBBEE pillars.√√
- The Skills Development Act makes it possible for business to successfully implement BBBEE pillars as it ensures effective skills development.√√
- Any other relevant conclusion related to BBBEE and SDA.

**Max (2)  
[40]**

**QUESTION 7: BREAKDOWN OF MARK ALLOCATION**

Details	Maximum	Total
Introduction	2	<b>Max 32</b>
Differences between BEE and BBBEE	8	
Impact of BBBEE on businesses	10	
Implications of: ownership	6	
management	6	
enterprise and supplier development (ESD)	6	
Effectiveness of SDA	10	
Conclusion	2	
<b>INSIGHT</b>		<b>8</b>
Layout	2	
Analysis/Interpretation	2	
Synthesis	2	
Originality/Examples	2	
<b>TOTAL MARKS</b>		<b>40</b>

LASO - For each component:

Allocate 2 marks if all requirements are met.

Allocate 1 mark if some requirements are met.

Allocate 0 marks where requirements are not met at all.

**QUESTION 8: BUSINESS VENTURES (INSURANCE)****8.1 Introduction**

- Insurance is a contract between a person/business/insured requiring insurance cover and the insurance company/insurer bearing the financial risk.√
- The law requires businesses to contribute to compulsory insurance on behalf of employees.√
- The purpose of insurance is to indemnify/cover the insured against certain kinds of insurable risks.√
- Any other relevant introduction related to insurance.

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

**8.2 Distinction between insurance and assurance**

<b>INSURANCE</b>	<b>ASSURANCE</b>
- Based on the principle of indemnity.√	- Based on the principle of security/certainty.√
- The insured transfers the cost of potential loss√ to the insurer at a premium.√	- The insurer undertakes to pay an agreed sum of money√ after a certain period has expired/on the death of the insured person, whichever occurred first.√
- It covers a specified event√ that may occur.√	- Specified event is certain√, but the time of the event is uncertain.√
- Applicable to short term insurance.√	- Applicable to long term insurance.√
- <b>Example:</b> Property insurance/money in transit/theft/burglary/fire,√ etc.	- <b>Example:</b> Life insurance/endowment policies/retirement annuities,√ etc.
- Any other relevant answer related to insurance.	- Any other relevant answer related to assurance.
Sub max (6)	Sub max (6)

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

2. Award a maximum of SIX (6) marks if the distinction is not clear/ Mark either insurance or assurance only.

**Max (12)**

**8.3 Types of compulsory insurance**

**8.3.1 Unemployment Insurance Fund (UIF)√√**

- The UIF provides benefits to workers who have been working√ and become unemployed for various reasons.√
- Businesses contribute 1% of basic wages towards UIF√, therefore reducing the expense of providing UIF benefits themselves.√
- Employees contribute 1%√ of their basic wage to UIF.√
- The contribution of businesses towards UIF√ increases the amount paid out to employees that become unemployed.√
- All employees who work at least 24 hours per month√ are required to be registered for UIF/contribute to the UIF.√
- It is an affordable contribution that makes it possible for businesses√ to appoint substitute workers in some instances.√
- The business cannot be held responsible for unemployment cover√ as the UIF pays out to contributors directly/dependants of deceased contributors.√
- Businesses are compelled to register their employees with the fund√ and to pay contributions to the fund.√
- Any other relevant answer related to UIF as a compulsory insurance.

Identification (2)

Explanation (4)

Sub max (6)

### 8.3.2 Road Accident Fund (RAF)/Road Accident Benefit Scheme (RABS)✓✓

- RAF/RABS insures road-users against the negligence✓ of other road users.✓
- The RAF/RABS provides compulsory cover for all road users in South Africa✓, which include South African businesses.✓
- Drivers of business vehicles are indemnified✓ against claims by persons injured in vehicle accidents.✓
- RAF/RABS is funded by a levy✓ on the sale of fuel/diesel/petrol.✓
- The amount that can be claimed for loss of income✓ is limited by legislation.✓
- The next of kin of workers/breadwinners who are injured/killed in road accidents✓, may claim directly from RAF/RABS.✓
- Injured parties and negligent drivers✓ are both covered by RAF/RABS.✓
- The injured party will be compensated✓, irrespective of whether the negligent driver is rich/poor/insured/uninsured.✓
- RABS aims to provide a benefit scheme✓ that is reasonable/equitable/affordable/sustainable✓, etc.
- RABS aims to simplify/speed up the claims process✓ as victims of road accidents no longer have to prove who caused the accident.✓
- RABS enables road accident victims speedy access to medical care✓ as delays due to the investigation into accidents has been minimised.✓
- Any other relevant answer related to RAF/RABS as a compulsory insurance.

Identification (2)

Explanation (4)

Sub max (6)

### 8.3.3 Compensation Fund/Compensation for Occupational Injuries and Diseases/COIDA✓✓

- The fund covers occupational diseases✓ and workplace injuries.✓
- Compensates employees for injuries and diseases✓ incurred at work.✓
- Compensation paid is determined✓ by the degree of disablement.✓
- The contribution payable is reviewed every few years✓ according to the risk associated with that type of work.✓
- All employers are obliged to register with the compensation fund✓ so that employees may be compensated for accidents and diseases sustained in the workplace.✓
- The fund covers employers for any legal claim✓ that workers may bring against them.✓
- Employers are required to report all accidents within 7 days✓ and occupational diseases within 14 days to the Compensation Commissioner.✓
- Employers are responsible for contributing towards the fund✓ and may not claim money back from employees/deduct contributions from wages.✓
- In the event of the death of an employee as a result of a work related accident/ disease✓, his/her dependant(s) will receive financial support.✓
- Employees do not have to contribute✓ towards this fund.✓
- Employees receive medical assistance✓ provided there is no other party/medical fund involved.✓
- Any other relevant answer related to compensation fund/COIDA as a compulsory insurance.

**NOTE: Do not award marks for the disadvantages of COIDA as an Act.**

Identification (2)

Explanation (4)

Sub max (6)

**NOTE: Mark the first THREE (3) candidates' responses as they may include the incorrect identification of compulsory insurance.**

**(3 x 6) (18)**



**8.4 Meaning of average clause**

- A stipulation set by the insurer which is applicable when property/goods<sup>√</sup> is under insured/insured for less than its market value.<sup>√</sup>
- The insurer will pay for insured loss/damages<sup>√</sup> in proportion to the insured value.<sup>√</sup>
- This means that the insured is responsible for<sup>√</sup> a part of the risk that is not insured.<sup>√</sup>
- Any other relevant answer related to the meaning of the average clause.

Sub max (4)

**Explanation on how average clause is calculated**

- The insured amount is divided by the market value of the insured item<sup>√</sup> and multiplied by the total value/amount of the damages/loss.<sup>√</sup>
- Insurance companies apply the following formula to determine the amount to be paid out to the insured:

$$\frac{\text{Amount insured}}{\text{Value of insured item}} \left. \vphantom{\frac{\text{Amount insured}}{\text{Value of insured item}}} \right\}^{\sqrt{}} \times \text{Amount of damages/loss}^{\sqrt{}}$$

Sub max (2)

**Max (6)****8.5 Positive impact of insurance on businesses**

- Transfers the risk from the business/insured<sup>√</sup> to an insurance company/insurer.<sup>√</sup>
- Transfer of risk is subject to the terms and conditions<sup>√</sup> of the insurance contract.<sup>√</sup>
- Protects the business against theft/loss of stock and/or damages<sup>√</sup> caused by natural disasters such as floods, storm damage<sup>√</sup>, etc.
- Business will be compensated for insurable losses<sup>√</sup>, e.g. destruction of property through fire.<sup>√</sup>
- Business assets, e.g. vehicles/equipment/buildings need to be insured<sup>√</sup> against damage and/or theft.<sup>√</sup>
- Business is protected against the loss of earnings<sup>√</sup>, e.g. strikes by employees which result in losses worth millions.<sup>√</sup>
- Protects business<sup>√</sup> against dishonest employees.<sup>√</sup>
- Life insurance can be taken on the life of partners in a partnership<sup>√</sup> to prevent unexpected loss of capital.<sup>√</sup>
- Should the services of key personnel be lost due to accidents/death<sup>√</sup>, the proceeds of an insurance policy can be paid out to the business/beneficiaries.<sup>√</sup>
- Replacement costs for damaged machinery/equipment are very high<sup>√</sup>, therefore insurance can reduce/cover such costs.<sup>√</sup>
- Protects businesses from claims made by members of the public<sup>√</sup> for damages that the business is responsible for.<sup>√</sup>
- Protects businesses against losses<sup>√</sup> due to death of a debtor.<sup>√</sup>
- Any other relevant answer related to the positive impact of insurance on businesses.

**Max (10)**

**8.6 Conclusion**

- The insurance agreement should take into consideration the risks applicable to each situation.√√
- Business property/assets must be insured for the correct/latest market value.√√
- Compulsory insurance reduces the financial risk of businesses.√√
- The value of insured goods/items must be adjusted to include appreciation and/or depreciation.√√
- Any other relevant conclusion related to insurance.

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

**QUESTION 8: BREAKDOWN OF MARK ALLOCATION**

Details	Maximum	Total
Introduction	<b>2</b>	<b>Max 32</b>
Distinction between insurance and assurance	<b>12</b>	
Types of compulsory insurance	<b>18</b>	
Average clause : Meaning and explanation of the calculation	<b>6</b>	
Positive impact of insurance on businesses	<b>10</b>	
Conclusion	<b>2</b>	
<b>INSIGHT</b>		
Layout		<b>2</b>
Analysis/Interpretation		<b>2</b>
Synthesis		<b>2</b>
Originality/Examples		<b>2</b>
<b>TOTAL MARKS</b>		<b>40</b>

LASO – For each component:

Allocate 2 marks if all requirements are met.

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

Allocate 0 marks where requirements are not met at all.

**QUESTION 9: BUSINESS ROLES (HUMAN RIGHTS AND DIVERSITY)****9.1 Introduction**

- Businesses need to uphold/respect human rights as listed in the Constitution.√
- Diversity refers to the variety of people employed based on age/race/gender/ethnic groups/disabilities/material wealth/personalities/how employees see themselves and others.√
- Businesses employ people from different cultural backgrounds.√
- Businesses should have systems in place to support human rights, diversity and cultural rights.√
- Any other relevant introduction related to human rights and diversity in the workplace.

**(2 x 1) (2)****9.2 Implications of human rights in the workplace****9.2.1 Privacy**

- Businesses 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/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 the implication of privacy as a human right in the workplace.

Sub max (4)

**9.2.2 Equity**

- Businesses 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 implication of equity as a human right in the workplace.

Sub max (4)

**9.2.3 Freedom of speech and expression**

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

Sub max (4)

**9.2.4 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.
- Business needs to be transparent√ in their financial statements√/Employees may request to see these statements√ with motivation.√
- Employees should be informed/updated√ as new information becomes available.√
- Any other relevant answer related to the implication of information as a human right in the workplace.

Sub max (4)

**Max (16)****9.3 Dealing with diversity issues in the workplace****9.3.1 Gender √√**

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

Issue (2)

Explanation (2)

Sub max (4)

**9.3.2 Disability/Physically challenged/People living with disability√√**

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

Issue (2)

Explanation (2)

Sub max (4)

**9.3.3 Language**

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

Issue (2)

Explanation (2)

Sub max (4)

**9.3.4 Poverty**

- Business 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 will 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 how businesses could deal with poverty as a diversity issue in the workplace.

Issue (2)

Explanation (2)

Sub max (4)

**9.3.5 Race**

- Implement affirmative action policies as required by law.
- No discrimination should be made based on skin colour.
- Comply with the Employment Equity Act and BBBEE when appointing people.
- Ensure that the workplace is diverse by employing people from different race groups.
- When appointments are made, previously disadvantaged people should get preferential treatment.
- Any other relevant answer related to how businesses could deal with race as a diversity issue in the workplace.

Issue (2)

Explanation (2)

Sub max (4)

**9.3.6 Age**

- Promotions should not be linked to age, but rather to a specific set of skills.
- A business may not employ children aged 15 or younger.
- The ages of permanent workers should vary from 18 to 65 to include all age groups.
- A business may employ a person who is older than the normal retirement age, provided that person is the most suitable candidate.
- Businesses must encourage older employees to help young employees to develop their potential.
- Young employees must be advised to respect and learn from older employees.
- The business should encourage employees to be sensitive to different perspectives of various age groups.
- Any other relevant answer related to how businesses could deal with age as a diversity issue in the workplace.

Issue (2)

Explanation (2)

Sub max (4)

**9.3.7 Culture/Religion**

- Business must be sensitive to special requests from different cultural groups, e.g. allow day(s) off for cultural holidays/festivals.
- Cater for special food/preparation methods in the workers' canteen.
- Businesses should acknowledge/respect cultural differences of employees.
- The business may not discriminate against employees on the grounds of their cultural background.
- Business must not force employees to do work that could be against their religion.
- Any other relevant answer related to how businesses could deal with culture as a diversity issue in the in workplace.

Issue (2)

Explanation (2)

Sub max (4)

**NOTE:** 1. Mark the first THREE (3) only.  
2. Award a maximum of FOUR (4) marks for 'inequality' if it is explained as ONE of the above mentioned diversity issues in the workplace.

(3 x 4) (12)

**9.4 Benefits of diversity in the workplace**

- Workplace 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/Stakeholders increasingly evaluate businesses√ on how they manage diversity in the workplace.√
- Employees from different backgrounds√ can bring different perspectives to the business.√
- A diversified workforce stimulates debate√ on new 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 the benefits of diversity in the workplace.

**Max (10)**

### 9.5 **Ways to promote cultural rights in the workplace**

- Provide the environment in which employees are free to use their own language when interacting with others during their free time.√√
- Encourage employees to participate in cultural activities.√√
- Allow employees to provide solutions to challenges from their own cultural perspective.√√
- Regular cultural information sessions will help employees to respect each other's culture in the workplace.√√
- Make provision for different cultures, such as food served in the canteen/entertainment at staff functions.√√
- Employ people from various cultural backgrounds.√√
- Employees should be trained on cultural tolerance.√√
- Any other relevant answer related to ways on how to promote cultural rights in the workplace.

**Max (8)**

### 9.6 **Conclusion**

- Businesses should effectively deal with diversity to avoid bias/racism/stereotypes in the workplace.√√
- Businesses can support/uphold human rights by promoting equality, respect and dignity in the workplace.√√
- Businesses should allow their workforce to observe their culture.√√
- Any other relevant conclusion related to human rights and diversity issues in the workplace.

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

**QUESTION 9: BREAKDOWN OF MARK ALLOCATION**

Details	Maximum	Total
Introduction	2	<b>Max 32</b>
Implication of privacy/equity/ freedom of speech/information	16	
Dealing with diversity issues	12	
Benefits of diversity in the workplace	10	
Ways to promote cultural rights	8	
Conclusion	2	
<b>INSIGHT</b>		
Layout		<b>2</b>
Analysis/Interpretation		<b>2</b>
Synthesis		<b>2</b>
Originality/Examples		<b>2</b>
<b>TOTAL MARKS</b>		<b>40</b>

LASO – For each component:

Allocate 2 marks if all requirements are met.

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

Allocate 0 marks where requirements are not met at all.

**QUESTION 10: BUSINESS OPERATIONS (HUMAN RESOURCES)****10.1 Introduction**

- Recruitment enables businesses to employ people whose skills and qualifications are in line with the requirement of the job.√
- The most suitable employees would be the one with the right qualifications/ skills/abilities/experience.√
- During interviews the interviewer and interviewee may exchange more information to/from each other.√
- Any other relevant introduction related to the human resources function.

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

**10.2 Meaning of recruitment**

- Recruitment is the process used by business to identify vacancies in the business√ and attract suitable candidates for it.√
- It aims at finding candidates√ who have the necessary knowledge/ experience/ qualification to fill the vacancy.√
- Businesses may choose to use an internal or external method of recruitment√ depending on the nature/requirements of the vacancy.√
- It is an on-going process as employees leave their jobs√ for other jobs/get promoted/retire/as new technological skills are required.√
- Any other relevant answer related to the meaning of recruitment.

**Max (4)**



### 10.3 Impact of external recruitment on businesses

#### Positives

- New candidates bring√ new talents/ideas/experiences/skills into the business.√
- It may help the business to meet affirmative action√ and BBBEE targets.√
- There is a larger pool of candidates√ to choose from.√
- There is a better chance of getting a suitable candidate 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 positive impact of external recruitment.

#### AND/OR

#### Negatives

- External sources can be expensive√, e.g. recruitment agencies' fees/advertisements in newspapers/magazines.√
- The selection process may not be effective√ and an incompetent candidate may be chosen.√
- Information on CV's/referees√ may not be reliable.√
- Recruitment process takes longer/is more expensive√ as background checks must be conducted.√
- New candidates generally take longer to adjust√ to a new work environment.√
- In-service training may be needed√ which decreases productivity during the time of training.√
- Many unsuitable applications√ can slow down the selection process.√
- Any other relevant answer related to negative impact of external recruitment.

**Max (12)**

### 10.4 Role of the interviewer and interviewee during the interview

#### 10.4.1 Role of the Interviewer

- Allocate the same amount of time√ to each candidate.√
- Introduce members of the interviewing panel√ to each candidate/interviewee.√
- Make the interviewee√ feel at ease.√
- Explain the purpose of the interview√ to the panel and the interviewee.√
- Record interviewees' responses√ for future reference.√
- Do not misinform/mislead√ the interviewee.√
- Avoid discriminatory/controversial types of questions√, e.g. asking a female candidate about family planning/having children.√
- Provide an opportunity for the interviewee√ to ask questions.√
- Close the interview by thanking the interviewee√ for attending the interview.√
- Any other relevant answer related to the role of the interviewer during the interview.

**Sub max (10)**

**10.4.2 Role of the Interviewee**

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

Sub max (10)

**Max (20)****10.5 Ways in which HR function can comply with EEA**

- Promote/Provide equal opportunities in the workplace.√√
- Compile employment equity plans that indicate how they will implement affirmative action.√√
- Ensure that affirmative action promotes diversity in the workplace.√√
- Assign a manager to ensure that the employment equity plan will be implemented/regularly monitored.√√
- Display a summary of the Act where employees can clearly see it/have access to it.√√
- Report to the Department of Labour on the progress in the implementation of the equity plan.√√
- Conduct medical/psychological tests fairly to employees/when deemed necessary.√√
- Equal pay for work of equal value.√√
- Ensure that the workplace represents the demographics of the country at all levels.√√
- Define the appointment process clearly to ensure all parties are well informed.√√
- Restructure/Analyse current employment policies/practices/procedures to accommodate designated groups.√√ Retrain/Develop/Train designated groups through skills development programmes.√√
- Any other relevant answer related to practical ways in which the HR function could comply with the EEA.

**Max (10)****10.6 Conclusion**

- Employees are the most important resource in any business and its success is strongly influenced by a good recruitment process and interview.√√
- External recruitment enables businesses to market themselves.√√
- The EEA not only promotes and regulates affirmative action, but also gives guidance in conducting a fair appointment process.√√
- Any other relevant conclusion related to the human resources function.

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

**QUESTION 10: BREAKDOWN OF MARK ALLOCATION**

<b>Details</b>	<b>Maximum</b>	<b>Total</b>
Introduction	<b>2</b>	<b>Max 32</b>
Meaning of recruitment	<b>4</b>	
Impact of external recruitment	<b>12</b>	
Role of the interviewer and interviewee	<b>20</b>	
Comply with the EEA	<b>10</b>	
Conclusion	<b>2</b>	
<b>INSIGHT</b>		
Layout		<b>2</b>
Analysis/Interpretation		<b>2</b>
Synthesis		<b>2</b>
Originality/Examples		<b>2</b>
<b>TOTAL MARKS</b>		<b>40</b>

LASO - For each component:

Allocate 2 marks if all requirements are met.

Allocate 1 mark if some requirements are met.

Allocate 0 marks where requirements are not met at all.

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