 Province of the

EASTERN CAPE

EDUCATION

**DIRECTORATE SENIOR CURRICULUM MANAGEMENT (SEN-FET)**

**HOME SCHOOLING SELF-STUDY ANSWER SHEET**

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| **SUBJECT** | **BUSINESS STUDIES** | **GRADE** | **12** | **DATE** | **22/04/2020** |
| **TOPIC** | **BUSINESS VENTURES MARKS: 100** | **TERM 1**  **REVISION** |  | **TERM 2 CONTENT** | **X** |

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|  | **QUESTION 1: BUSINESS VENTURES (MANAGEMENT AND LEADERSHIP)** |  |
| 1.1 |  |  |
|  | 1.1.1 Charismatic leadership √√  1.1.2 Democratic leadership √√  1.1.3 Autocratic leadership √√  1.1.4 Bureaucratic leadership √√  1.1.5 Liassez-faire leadership √√ (5 × 2) | (10) |
| 1.2 | **Distinction between leadership and management** |  |
|  | |  |  | | --- | --- | | **Leadership** | **Management** | | - Influences human behaviour. √√ | - Guides human behaviour. √√ | | Communicates by means of interaction / behaviour / vision / values / charisma. √√ | - Communicates through management functions, e.g. line function √√ | | - Encourages new ideas to increase productivity. √√ | - Administers plans / programs / tasks to reach targets. √√ | | Inspires staff to trust and support each other. √√ | - Controls systems and procedures to get the job done. √√ | | - Focuses on what and why. √√ | - Focuses on how and when. √√ | | - Does the right things. √√ | - Does the right things. √√ | | - Focuses on the horizon to take long-term decisions. √√ | - Focuses on the bottom line to take short- / medium- / long-term decisions. √√ | | - Leaders are born with natural / instinctive leadership skills. √√ | - A person becomes a manager because he / she is appointed in the position / trained / qualified. √√ | | - Guides / Leads people to become active participants. √√ | - Manages the process of getting things done by exercising authority. √√ | | - Have power / influence because of his / her knowledge / intelligence / skills. √√ | - Have power / authority because of the position into which they are appointed. √√ | | - Always trying to find more efficient ways of completing tasks. √√ | - Enforce rules on subordinates to ensure that tasks are completed. √√ | | - Motivational / Inspirational in their approach. √√ | - Instructional in their approach. √√ | | - People orientated. √√ | - Task orientated. √√ | | - Lead by example / respect. √√ | - Manage by planning / organising / leading / control. √√ | | - Any other relevant answer related to leadership. | - Any other relevant answer related to management. | | (Sub max) (6) | (Sub max) (6) |   **NOTE: 1. The answer does not have to be in tabular format but differences must be clear.**  **2. Mark the first THREE (3) differences only.**  **3. Award a maximum of SIX (6) marks if difference are not clear**. (Max)  **NOTE: 1. The answer does not have to be in tabular format but differences must be clear.**  **2. Mark the first THREE (3) differences only.**  **3. Award a maximum of SIX (6) marks if difference are not clear**. (Max) (12) | (12) |
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| 1.3 | **1.3.1 Transactional leadership √√** | (2) |
|  | 1.3.2 **Transactional leadership**  **Positives / Advantages**   * Encourages employees to work hard √ because they will receive rewards. √ * Improves employees’ productivity √ and morale. √ * The goals and objectives of the business can be achieved √ as workers are motivated. √ * Employees’ know √ what is expected of them. √ * Disciplinary actions / procedures √ are well communicated. √   Any other relevant answer related to the positives / advantages of the transactional leadership style.  (Sub max) (6)  **AND / OR**  **Negatives / Disadvantage**   * Employees can become bored √ because they have to follow rules / procedures / there is no creativity in the workplace. √ * A transactional leader will have to monitor the work performance of employees / ensure that expectations are met √ which can be time-consuming. √ * Some employees may be demoralised / de-motivated √, if they fail to reach / meet targets despite having worked very hard**. √** * Usually not suitable for team work √, because all team members can be punished for poor performance caused by a member of a team. √   Any other relevant answer related to the negatives / disadvantage of the transactional leadership style.  (Sub max) (6) (Max)  1.3.3 Situation in which the transactional leadership style can be applied   * When the business wants to maximize employee performance. √√ * When deadlines have to be met on short notice / under pressure. √√ * When workers have a low morale. √√ * When strategies / business structures do not have to change. √√ * When productivity levels are very low / not according to targets. √√   Any other relevant suggestion of situations in which the transactional leadership style can be applied.  **NOTE: Mark the first TWO (2) situations only**. (2 x 2) | (12)  (4) |
| 1.4 | **Role of personal attitude in successful leadership** |  |
|  | * Positive attitude √ releases leadership potential. √ * A leader's good / bad attitude √ can influence the success / failure of the business. √ * Leaders must know their strengths and weaknesses √ to apply their leadership style effectively. √ * Great leaders understand that the right attitude √ will set the right atmosphere. √ * Leaders' attitude can influence employees' / teams' thoughts √ and behaviour. √ * Leaders should model the behaviour √ that they want to see in team members. √ * Leaders must know / understand their team’s √ to be able to allocate tasks / roles effectively. √ * Enthusiasm √ produces confidence in a leader. √ * A positive attitude is critical for good leadership √ because good leaders will stay with the task regardless of difficulties / challenges. √ * Successful employees and leaders have a constant desire to work √ and achieve personal and professional success. √ * Leaders with a positive attitude know that there is always more to learn √ and space to grow. √   Any other relevant answer related to the role of personal attitude in successful leadership. (Max) | (12) |
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| 1.5 | **Democratic leadership style**  **Positives** |  |
|  | * Creates a positive work environment √ for both employers and employees. √ * Employees contribute toward the decision making process √, which minimises conflict. √ * Encourages creative thinking amongst employees’ √ as they contribute towards decision making. √ * Productivity increases √, as happy workers have better work ethics. √ * Staff turnover is reduced √ because job satisfaction is high amongst workers. √   Any other relevant answer related to a positive evaluation of a democratic leadership style.  **Negatives**   * Consulting all stakeholders / participants for decision making is time consuming √ as everyone is expected to agree. √ * Can only be effective in situations where employees are skilled and eager to share ideas √ in order to make informed decisions. √ * Profitable opportunities may be missed √ due to slow decision making. √ * Poor leadership skills may result in not achieving business objectives √ and this may lead to conflict. √ * Contributions by participants may not be considered by the leader in his / her final decision √ as he / she has the final responsibility for making decisions. √ * Leader may make poor decisions √ based on misleading contributions by participants. √   Any other relevant answer related to a negative evaluation of democratic leadership style. (Max) | (8) |
|  | (EC/JUNE 2017) | [60] |
|  | **BREAKDOWN OF MARKS**   |  |  | | --- | --- | | **QUESTION** | **MARKS** | | **1.1** | **10** | | **1.2** | **12** | | **1.3.1** | **2** | | **1.3.2** | **12** | | **1.3.3** | **4** | | **1.4** | **12** | | **1.5** | **8** | | **TOTAL** | **60** | |  |

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|  | **QUESTION 2: BUSINESS VENTURES (INSURANCE)** |  |
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| 2.1 | **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) | (2) |
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| 2.2 | **Distinction between insurance and assurance** |  |
|  | |  |  | | --- | --- | | INSURANCE | ASSURANCE | | * 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.√ | | * Example: Property insurance/money in transit/theft/burglary/fire,√ etc. | * Example: 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) | (12) |
| 2.3 | **Types of compulsory insurance** |  |
|  | 1.3.1 **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) | (12) |
|  |  |  |
|  | **2.3.2 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) | (3) |
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|  | **2.3.3 Compensation Fund/Compensation for Occupational Injuries and Diseases/ COIDA√√** | (3) |
|  | * 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) | (10) |
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| 2.4 | Meaning of average clause | (8) |
|  | * A stipulation set by the insurer which is applicable when property/goods√ is under insured/insured for less than its market value.√ * The insurer will pay for insured loss/damages√ in proportion to the insured value.√ * This means that the insured is responsible for√ a part of the risk that is not insured.√   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√ and multiplied by the total value/amount of the damages/loss. √ * Insurance companies apply the following formula to determine the amount to be paid out to the insured:     Sub max (2)  Max (6) |  |
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| 2.5 | **Positive impact of insurance on businesses** | (6) |
|  | * Transfers the risk from the business/insured√ to an insurance company/insurer. √ * Transfer of risk is subject to the terms and conditions√ of the insurance contract. √ * Protects the business against theft/loss of stock and/or damages√ caused by natural disasters such as floods, storm damage √, etc. * Business will be compensated for insurable losses√, e.g. destruction of property through fire. √ * Business assets, e.g. vehicles/equipment/buildings need to be insured√ against damage and/or theft. √ * Business is protected against the loss of earnings√, e.g. strikes by employees which result in losses worth millions. √ * Protects business√ against dishonest employees. √ * Life insurance can be taken on the life of partners in a partnership√ to prevent unexpected loss of capital. √ * Should the services of key personnel be lost due to accidents/death√, the proceeds of an insurance policy can be paid out to the business/beneficiaries. √ * Replacement costs for damaged machinery/equipment are very high√, therefore insurance can reduce/cover such costs. √ * Protects businesses from claims made by members of the public√ for damages that the business is responsible for. √ * Protects businesses against losses√ due to death of a debtor. √   Any other relevant answer related to the positive impact of insurance on businesses. Max (10) |  |
|  |  |  |
| **2.6** | **Conclusion** | (8) |
|  | * 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] |
|  | **BREAKDOWN OF MARK ALLOCATION**   |  |  |  | | --- | --- | --- | | **Details** | **Maximum** | **Total** | | Introduction | **2** | **Max 32** | | Distinction between insurance and assurance | **12** | | Types of compulsory insurance | 18 | | Average clause : Meaning and explanation of the calculation | 6 | | Positive impact of insurance on businesses | 10 | | Conclusion | **2** | | **INSIGHT** |  | **8** | | Layout | **2** | | Analysis, interpretation | **2** | | Synthesis | **2** | | Originality/Examples | **2** | | **TOTAL MARKS** |  | **40** |   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. |  |
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