

Teacher's Guide

**BUSINESS  
STUDIES**

**12**



**basic education**

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

## **Foreword from Absa**

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**Grade 12** Teachers Guide

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# Introduction

## What is Business Studies?

The subject, Business Studies, deals with the knowledge, skills, attitudes and values that are critical for informed, productive, ethical and responsible participation in the formal and informal economic sectors. The subject encompasses business principles, theory and practice that underpin the development of entrepreneurial initiatives, sustainable enterprises and economic growth.

The table below indicates the four main topics and corresponding topics in the Business Studies Curriculum.

Weighting of Curriculum	Topic
Business Environments (weighting 25%)	Macro environment: The impact of recent legislation on businesses
	Macro environment: Business strategies
	Business sectors and their environments
Business Ventures (weighting 25%)	Management and leadership
	Investment: Securities/Opportunities
	Investment: insurance
	Forms of ownership: Criteria for success and/or failure
	Presentation and data responses
Business Roles (weighting 25%)	Ethics and professionalism
	Creative thinking and Problem-solving
	Social Responsibility and Corporate Citizenship Corporate Social Responsibility (CSR) & Corporate Social Investment (CSI)
	Human rights, inclusivity and environmental issues
	Team performance assessment Conflict management
Business Operations (weighting 25%)	The human resources function
	Quality of performance

## The purpose of Business Studies

Business Studies will ensure that learners:

- acquire and apply essential business knowledge, skills and principles to productively and profitably conduct business in changing business environments;
- create business opportunities, creatively solve problems and take risks, respecting the rights of others and environmental sustainability;
- apply basic leadership and management skills and principles while working with others to accomplish business goals;
- are motivated, self-directed, reflective lifelong learners who responsibly manage themselves and their activities while working towards business goals;
- are committed to developing themselves and others through business opportunities and ventures;
- are able to secure formal employment, and are in a position to pursue sustainable entrepreneurial and self-employment career pathways.

## Time allocation for Business Studies in the Curriculum

The teaching time for Business Studies is 4 hours per week, per grade (Grade 10, 11 and 12) on the timetable.

Subject	Time allocation per week (hours)
Home Language	4,5
First Additional Language	4,5
Mathematics	4,5
Life Orientation	2
Three Electives	12 (3 × 4h)

- Tips or advice on approaches to teaching different topics
- Includes a summary of the Annual Teaching plan as per the CAPS

## Requirements to offer Business Studies as a subject

Resources to offer Business Studies as a subject are the responsibility of the school.

- Each learner should have:
  - ♦ a textbook
  - ♦ stationery
  - ♦ other relevant resources.
- The teacher should have:
  - ♦ a variety of textbooks for reference
  - ♦ a Partnership's Articles of Association
  - ♦ Legislation, e.g. Companies Act, 71 of 2008, Employment Equity Act No. 55 of 1998, National Credit Act No. 34 of 2005, Consumer Protection Act No. 68 of 2008, Basic Conditions of Employment Act No. 75 of 1997, Labour Relations Act No. 66 of 1995, Black Economic Empowerment Act No.53 of 2003, Skills Development Act No.97 of 1998, Compensation for Occupational Injuries and Diseases Act No. 130 of 1993, Hire Purchase Act, Long-term Insurance Act No. 52 of 1998, Short-term Insurance Act No. 53 of 1998, etc.
    - Memorandum of Incorporation (MOI) - new founding document of a company
    - Specimen of contract forms
    - Bank brochures
    - Business and financial magazines
    - Corporate Social Responsibility (CSR) Policy - any company
    - The King Code of Governance for South Africa 2009
    - Exam guidelines
    - Previous NCS exam papers and memorandums

# Annual Teaching Plan

## Overview of Term 1

Layout	Description	Weeks/ Hours	Term	Page in Learner's Book
<b>Topic 1</b>	<b>Micro environment</b>			
Unit 1.1	The Skills Development Act (SDA), 1998 (Act 97 of 1998)	1 week	1	4
Unit 1.2	The Labour Relations Act (LRA), 1995 (Act 66 of 1995)			10
Unit 1.3	The Employment Equity Act (EEA), 1998 (Act 55 of 1998)	1 week		13
Unit 1.4	The Basic Conditions of Employment Act (BCEA), 1997 (Act 75 of 1997)			17
Unit 1.5	The Compensation for Occupational Injuries and Diseases Amendment Act (COIDA), 1997 (Act 61 of 1997)			22
Unit 1.6	The Broad-Based Black Economic Empowerment Act (BBBEE), 2003 (Act 53 of 2003), (amended in 2013)	1 week		25
Unit 1.7	The National Credit Act (NCA), 2005 (Act 34 of 2005)			29
Unit 1.8	The Consumer Protection Act (CPA), 2008 (Act 68 of 2008)			32
<b>Topic 2</b>	<b>The human resources function</b>			
Unit 2.1	Recruitment	1 week	1	48
Unit 2.2	Selection			52
Unit 2.3	Induction			59
Unit 2.4	Placement			61
Unit 2.5	Salary determination	1 week		63
Unit 2.6	Fringe benefits			64
Unit 2.7	The implications of the legislations on the human resources function			67
<b>Topic 3</b>	<b>Ethics and professionalism</b>			
Unit 3.1	Understanding ethical and professional behaviour	1 week	1	84
Unit 3.2	Application of the King Code principles			87
Unit 3.3	Challenges posed by unethical and unprofessional business practices			89
<b>Topic 4</b>	<b>Creative thinking and problem-solving</b>			
Unit 4.1	Problem-solving	1 week	1	99
Unit 4.2	Creative thinking			108
<b>Topic 5</b>	<b>Macro environment: Business strategies</b>			
Unit 5.1	The strategic management process and business strategies	1 week	1	117
Unit 5.2	Industrial analysis tools			129

## Overview of Term 2

Layout	Description	Weeks/ Hours	Term	Page in Learner's Book
<b>Topic 6</b>	<b>Business sectors and their environments</b>			
Unit 6.1	Business sectors	3 days	2	156
Unit 6.2	Business environments			159
<b>Topic 7</b>	<b>Quality of performance</b>			
Unit 7.1	Quality and quality concepts	2 weeks	2	170
Unit 7.2	Total Quality Management (TQM)			178
<b>Topic 8</b>	<b>Management &amp; leadership</b>			
Unit 8.1	Distinguishing between management and leadership	2 weeks	2	199
Unit 8.2	Applications and impact of the five leadership styles in the workplace		2	203
Unit 8.3	Understanding the three leadership theories		2	208
<b>Topic 9</b>	<b>Investment: Securities</b>			
Unit 9.1	Functions of the Johannesburg Securities Exchange (JSE)	3 weeks	2	217
Unit 9.2	Factors that should be considered when making an investment decision		2	218
Unit 9.3	Types of investment opportunities and risk factors		2	221
Unit 9.4	Forms of investments		2	224
Unit 9.5	Understanding simple and compound interest		2	232
<b>Topic 10</b>	<b>Investment: Insurance</b>			
Unit 10.1	Insurance concepts	1 week	2	240
Unit 10.2	The principles of insurance		2	244
Unit 10.3	Advantages/Importance of insurance for businesses and insurable risks		2	246
<b>Topic 11</b>	<b>Team performance assessment and conflict management</b>			
Unit 11.1	Criteria for successful team performance	1 week	2	260
Unit 11.2	Five stages of team development		2	262
Unit 11.3	Conflict resolution techniques/steps		2	265

## Overview of Term 3

Layout	Description	Weeks/ Hours	Term	Page in Learner's Book
<b>Topic 12</b>	<b>Human rights, inclusivity and environmental issues</b>			
Unit 12.1	Unpacking human rights	2 weeks	3	290
Unit 12.2	The meaning of diversity in the workplace		3	295
Unit 12.3	Understanding environmental factors		3	300
<b>Topic 13</b>	<b>Social responsibility and corporate citizenship: CSR &amp; CSI</b>			
Unit 13.1	Understanding social responsibility	2 weeks	3	307
Unit 13.2	Revising socio-economic issues		3	310
Unit 13.3	Understanding Corporate Social Responsibility and Corporate Social Investment		3	313
<b>Topic 14</b>	<b>Presentation &amp; data responses</b>			
Unit 14.1	Factors that must be considered when preparing for a presentation	1 Week	3	322
Unit 14.2	Areas of improvement in the next presentation		3	325
Unit 14.3	The impact/effectiveness of SIX visual aids		3	329
<b>Topic 15</b>	<b>Impact of forms of ownership</b>			
Unit 15.1	Forms of ownership	2 weeks	3	337
Unit 15.2	Meaning of limited liability and unlimited liability		3	338
Unit 15.3	Criteria that will be used to evaluate the success and/or failure of the forms of ownership		3	339
Unit 15.4	Forms of ownership and the contribution of the criteria to the success and/or failure of each form of ownership		3	341

# How to use this Teacher's Guide

## Introduction to the Textbooks

### How the teacher's Guide works

In this Teacher's Guide, we focus on giving you all the information you may need for each lesson as well as some general items that may assist you in your day-to-day teaching.

We will start by:

- Explaining how the textbooks work.
- Providing various best practices as per DBE guidelines.
- Providing general tips, links and ideas that you can use.
- After the general section, each topic will focus on the following:
- Teaching tips on presenting the topic, which includes how to introduce the topic and specific strategies to teach the topic.
- Memoranda to activities.

### How the Learner's Book works

There is one learner's book for each grade, which is available in printed format as well as electronic format. The information in the textbook are written in learner-friendly topics, that are divided into units.

Teaching elements used in these textbooks are:

- **Activities** – provide opportunities to the learners to apply their skills and to gain maximum exposure to the various questioning techniques used in Business Studies.
- **Additional information** – information that the teacher can use to explain certain concepts to the learners that are not covered in the books.
- **Animations and videos** – used to explain specific concepts - only available in the e-books.
- **Case studies** – these can be used in class to support the information covered in the unit. The questions should be discussed with the learners in class or can be given as an informal activity.
- **Consolidation activities** – a detailed self-assessment covering the most important information and skills focussed on in the topic, and have specifically been created to aid learners in improving their examination preparation.
- **Did you know** – boxes in the margin of the book containing information not covered in the main text, but important for the learners to know.
- **Enrichment activities** – optional activities for the learners to help them to better understand the work.
- **Exemplar activities** – worked out examples that aid in the learners' understanding of the concept/topic/ subject matter.
- **Glossary** – a summary of all keywords given at the end of the learner's book.
- **Keywords** – definitions of important words or terms.
- **Learning objectives** – descriptions of what is covered in the chapter as relevant to CAPS.
- **New words** – these are new/difficult words that learners may not have encountered before. A brief explanation of these words are given.
- **QR codes** – provide the learner with links to optional videos or additional reading material. Learners must have access to a QR reader on their phones to read these codes.
- **Take note boxes** – these boxes require learners to pay special attention to certain aspects of the curriculum/content/ activities/assessment. They add value to the content that is presented.
- **Tip boxes** – these boxes provide tips that learners could use when writing their exams and completing their formal assessment tasks.
- **Vocabulary** – keywords and phrases the learner needs to understand before going through the text.

# Best practices – lessons for the classroom

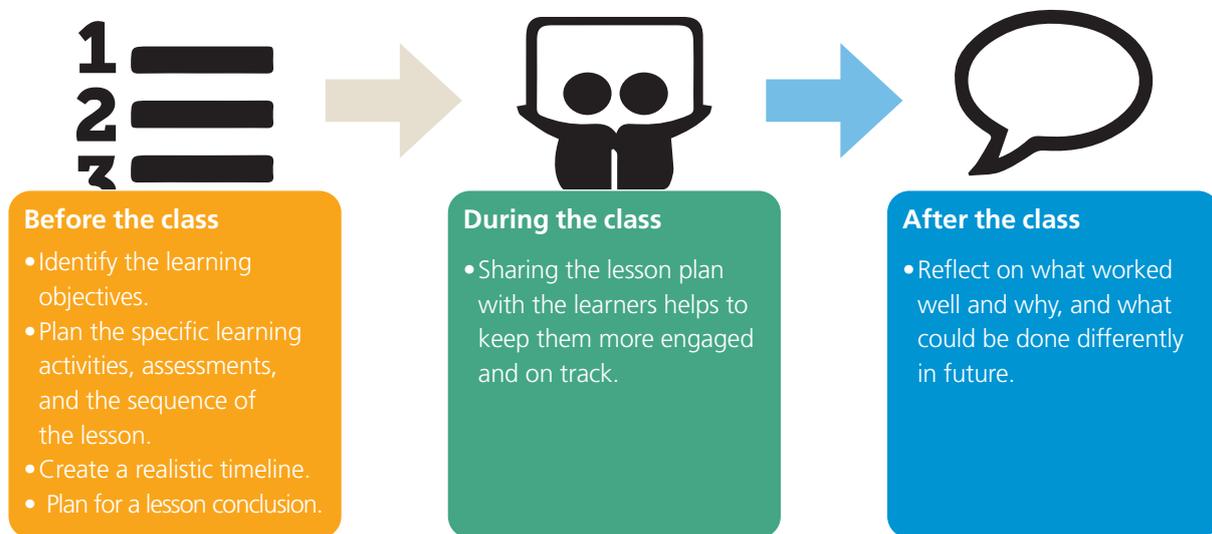
## Planning

Although the curriculum or CAPS tells you WHAT you will be teaching, and in which SEQUENCE you should teach it, it does not explain HOW you should teach it or which TEACHING STRATEGIES you should apply.

That is where proper and detailed planning of each lesson is required, breaking up the instruction into small enough chunks of information so that the learners can link it to existing knowledge and cement the new knowledge into their understanding and memory.

Planning addresses and integrates the following three key components:

- Learning objectives.
- Learning activities.
- Informal assessment to check for learner understanding.



When doing your planning, it is important that you look at the bigger picture.

The following provides guidelines for effective planning:

- **Start with the end-goal in mind** – what do the learners need to know and be able to do? Learning goals and objectives.
- **Identify curriculum resources** – e.g. textbook – does the textbook provide everything needed to achieve the learning goals or does one have to develop/find additional content or activities? What other resources will be needed, e.g. previous examination papers, journal articles, posters, business magazines, newspaper articles etc.
- **Identify declarative knowledge** – think about the concepts and ideas learners will need to know. What are developmentally appropriate given the learners' background knowledge and prior learning?
- **Identify procedural knowledge** – skills, strategies and processes. Procedural knowledge incorporates the use of declarative knowledge.
- **Create, find and select learning activities and assignments** – activities are the instructional strategies that allow the teacher and learners to interact with the content, skills, and materials. The goal of classroom activities is to help learners to interact with new knowledge and skills, deepening learner understanding and raising skill levels related to the learning goal(s). A wide variety of activities and consolidation activities are provided in the learner's book. Activities often require teacher coaching or guidance. When planning classroom activities, start by selecting the instructional strategies that allow learners to process critical information or vocabulary associated with the learning goals first, i.e. which subject terminology or concepts will be introduced, and when?

## Exam preparation – Tips for the teacher

The following are tips that can be used by teachers to prepare learners for their examinations:

- Prepare ahead of time and make sure that you have an organised schedule covering all the revision work throughout the year. Do not wait until the last minute and then try to cram everything in before the exam. This will also give you the time to include a wider variety of activities to keep the learners' interested in revision.
- Make sure that the learners know and understand what to expect in the exam. This does not only refer to the content of the exam, but also to what is expected of them with each section of the exam. This means they must know how to read and answer multiple choice questions, direct and indirect questions, essay questions, etc.
- Narrow the topics down as much as you can so that learners have a clear view of what to expect in the exam. You can even give them a list of topics that they can focus on, based on the current examination guidelines. A list helps them to focus as they can tick items off as they go through the work.
- Make sure that the learners do their classwork and homework regularly. A variety of classwork and homework activities have been provided in the learner's book. The more involved they are, the better they will learn.
- Keep your revision activities interesting and use a variety of activity types such as quizzes and other review games. It is here where you can use tools like Kahoot! or Google Quiz with great success. You can also have learners write quizzes for each other as they engage much deeper with the content when they have to write a quiz.
- Teach the learners exam techniques and the meaning of specific keywords that may be used in an exam.
- The table that follows provides the common action verbs used in Business Studies formal assessment tasks and examinations:

Action verb	What you need to do	Example
Advise	Provide businesses with advice on a particular aspect of the content.	Advise businesses on the actions regarded as non-compliance according to the Labour Relations Act (LRA).
Analyse	Separate, examine and interpret	Analyse the role of SETAs in supporting the successful implementation of the SDA.
Categorise	Group concepts/ideas that are similar/have the same characteristics/functions or belong together. How should things be organised.	Identify the business strategy in each statement and categorise it under the correct main type of business strategy.
Classify	Divide into groups or types so that things that are similar, are in the same group	Classify the business challenge according to the three business environments.
Comment on	Write generally about.	Comment on the effectiveness of interactive whiteboards as a visual aid.
Compare	Point out or show both similarities and differences between factors or concepts. Note that stating the same fact in opposite form, will not earn you another mark.	Compare the differences between insurance and assurance.
Contrast/ Distinguish	Explain the differences between certain concepts.	Distinguish between quality control and quality assurance.
Define	Give a clear meaning of the concept.	Define the term insurance.
Describe	State in words the main points of a structure or process.	Describe the strategic management process.
Diagram	Make or draw a diagram.	Draw a diagram on how the business can apply the force-field analysis technique.
Differentiate	Use differences to qualify categories.	Differentiate between ordinary shares and preference shares.
Discuss	Give a clear, detailed description of the focus topic.	Discuss any three consumer rights according to the Consumer Protection Act (CPA).

Action verb	What you need to do	Example
Elaborate	Explain in detail.	Elaborate on the roles of health and safety representatives in protecting the workplace environment.
Evaluate	Express an opinion based on your findings.	Evaluate the impact of a PowerPoint presentation.
Examine	Give a clear, detailed description of the focus topic.	Examine the previous presentation and suggest ways to improve the next presentation.
Explain	Give a clear, detailed description of the focus topic.	Explain the purpose of the Labour Relations Act.
Identify	Name the essential characteristics.	Identify the Act that is applicable in the scenario above.
Illustrate	Give examples to demonstrate or prove something.	Determine whether the employee's claim for injuries is justifiable. Illustrate your answer by quoting from the scenario.
Interpret	Give the intended meaning of.	Read the following scenario. Interpret the scenario and compile a SWOT analysis.
Justify	Give clear, detailed reasons for taking a particular position.	Justify the importance of RAF as a type of compulsory insurance.
List	Write a list of items, with no additional detail.	List any FOUR components of the PESTLE analysis.
Motivate	Provide a reason or justification for an answer or statement.	Motivate your answer by quoting from the scenario.
Name/ Mention	Write a list of items, with no additional detail.	Name three types of diversification strategies.
Outline	Give a general summary. It should contain a series of main ideas supported by secondary facts. Show the organisation of the idea.	Outline the advantages of unit trusts as a form of investment.
Order	Provide a chronological or value-based answer by listing several items (terms or events in correct sequence).	Name the stages of team development by placing it in the correct order.
Prove	Show by using an argument or logic or fact that something is true.	Identify three causes of conflict. Prove your answer by quoting from the scenario.
Relate	Show the connection between things, indicating how one causes or is like another	Relate the difference between compound interest and simple interest in tabular form.
Review	Give a survey or summary in which you look at the important parts or major points and criticise if necessary. Comment on what is given.	Review the recruitment procedure in the scenario and suggest ways to improve the process.
State / Give	Write down information without discussion.	State four types of preference shares.
Suggest / Recommend	Give your opinion and back it up with facts, reason or an explanation.	Suggest ways in which the business can deal with abuse of work time in the workplace.
Summarise	Give a brief, condensed description of the main ideas. Like developing an abstract.	Summarise six aspects that must be included in an employment contract
Trace	Follow the development, progress or history of something, normally from the point of origin, typically in chronological order.	Trace the development from BEE to BBBEE.

## Did you know

Note that some action verbs include or refer to other action verbs.

Give the learners various ideas on how to study based on the different learning styles, i.e. visual (read and write), auditory or kinaesthetic. There is a quick quiz that learners can do on their own to determine their learning styles:

Link: <https://www.thestudygurus.com/learning-styles/>

You can refer to the following link to get ideas on how the various types of learners should study to get the best results:

Link: [https://www.gavilan.edu/tutor/documents/StudyTipsforDifferentLearningStyles\\_000.pdf](https://www.gavilan.edu/tutor/documents/StudyTipsforDifferentLearningStyles_000.pdf)

## Learning styles

The term learning styles refers to the understanding that every learner learns differently.

- Visual learners learn best through what they see and should use graphs, diagrams, mind maps and other graphical methods to learn.
- Auditory learners learn through what they hear and remember most things that teachers say in class. They should use audio and video clips, or discuss or recite the information with someone.
- Read and write learners focus mostly on interacting with the text. They learn best by reading information and writing it out in their own words. They also learn by answering quizzes in writing as well as from annotated notes.
- Kinaesthetic learners learn by experiencing things and learn best by doing, using models, playing memory games, etc. They also learn by writing things down.

## Exam preparation – General tips for the learners

The following general notes and tips on how to prepare for exams can be printed and given to the learners.

- Make yourself a schedule/study timetable so that you will have enough time to study. Do not leave everything until it is too late to study properly.
- Make sure that your study area is organised. Chaos distracts the brain from what it should be focussing on.
- Have all your materials ready before you begin studying – pencils, pens, highlighters, paper, etc.
- Study smaller chunks of information at a time. You will remember them better and for a longer period of time. Trying to learn too much at one time will only result in a tired, unfocused and anxious brain.
- Use visual aids to study, for example, draw mind maps, flowcharts and diagrams to help you remember things better or explain your answers and the reasoning for giving that answer to somebody else. A variety of mind maps have been provided to learners at the end of every topic in the learner's book to aid learners in their studies.
- Focus on the core material as about 90% of most exams are likely to come from it. Going through old exam papers will help you determine what this is. It will not only help you to study better, but it will also show you how exam questions are formulated, and which types of questions are asked.
- Revise new information within 24 hours after you learned it. Any new information must be recapped, reviewed and reinforced within 24 hours, otherwise you will lose 80% of what you learned.
- Organise study groups for the various subjects, but make sure that the group members are committed to their studies.
- Make sure that you take regular breaks as your brain loses focus after a while. The optimal time to study consists of periods of 2 hours, broken down into 25 minutes of studying followed by 5-minute breaks. Do not think or do anything study-related during your breaks. Take a walk outside. A change of scenery will stimulate your learning.
- Keep some healthy snacks to nibble on while you are studying. Natural, fresh and vitamin-rich food is good for improving your concentration and memory.
- Drink a lot of water while you are studying to make sure that you do not dehydrate. Staying hydrated is essential for your brain to work at its best.
- Plan the day of your exam beforehand, especially if you are studying at home. Make sure that you know how long it will take you to reach the school during that time of the day and add some extra time to make sure that you are not going to be late.
- Make sure that you sleep sufficiently (7 to 8 hours a night). Proper sleep turns what you learned (short term memory) into long term memory.

## Study skills to boost learning

### Mobile notes

Mobile notes are excellent tools for learning all the key concepts in the study guide. Mobile notes are easy to make, and you can take them with you wherever you go:

- Fold a blank piece of paper in half. Fold it in half again. Fold it again.
- Open the paper. It will now be divided into 8 parts.
- Cut or tear neatly along the folded lines.
- On one side of each of these 8 bits of paper, write the basic concept.
- On the other side, write the meaning or the explanation of the basic concept.
- Use different colours and add pictures to help you remember.
- Take these mobile notes with you wherever you go and look at them whenever you can.
- As you learn, place the cards in 3 different piles:
  - ♦ I know this information well.
  - ♦ I'm getting there.
  - ♦ I need more practice.
- The more you learn them, the better you will remember them.

### Mnemonics

A mnemonic code is a useful technique for learning information that is difficult to remember. This is an example of a word mnemonic using the word BALANCE where each letter of the word stands for something else:

- B – Best – doing your best is more important than being the best.
- A – Attitude – always have a positive attitude.
- L – Load – spread the load so you don't leave everything to the last minute. Use a study timetable to plan.
- A – Attention – pay attention to detail. Only answer what is required.
- N – Never give up! Try, try and try again!
- C – Calm – stay calm even when the questions seem difficult.
- E – Early – sleep early the night before your exam. If you prepare well, you will not need to cram the night before.

Mnemonics are code information and make it easier to remember. The more creative you are and the more you link your 'codes' to familiar things, the more helpful your mnemonics will be.

The mind map on page 195 of the Grade 12 learner's book demonstrates how mnemonics have been used to summarise the quality indicators of each business function under the topic: Quality of performance.

## Mind maps

Mind maps work because they show information that we have to learn in the same way that our brains 'see' information. As you study, add pictures to each of the branches to help you remember the content. Make your own mind maps as you finish each section.

A variety of mind maps have been included in this range of Grade 10 – 12 textbooks to aid learners in summarising the different topics.

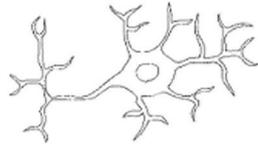
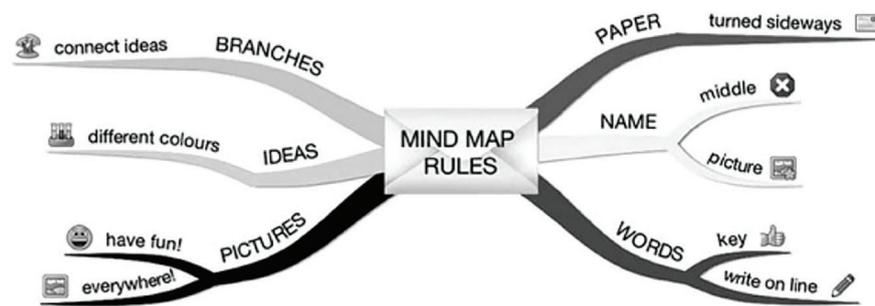


Figure 1: Brain cell or neuron



How to make your own mind maps:

- Turn your paper sideways (landscape) so your brain has space to spread out in all directions.
- Decide on a name for your mind map that summarises the information you are going to put on it.
- Write the name in the middle and draw a circle, bubble or picture around it.
- Write only key words on your branches, not whole sentences. Keep it short and simple.
- Each branch should show a different idea. Use a different colour for each idea. Connect the information that belongs together. This will help build your understanding of the learning areas.
- Have fun adding pictures wherever you can. It does not matter if you can't draw well.

## On the day of the exam

This section is provided by the Department of Basic Education.

- Make sure you have all the necessary stationery for your exam, i.e. pens, pencils, eraser and calculator (with new batteries).
- Go to the toilet before entering the exam room. You do not want to waste valuable time going to the toilet during the exam.
- Use the 10 minutes reading time to read the instructions carefully. This helps to 'open' the information in your brain. Follow the instructions provided in the question paper. Start with the question you think is the easiest to get the flow going.
- Break the questions down to make sure you understand what is being asked. If you do not answer the question properly, you will not get any marks for it. Look for the key words in the question to know how to answer it.
- Try all the questions. As each question has some easy marks, make sure that you do all the questions in the exam.
- Never panic, even if the question seems difficult at first. It will be linked to something you have covered. Find the connection.
- Manage your time properly. Do not waste time on questions you are unsure of. Move on and come back if time allows.
- Check weighting – how many marks have been allocated for your answer? Do not give more or less information than is required.
- Write big, bold and clearly. You will get more marks if the marker can read your answer clearly.

## Struggling learners

You can support struggling learners by doing the following:

### Scaffold learning tasks or activities

Scaffolding means that you break learning up into chunks and provide a tool or concrete structure for each. This can reduce the cognitive load of the instruction and support the struggling learner.

One of the first things you can do is to choose different activities for different groups of learners. For example, you can take a complex task and divide it into smaller sub-tasks. Together, these subtasks must achieve the same goal as the big task. After doing this, grade the activities or tasks, with the big task having the highest grading, and all the smaller tasks together having the same grading as the big task.

Have learners then choose whether they want to do the group of smaller activities or tasks or the one big activity or task. Advise struggling learners to do the smaller ones first and then challenge them to try the big one if they feel ready.

Getting the smaller activities or subtasks right could help the learners to feel competent. It allows them to always feel like they are working at a level of challenge that is hard but right for them and that they can accomplish. This will allow them to make much greater progress through learning environments.

Something to know: This principle is also true for games where gamers first try levels of lower difficulty and achieve that before they move on to the next level. This is to make sure that they do not get frustrated and leave the game.

Other ways to scaffold learning is to:

- Show and tell. Learners learn best by seeing rather than hearing about something.
- Tap into prior knowledge. You can do this by asking the learners to share their own experiences or ideas about something.
- Give them time to talk about what they learned in a structured and controlled way.
- Teach them the vocabulary (subject jargon) before you teach them the content. You can do that by introducing the words with photos or in context of things they know and are interested in. You can also use analogies and metaphors to explain the words to them.
- Use visual aids like pictures, graphs, charts and diagrams, or graphic organisers such as mind maps, concept maps or story maps.
- Check for understanding by discussing the content, pausing for a moment to let it sink in, and then asking a well thought out question.

### Build in autonomy (choice)

See the principles of gameful learning below.

- Let the learner choose which activities are most relevant, challenging and interesting to them.

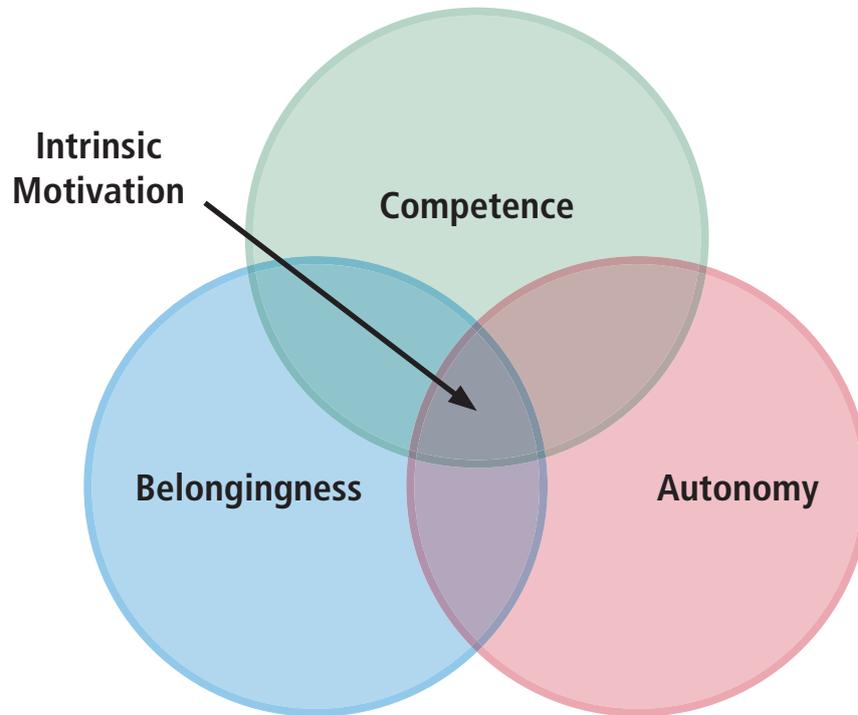
Following are the principles of gameful learning:

- *Autonomy* is critical, and this is the first of three principles that come from gameful learning.
- The next principle is a *sense of belonging*, and a really good game environment makes you feel like you are a part of something.
- The third principle is to support feelings of competence.

## Apply gameful learning

Motivation plays an important role in learning and to be self-motivated, learners must:

- be able to make meaningful choices over what they are doing (autonomy);
- be challenged by a task, but still feel that they can succeed (competence); and
- feel connected to those surrounding them (belongingness).



Supporting these feelings could eventually lead to self-determination and learners becoming self-directed.

Other research-based strategies for motivating learners include:

- becoming a role model for learner interest;
- getting to know learners;
- using examples freely;
- using a variety of learner-active teaching activities;
- setting realistic performance goals;
- placing appropriate positive emphasis on testing and grading;
- being free with praise and constructive criticism; and
- giving learners as much control over their own learning as possible (Bain, 2004; Nilson, 2003; DeLong & Winter, 2002). This element is also important when thinking about authenticity. If learners can learn ideas that are connected to their lives and produce representations of their knowledge in ways that matter, they are more motivated.

Gameful learning also relates to personalised learning that supports the notion that children learn best when their individual differences are taken into consideration. Personalised learning is based on the following three principles (Microsoft, 2014):

- It provides multiple means of representation.
- It provides multiple means of action and expression.
- It provides multiple means of engagement.

Another important principle of gameful learning is the *freedom to fail* (as seen with videogames): you can experiment, take risks and try things you have never done before, fail miserably...and do it again and again until, after much practice, you get it right. Unfortunately, this will not work in all classrooms as it requires a significant amount of grading to manage, and it can hinder the ability to keep a cohort on a specific content progression. But when you can structure learning opportunities in this way, learners' motivation to engage increases, and their learning outcomes improve.

## Learner experience

---

Learners:

- respect and value teachers that are positive, enthusiastic about the subject, supportive and have access to a wide range of teaching aids.
- enjoy engaging, interactive and communicative teaching methods.
- value choice and classes that encourage independent learning and learner autonomy.
- want to understand what they are expected to learn – what they are learning, why they are learning it and what quality work looks like.
- enjoy things that interest them.

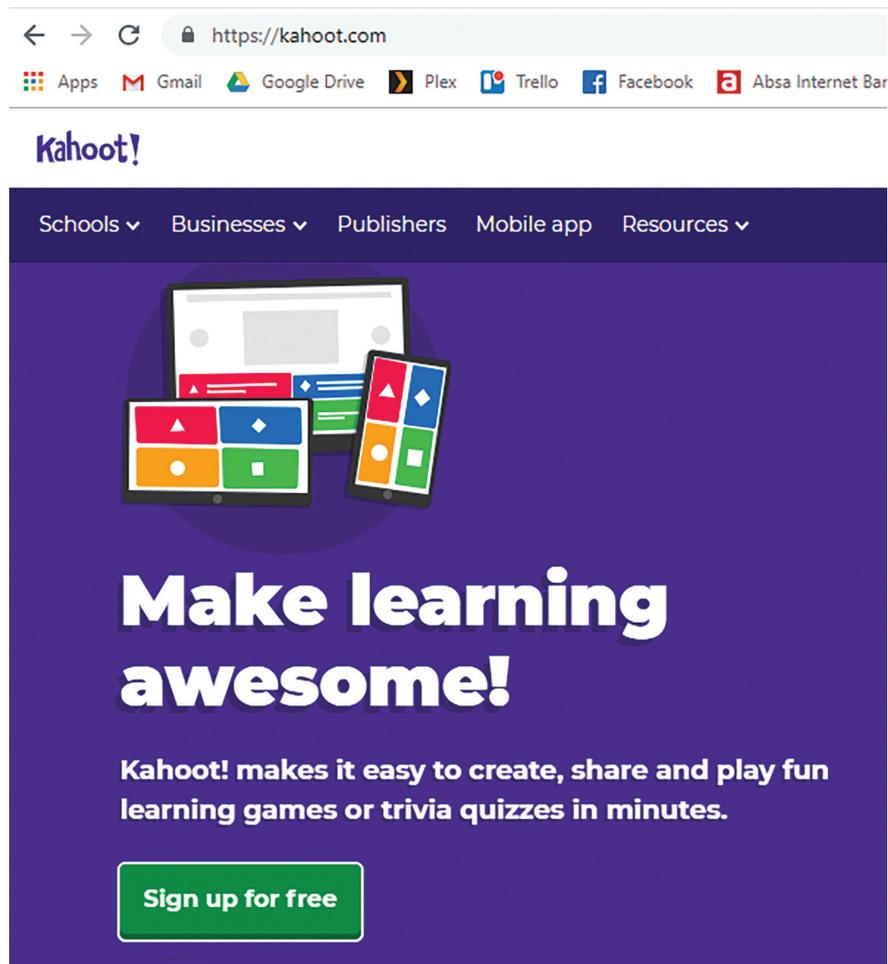
# General tips, links and ideas

This section gives you various tips, ideas and links to interesting and/or informative websites.

## Kahoot!

Kahoot! is a free eLearning tool that can be used to create fun learning games, quizzes, surveys or discussion questions, called a kahoot, in minutes. This can be used to teach, reinforce, assess or share information with learners.

Link: <https://kahoot.com/>



You can use Kahoot! in your classroom for the following reasons:

- As a class starter or ice breaker.
- To help learners with keywords, terminology or definitions.
- To assess learners' understanding of a subject before or after they learned about it.
- To zero in on the needs of individual learners by getting a detailed report of which learner missed, which questions.
- To direct classroom activity by organising small groups.
- To review for a test or exam.
- To end a class with Kahoot notes, a quick quiz or formative assessment.
- By encouraging learners to create their own kahoots, the content is reinforced.
- To help learners learn information in a sequential order.

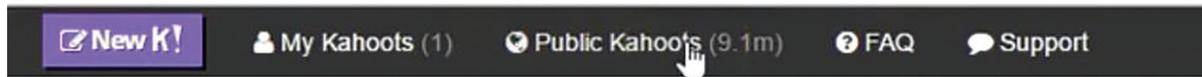
## How to use Kahoot!

It is easy to use Kahoot!

- To get started, go to the <https://kahoot.com/> website and create a free account.



- Use a public kahoots or create your own.



- By watching the following video, you can learn how to use Kahoot!
- Link: <https://www.youtube.com/watch?v=de7GOWioH8E>

## Google Quiz

The Google Quiz is an online assessment tool that will self-mark learners' attempts and give feedback to teachers and learners.

The quiz can be done on desktop or mobile computers and learners need to have access to the Internet. Teachers will provide learners with the link to the quiz (as a URL or QR code).

Something to know

- Learners must have a registered Gmail account.
- Learners must have Internet access (It can be set to sync offline).

The platform allows for:

- Learners getting instant feedback to the answers.
- Teachers getting a full report on the performance of the learner.

Link: [forms.google.com](https://forms.google.com)

- To learn more on how to use google forms to create quizzes, watch the following video.

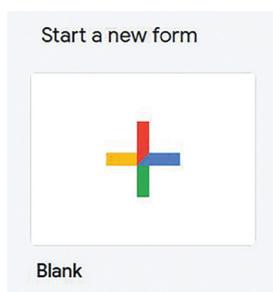
Link: <https://www.youtube.com/watch?v=Pdt8Vv7-3Xk>

- For a more detailed explanation, you can use the following link.

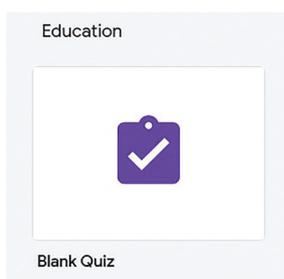
Link: <https://www.youtube.com/watch?v=ayvhVM2BMv0>

- To create a new quiz:

1. Go to [forms.google.com](https://forms.google.com).
2. Click on *Blank* to open a new form.



- To create a new quiz from Google Drive:
  - ♦ Click *New*, hover over *More* and click on the *Google Forms* arrow.
  - ♦ Click on *From a template*.
  - ♦ Scroll to the bottom and click *Blank Quiz*.



To follow a step-by-step tutorial on how to create a quiz, go to the G Suite Learning Centre.

Link: [https://gsuite.google.com/learning-center/products/forms/quizzes-get-started/#/!](https://gsuite.google.com/learning-center/products/forms/quizzes-get-started/#/)

Link: <http://teachers.tech/self-grading-quizzes-google-forms-google-classroom/>

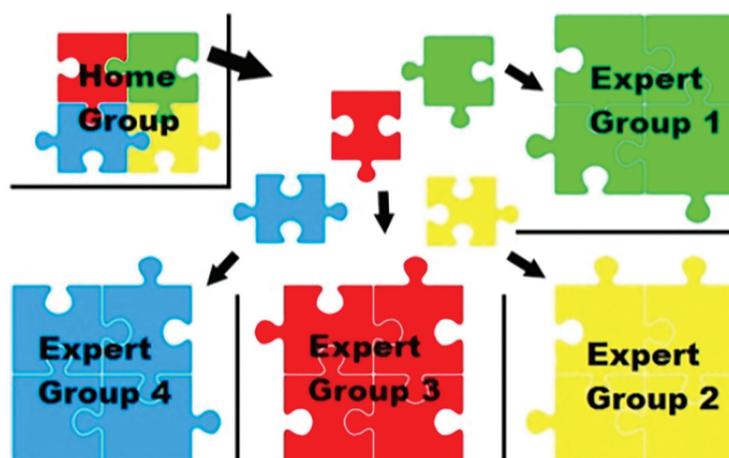
## Puzzlemaker

You can use the following link to create crossword puzzles step by step.

Link: <http://puzzlemaker.discoveryeducation.com/CrissCrossSetupForm.asp>

## Jigsaw assessment technique

The cooperative learning strategy known as the jigsaw technique helps learners to create their own learning.



To facilitate this, teachers arrange learners in groups. Each group is assigned to research a different topic. Group members then join with members of other groups and share the research about the information.

Afterwards, learners must complete a post-assessment questionnaire.

## Gradecraft

Gameful learning is an educational tool based on the principles that work so well in games, applied to the learning environment. It is about taking elements from games and applying them to non-game settings.

To learn more about the principles upon which gameful learning is based, you can go to the following website:

Link: Gameful pedagogy – <http://www.gamefulpedagogy.com/>

Following are some of the tools you can use from Gradecraft.

 <p><b>The Points Planner</b> The Points Planner enables students to set clear goals for themselves and plan their work in your course. They decide which assignments they want to work on, set a goal for how they expect to do, and ensure that they are building toward success in the course as a whole.</p>	 <p><b>Learning Analytics</b> Data helps you keep track of who is making progress and who may need more support, and helps students stay informed about their own work. By allowing students to see analytics independently, they can then take charge of their own success.</p>	 <p><b>Flexible Rubrics</b> Rubrics show students concise expectations you have for their work. You can design your rubrics to help deliver clear, consistent feedback to your students. Our rubric feature is flexible: you can enter different amounts of points that can be achieved for each criterion, and more.</p>	 <p><b>Leveling System</b> Customize the leveling scheme to match your course design—declare what point thresholds equate to earning grade levels, and match the level names to a hierarchy relevant to the coursework itself.</p>
 <p><b>Badges</b> Badges can be used to recognize student achievement on a specific assignment or their excellence more broadly in your course. Badges are flexible: you decide how they're awarded, and how they relate to student progress.</p>	 <p><b>Leaderboards</b> Students can choose to participate in anonymous, team-based leaderboards if they enjoy competition, or opt-out if they don't. As the instructor, you control if leaderboards appear at all.</p>	 <p><b>Unlocks &amp; Gating</b> Games don't start with a final boss battle—the same is true for learning: we want learners to acquire foundational knowledge before they move on to more complex work. With unlocks, you can determine what work must be done before students unlock additional opportunities.</p>	 <p><b>Integration with Existing Platforms</b> We know that integrating with other platforms is key, so we support <a href="#">Learning Tools Interoperability (LTI) 1.1</a> as both a Tool Provider and Consumer. Your data is your data—and should always be available to you to download and dig into.</p>

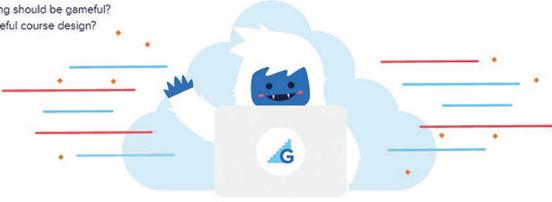
Link: <https://www.gradecraft.com/>

To sign up with Gradecraft, click on the pink button.

Ready to get started with GradeCraft?

Are you an instructor who believes learning should be gameful?  
Do you want to get started with your gameful course design?

[Sign up now!](#)



Although it is not a free tool, you can try it out on a free trial base.

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We're proud to offer GradeCraft to instructors anywhere in the world! We have **free trial accounts** available for any instructor wishing to try out GradeCraft. You'll be able to fully set up a course, explore our features, and try out how things work—the only thing you can't do is add students using the LTI connection.

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# TOPIC 1 The impact of recent legislation on businesses

## Teaching tips:

How to introduce the topic	Specific strategies to teach/approach the topic
<ul style="list-style-type: none"> <li>• Emphasise that recent legislation refers to Acts that were enacted after 1994, the year in which South African became a democracy.</li> <li>• Provide context on why these legislations were established/ promulgated.</li> <li>• List the ACTs that will be covered</li> <li>• Purpose of the Acts are two-fold:               <ul style="list-style-type: none"> <li>– transform the workplace and economy</li> <li>– address the inequalities prior to 1994 in the workplace and economy</li> </ul> </li> <li>• Provide learners with a mind-map of the sub-topics that will be covered.</li> <li>• Provide learners with a glossary of concepts that will be covered in this topic.</li> </ul>	<ul style="list-style-type: none"> <li>• Key words such as 'sector skills plan', 'grants', 'monitor', 'learnerships' and 'training material' can be used to assist learners to formulate meaningful statements on the role of SETAs.</li> <li>• Emphasise that each Act has a purpose, impact, actions regarded as non-compliance, consequences for non-compliance and ways in which business can comply.</li> <li>• Teach learners to write the correct and full name of each provision of the BCEA.</li> <li>• Address the Labour Relations Act within the framework of the relationship between the employer organisation and trade unions and not through the functions of the trade unions.</li> <li>• It must be stressed that the main aim of the LRA is to promote labour peace in the workplace rather than to focus on lockouts and strikes.</li> <li>• The purpose and the impact of the Employment Equity Act must be understood by learners before dealing with the ways in which businesses can comply with this Act.</li> <li>• The difference between the rights of consumers in terms of the Consumer Protection Act (CPA) and the National Credit Act (NCA) must be clearly explained.</li> <li>• This can be achieved by comparing these rights in a tabular format.</li> <li>• Short class tests must be used to determine progress before moving to subsequent sections.</li> <li>• Source-based and indirect questions must be administered to address this topic during the academic year.</li> </ul>

Important tips for the topic	Other ways of assessing the topic
<ul style="list-style-type: none"> <li>• It should be clearly explained that SETAs are the implementers of the Skills Development Act, as they devise systems for its operation.</li> <li>• Learners must be made aware that SETAs do not provide training.</li> <li>• A clear distinction must be made between COIDA, which deals with workplace injuries and diseases, and OHSWA, which deals with safety in the workplace.</li> <li>• Learners must be reminded that OHSWA was covered in Grade 11 and that they must learn and use the correct words when requested to give the full name of COIDA.</li> <li>• The differences between the Consumer Protection Act and the National Credit Act must be clearly outlined and explained.</li> <li>• This should afford learners a better understanding of consumer rights as they apply to the CPA and NCA.</li> <li>• The rationale behind the pillars of BBBEE is to ensure full participation of the previously disadvantaged people in the economy of the country.</li> <li>• Learners must be informed that all eight Acts are aimed at redressing past imbalances.</li> <li>• As such, the phrase 'previously disadvantaged people' is likely to be used in all these Acts.</li> </ul>	<ul style="list-style-type: none"> <li>• Consult the following past NSC Question Papers for Section B and C type questions <ul style="list-style-type: none"> <li>– May/June 2021 P1 Question 2.5 – scenario on NCA</li> <li>– Nov 2020 P1 Question 2.5 – scenario on LRA</li> <li>– Nov 2020 P1 Question 4.4 – scenario on COIDA</li> <li>– Nov 2020 P1 Question 5 – Essay on BCEA</li> <li>– Nov 2019 Question 2.3 – Identify leave provisions of BCEA</li> <li>– Nov 2019 Question 2.6 – scenario on BBBEE</li> <li>– Nov 2019 Question 6.2 – scenario on COIDA</li> <li>– June 2019 Question 2.3 – Identify consumer rights</li> <li>– June 2019 Question 2.4 – scenario on NCA</li> <li>– June 2019 Question 6.1 – identify the provisions of the BCEA</li> <li>– June 2019 Question 7 – essay on EEA</li> <li>– Nov 2018 Question 2.6 – scenario on EEA</li> <li>– Nov 2018 Question 7 – essay on CPA and NCA</li> <li>– May/June 2018 Question 2.3 – identify the pillar of BBBEE</li> <li>– May/June 2018 Question 2.5 – scenario on COIDA</li> <li>– Feb/March 2018 Question 2.4 – scenario on COIDA</li> <li>– Feb/March 2018 Question 7 – essay on CPA and NCA</li> </ul> </li> <li>• Create informal 10 mark quizzes/tests on the key terms on the previous day's content – in that way you expose your learners to continuous consolidation.</li> <li>• Ensure that learners practice writing various examples of essays to ensure optimum exposure.</li> </ul>

## Memoranda to activities

### Activity 1.1

Learner's Book page 8 – 9

#### QUESTION 1

##### 1.1 Multiple choice

- 1.1.1 F ✓✓
- 1.1.2 E ✓✓
- 1.1.3 B ✓✓
- 1.1.4 C ✓✓
- 1.1.5 I ✓✓

(5 × 2) (10)

Breakdown of marks	
Question 1	Marks
1.1	10
<b>TOTAL</b>	<b>10</b>

## QUESTION 2

### 2.1 Skills Development Act (SDA)

#### 2.1.1 Roles of SETAs from the scenario

- They have established that SETAs develop skills plans for the various economic sectors. ✓
- SETAs also promote various learnerships. ✓

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

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

Any (2 × 1) (2)

#### 2.1.2 Other roles of SETAs in supporting the implementation of the SDA

- Register various learnerships and learning programmes. ✓✓
- Approve the workplace skills plans and annual training reports submitted by businesses. ✓✓
- Develop skills plans that are in line with the aims of the National Skills Development Strategy (NSDS). ✓✓
- Promote learnerships and learning programmes by correctly identifying the best workplaces for practical work experience. ✓✓
- Any other relevant answer related to other roles of SETAs in supporting the implementation of the SDA.

**NOTE: Do not award marks for responses that were quoted in QUESTION 2.1.1.**

Max (6)

#### 2.1.3 Meaning of learnerships

- Theoretical/Practical training opportunities ✓ that leads to a recognised occupational qualification. ✓
- Structured learning programme that is completed during work hours ✓ for a specified period of time. ✓
- Includes a training course with learning material ✓ as well as practical work experience. ✓
- Agreement between a learner/trainee ✓, employer and a training provider. ✓
- May include employment for a specified period ✓ after the learnership is completed. ✓
- Any other relevant answer related to the meaning of learnerships.

Max (4)

#### 2.1.4 Impact of the SDA

##### Positives/advantages

- Increases the number of skilled employees ✓ in scarce skilled areas. ✓
- Improves productivity in the workplace ✓ because employees are empowered with current training demands and are more knowledgeable. ✓
- Increases global competitiveness of South African businesses ✓, as more employees are trained with upgraded, relevant and scarce skills. ✓
- Improves the return on investment (ROI) ✓ in education and training. ✓
- Increases investment in education and training ✓ in the South African labour market. ✓
- Improves the delivery of services of businesses ✓, as employees are working more optimally. ✓
- Any other relevant answer related to the positives/advantages of the SDA on businesses.

AND/OR

##### Negatives/disadvantages

- The implementation of the SDA is time-consuming ✓, expensive, prescriptive and administratively burdensome. ✓
- The Skills Development Levy (SDL) ✓ places an additional burden on financially struggling businesses. ✓
- The SDA initiative of the government ✓ may not always be supported by all businesses. ✓
- Businesses find it difficult to monitor/control ✓ the implementation of this Act. ✓
- Productivity in the workplace may decline ✓, as employees have to attend learnerships during work hours. ✓
- Only companies/businesses with a staff payroll over R500 000 per annum can claim the SDL. ✓
- Any other relevant answer related to the negatives/disadvantages of the SDA on businesses.

Max (6)

### 2.1.5 Ways in which businesses can comply with the SDA

- Display a summary of the SDA in the business where it is visible to all employees. ✓✓
- Provide opportunities to all employees to improve their skills. ✓✓
- Assess the skills of employees to determine/ascertain the areas in which skills development are needed. ✓✓
- Promote and encourage employees to improve their skills and to actively engage in learnerships.
- Employers who collect PAYE (Pay As You Earn tax) should register with SETA. ✓✓
- Employers whose payroll exceeds R500 000 (half a million rand) per annum should pay a 1% of it over to SETA. ✓✓
- Submit a workplace skills plan and provide evidence that it was implemented. ✓✓
- Any other relevant answer related to ways in which businesses can comply with the SDA.

Max (8)

Breakdown of marks	
Question 2	Marks
2.1.1	2
2.1.2	6
2.1.3	4
2.1.4	6
2.1.5	8
<b>TOTAL</b>	<b>26</b>

## Activity 1.2

Learner's Book page 12 – 13

### QUESTION 1

#### 1.1 Complete the statements

- 1.1.1 Commission for Conciliation, Mediation and Arbitration (CCMA) ✓✓
- 1.1.2 Workplace forum ✓✓
- 1.1.3 Lockout ✓✓
- 1.1.4 Labour Relations Act ✓✓
- 1.1.5 Collective bargaining ✓✓

(5 × 2) (10)

Breakdown of marks	
Question 1	Marks
1.1	10
<b>TOTAL</b>	<b>10</b>

### QUESTION 2: BUSINESS ENVIRONMENTS (LABOUR RELATIONS ACT)

#### 2.1 Introduction

- The LRA is an enabling framework that regulates the relationship between employees and employers, and promotes sound relations between trade unions and employer organisations. ✓
- LRA promotes collective bargaining at the workplace sectoral level. ✓
- Both the employers and employees need to be knowledgeable about their rights in terms of the LRA. ✓
- The LRA impacts businesses both positively and negatively. ✓
- Businesses must guard against actions that are unjust, unfair, illegal and show prejudice towards employees in the context of violating the Act. ✓
- Penalties/consequences for non-compliance refer to the legal charges businesses may face for not complying with the particular Act. ✓
- Businesses may face heavy penalties for non-compliance with the LRA. ✓
- Any other relevant introduction related to the rights of the employers and employees in terms of the LRA/impact of the LRA on businesses/actions that are regarded as non-compliance by the LRA/penalties for non-compliance with the LRA.

Any (2 × 1) (2)

## 2.2 Rights of employers and employees in terms of the LRA

### Rights of employers:

Employers have the right to:

- recourse a lockout during periods when employees engage in unprotected/illegal/wildcat strikes/labour action. ✓✓
- form employer organisations. ✓✓
- dismiss employees who engage in unprotected strikes/ misconduct such as violence or intimidation during a strike action. ✓✓
- form bargaining councils for the purpose of collective bargaining. ✓✓
- not remunerate employees who participate in protected strikes and for work that was not completed during protected strikes. ✓✓
- Any other relevant answer related to the rights of employers in terms of the LRA.

Submax (6)

### Rights of employees:

Employees have the right to:

- Join a trade union of their choice. ✓✓
- Establish a workplace forum where a business has 100 or more employees to resolve work-related issues. ✓✓
- Request trade union representatives to represent and assist employees in the grievance procedure/disciplinary hearing. ✓✓
- Embark upon legal strikes as a remedy for grievances. ✓✓
- Trade union representatives may take reasonable time off work with pay, to attend to trade union duties. ✓✓
- Refer unresolved workplace disputes to the Commission for Conciliation, Mediation and Arbitration (CCMA). ✓✓
- Refer unresolved CCMA disputes to the Labour Court for an appeal. ✓✓
- Any other relevant answer related to the rights of employees in terms of the LRA.

Submax (6)

Max (12)

## 2.3 Impact of the LRA on businesses

### Positives/advantages

- Ensures the participation of all parties in the collective bargaining process✓, which reduces conflict in the workplace. ✓
- Protects the rights of businesses and employer organisations ✓ in labour related issues. ✓
- Promotes quick and less expensive✓ labour dispute resolutions. ✓
- Protects employers who recourse lawful lockouts✓ when negotiations between parties fail and when employees participate in strike action. ✓
- Prevents unfair discrimination in the workplace✓, because equal opportunities are promoted for all employees. ✓
- Provides sound dispute resolution✓ through consensus between organised labour, businesses and the state. ✓
- Any other relevant answer related to the positives/advantages of the LRA on businesses.

AND/OR

### Negatives/disadvantages

- The LRA may reduce global competitiveness of businesses✓ due to lower workplace productivity. ✓
- The business may lose its competitive advantage because important information is often disclosed to trade unions✓ during collective bargaining which may be leaked to competitors. ✓
- The LRA results in decreased profitability of businesses✓ because of a decline in productivity and sales. ✓
- Productivity may decrease significantly✓ if employees engage in trade union related activities during work hours. ✓
- The implementation of the LRA may be very costly and time-consuming✓, especially the dispute resolution process. ✓
- The employment of legal specialists and labour consultants✓ increases the costs of the business. ✓
- Any other relevant answer related to the negatives/disadvantages of the LRA on businesses.

Max (14)

## 2.4 Actions that are regarded as non-compliance by the LRA

- Dismissing employees ✓ unfairly or illegally. ✓
- Preventing employees ✓ from forming and joining trade unions. ✓
- Refusing to provide trade union representatives leave ✓ to attend to trade union matters. ✓
- Preventing employees from participating ✓ in legal strikes. ✓
- Dismissing employees who participate ✓ in legal strikes. ✓
- Forcing employees to give up ✓ their trade union membership and representation. ✓
- Any other relevant answer related to actions that are regarded as non-compliance by the LRA.

Max (10)

## 2.5 Penalties for non-compliance with the LRA

- Businesses that do not comply with the LRA may receive a compliance order from the Labour Court, that forces the business to comply with the LRA. ✓✓
- Businesses who neglect to comply with the LRA may receive large fines, should they fail to meet the agreements reached during the dispute resolution process. ✓✓
- Businesses may be forced to enter into a dispute resolution process if they do not willingly participate. ✓✓
- The business's licence may be revoked which may prevent the business from continuing any form of operations. ✓✓
- Businesses that fail to comply with the LRA may face financial costs such as legal fees/CCMA fees. ✓✓
- Any other relevant answer related to penalties businesses may face for not complying with the LRA.

Max (10)

## 2.6 Conclusion

- The LRA advances social justice/labour peace/economic development, which ensures that the workplace maintains the basic rights of both employers and employees. ✓✓
- Businesses should put necessary strategies in place to minimise the negative impact of the LRA on their operations. ✓✓
- Through effective implementation of the LRA, fair labour practices can be promoted in the workplace. ✓✓
- The correct implementation of the LRA results in improved efficiency in business operations and minimal disruptions. ✓✓
- Businesses need to implement effective ways of improving compliance with the LRA in order to avoid heavy penalties. ✓✓
- Any other relevant conclusion related to the rights of the employers and employees in terms of the LRA/impact of the LRA on businesses/actions that are regarded as non-compliance by the LRA/penalties for non-compliance with the LRA.

Any (1 × 2) (2)

[40]

Question 2: Breakdown of mark allocation		
DETAILS	MAXIMUM	TOTAL
2.1 Introduction	2	Max 32
2.2 Rights of employers and employees in terms of the LRA	12	
2.3 Impact of the LRA on businesses	14	
2.4 Actions that are regarded as non-compliance by the LRA	10	
2.5 Penalties businesses for non-compliance with the LRA	10	
2.6 Conclusion	2	
INSIGHT		
Layout	2	8
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.

**QUESTION 1**

**1.1 Multiple choice questions**

- 1.1.1 C ✓✓
- 1.1.2 D ✓✓
- 1.1.3 A ✓✓
- 1.1.4 B ✓✓
- 1.1.5 A ✓✓

(5 × 2) (10)

Breakdown of marks	
Question 1	Marks
1.1	10
<b>TOTAL</b>	<b>10</b>

**QUESTION 2**

**2.1 Purpose of the EEA**

- Ensures equal representation of all population groups of South Africa in the workplace through the effective promotion and implementation of affirmative action. ✓✓
- Advocates that employees who do work of the same or equal value must be paid equally. ✓✓
- Promotes equal opportunity and fair treatment for all workers in the workplace. ✓✓
- Prevents discrimination on the grounds of gender/race/disability in the workplace. ✓✓
- Protects employees from victimisation in the context of exercising their rights as outlined in the EEA. ✓✓
- Provides the possibility for workers to refer unresolved issues to the CCMA. ✓✓
- Any other relevant answer related to the purpose of the EEA.

**Max (6)**

**2.2 Impact of the EEA on businesses**

**Positives/advantages**

- Promotes the implementation of affirmative action measures✓ to redress the various imbalances in employment. ✓
- Systematically prevents unfair discrimination✓ as it ensures that the workforce is representative of the demographics of the country. ✓
- Promotes equal opportunities and fair treatment✓ for all workers in the workplace. ✓
- Encourages diversity in the business✓ by employing people from various racial backgrounds. ✓
- Encourages consultation✓ between employers and employees. ✓
- Provides all employees with an equal opportunity✓ during selections, appointments and promotions in the workplace. ✓
- Any other relevant answer related to the positives/advantages of the EEA on businesses.

**AND/OR**

**Negatives/disadvantages**

- The implementation of the EEA is time-consuming, expensive, prescriptive and administratively burdensome✓ because employment equity reports must be submitted to the Department of Labour every two years. ✓
- The training costs of the business increases✓, as employees need to be correctly trained regarding the EEA. ✓
- Employment Equity appointments may cause conflict in the workplace✓ as some employees may not respect the knowledge, skills, qualifications and experiences of the EE appointment. ✓
- Businesses sometimes appoint unsuitable and unqualified candidates into an EE position✓ in order to meet the requirements of the employment equity plan. ✓
- Businesses find it difficult to make appointments✓ because of the unsuitability of the candidate, which results in the position not being filled. ✓
- Businesses must submit employment equity plans✓ and compliance certificates before business can be conducted with the state. ✓
- Any other relevant answer related to the negatives/disadvantages of the EEA on businesses.

**Max (8)**

## 2.3 Employment Equity Act

### 2.3.1 Non-compliance with the EEA from the scenario

- The findings discovered that the workforce is not representative of the demographics of South Africa. ✓
- CW does not implement affirmative action measures. ✓
- A summary of the EEA is not displayed at the business. ✓

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

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

Any (2 × 1) (2)

### 2.3.2 Other actions regarded as non-compliance with the EEA

- Denying people access to the workplace, based on the grounds of any form of discrimination ✓ such as gender, race, culture, religion, language and gender. ✓
- Treating workers unfairly ✓ and incorrectly promoting affirmative action in the workplace. ✓
- Refusing to employ young women ✓ because they would choose to have children in the future. ✓
- Conducting HIV testing ✓ unless the testing is justified by the Labour Court. ✓
- Refusing to employ a person ✓ because of strong religious/cultural beliefs, or because of a disability. ✓
- Harassing and victimisation of an employee in any form ✓ are regarded as discriminatory according to the EEA. ✓

**NOTE: 1** Do not award marks for responses quoted from the scenario.

Max (6)

### 2.3.3 Penalties/Consequences for non-compliance with the EEA

- Businesses that do not comply with the EEA, may receive a compliance order from the Labour Court, that forces the business to comply with the EEA. ✓✓
- Businesses that do still not comply after the compliance order has been issued may then be charged/prosecuted by the Labour Court for non-compliance. ✓✓
- Businesses who neglect to comply with the EEA may receive large fines depending on the degree of non-compliance, especially in the context of fronting. ✓✓
- The Department of labour may prevent non-compliant businesses from conducting business with the government, especially in the context of government tenders. ✓✓
- Labour inspectors can visit the business and conduct interviews with employees to determine whether information supplied on the employment equity plans are true or have been falsified. ✓✓
- Any other relevant answer related to the penalties/consequences that businesses may face for non-compliance with the EEA.

Max (6)

Breakdown of marks	
Question 2	Marks
2.1	6
2.2	8
2.3.1	2
2.3.2	6
2.3.3	6
<b>TOTAL</b>	<b>28</b>

**QUESTION 1**

**1.1 Provisions of the BCEA from given statements**

- 1.1.1 Overtime ✓✓
- 1.1.2 Child and forced labour ✓✓
- 1.1.3 Termination of employment ✓✓
- 1.1.4 Meal breaks and rest periods ✓✓
- 1.1.5 Parental leave ✓✓

(5 × 2) (10)

Breakdown of marks	
Question 1	Marks
1.1	10
<b>TOTAL</b>	<b>10</b>

**QUESTION 2: BUSINESS ENVIRONMENTS (BASIC CONDITIONS OF EMPLOYMENT ACT)**

**2.1 Introduction**

- The BCEA sets out the minimum conditions that ensure fair labour practices and human resources practices in the workplace. ✓
- The BCEA makes provision for conditions of employment which include hours of work, termination of employment and child and forced labour that employers must adhere to. ✓
- Businesses must have a clear understanding of the negative and positive impact of the BCEA/how the BCEA will negatively or positively impact on their operations. ✓
- Businesses must explore various ways to ensure compliance with the BCEA. ✓
- Any other relevant introduction related to the purpose/provisions/impact/compliance of the BCEA.

Any (2 × 1) (2)

**2.2 Purpose of the BCEA**

- Outlines clear terms and conditions of employment for employers and employees. ✓✓
- Regulates and promotes the right to fair labour practices as outlined in the Constitution of South Africa. ✓✓
- Provides minimum requirements/standards for the creation of employment contracts. ✓✓
- Advances the economic development and social justice of employees. ✓✓
- Adheres to the rules and regulations set out by the International Labour Organisation. ✓✓
- Regulates the variations of the basic conditions of employment. ✓✓
- Any other relevant answer related to the purpose of the BCEA.

Max (12)

**2.3 Provisions of the BCEA**

**Hours of work**

- Employees are not allowed to work ✓ for more than 45 hours per week. ✓
- Employees may work 9 hours a day ✓ if they work five days or less per week. ✓
- Employees may work 8 hours a day ✓ if they work more than five days a week. ✓
- Night work performed by employees after 18:00 and before 6:00 ✓ the next day should be done by mutual agreement and employees must be compensated by allowance/reduction of work hours. ✓
- Any other relevant answer related to hours of work as a provision of the BCEA.

Submax (4)

**Termination of employment**

- An employment contract may only be terminated following 1 week's notice ✓, if the employee has been employed for 6 months or less. ✓
- A minimum of 4 weeks' notice must be given to the business ✓, if the employee has been employed for a year or longer. ✓
- The employee must be given formal notice in writing if the employer has terminated the contract ✓, similarly, the employee must give the employer formal notice in writing for terminating the contract. ✓
- Any other relevant answer related to termination of employment as a provision of the BCEA.

### Child and forced labour

- It is illegal to employ a child younger✓ than 15 years of age in South Africa. ✓
- It is also illegal to force✓ an employee to work. ✓
- Businesses may employ children over the age of 15 years✓, if employment is not harmful to their welling-being/ health/ /education/moral and social development/ minors under the age of 18 may not do dangerous work/work meant for an adult. ✓
- Any other relevant answer related to child and forced labour as a provision of the BCEA.

Submax (4)

Max (12)

## 2.4 Impact of the BCEA on businesses

### Positives/advantages

- Creates/Establishes an enabling framework of acceptable employment practices✓, for example, work hours, leave, legalities of employment contracts etc. ✓
- Outlines the rules and regulations and provide clear and specific guidelines✓ for employers to deal with employment issues. ✓
- Encourages consultation✓ between employers and employees in the workplace. ✓
- Outlines the minimum/basic requirements✓ for employment contracts. ✓
- Specifies work hours✓ to prevent exploitation of employees. ✓
- Workers are permitted/allowed to consult labour unions/trade unions✓ in cases where the BCEA conditions are violated. ✓
- Any other relevant answer related to the positives/advantages of the BCEA on businesses.

### AND/OR

### Negatives/disadvantages

- The implementation of the BCEA is time-consuming, expensive, prescriptive✓ and administratively burdensome, especially the drafting of formal/legal contracts. ✓
- The training costs of businesses may increase because employees have to be trained✓ according to the BCEA and businesses often have to employ legal specialists. ✓
- Businesses often regard employment contracts as a negative aspect✓ and sometimes do not implement the requirements which results in non-compliance. ✓
- Employers and managers may not force employees to work more than 45 hours per week✓, which may result in a reduction in productivity. ✓
- Employers cannot higher cheap labour✓, and therefore cannot exploit employees. ✓
- Businesses are forced to comply with the various legal requirements of BCEA✓, which directly increases the labour costs of businesses. ✓
- Any other relevant answer related to the negatives/disadvantages of the BCEA on businesses.

Max (12)

## 2.5 Compliance with the BCEA

- Remunerate/pay employees for working overtime as stipulated in the provisions of the BCEA. ✓✓
- Ensure that employees do not exceed the stipulated working hours 45 hours per week. ✓✓
- Provide maternity leave for pregnant employees. ✓✓
- Ensure that the employment contracts do not contravene any aspect of the requirements of the BCEA. ✓✓
- Allow employees to take off the required amount of sick leave i.e 6 weeks in a 3 year cycle for sick employees. ✓✓
- Refrain from employing children under the age of 16 years, as this is illegal. ✓✓
- Any other relevant answer related to ways in which businesses can comply with the BCEA.

Max (10)

## 2.6 Conclusion

- Businesses must keep abreast of amendments made regarding the variations on the BCEA provisions by the Minister of Labour. ✓✓
- Businesses must take advantage of the positive impact of the BCEA and put measures in place to minimise the negative impact. ✓✓
- Businesses should make all attempts to comply with the BCEA to avoid facing penalties/consequences for non-compliance. ✓✓
- Any other relevant conclusion related to purpose/provisions/impact/compliance of the BCEA.

Any (1 × 2) (2)

[40]

Question 2: Breakdown of mark allocation		
DETAILS	MAXIMUM	TOTAL
2.1 Introduction	2	Max 32
2.2 Purpose of the BCEA	12	
2.3 Provisions of the BCEA <ul style="list-style-type: none"> <li>– Hours of work</li> <li>– Leave</li> <li>– Termination of employment</li> </ul>	12	
2.4 Impact of the BCEA on businesses	12	
2.5 Compliance with the BCEA	10	
2.6 Conclusion	2	
INSIGHT		
Layout	2	8
Analysis/Interpretation	2	
Synthesis	2	
Originality/Examples	2	
<b>TOTAL MARKS</b>		<b>40</b>

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

## Activity 1.5

### Learner's Book page 24

#### QUESTION 1

##### 1.1 COIDA

###### 1.1.1 Identification of Act

Compensation for Occupational Injuries and Diseases Amendment Act (COIDA), 1997 (Act 61 of 1997)/COIDA ✓✓  
(1 × 2) (2)

###### 1.1.2 Penalties/consequences for non-compliance with COIDA

- Businesses that do not comply with COIDA may receive a compliance order✓ from the Labour Court, that forces the business to comply with the COIDA. ✓
- Businesses who neglect to comply with COIDA may receive large fines for refusing to lodge claims✓ and may be even provided with a jail sentence/imprisonment, that is dependent on the severity of the non-compliance. ✓
- Businesses can be forced to make large payments if they did not implement the necessary precautions to reduce accidents/fatalities✓ and to promote health and safety in the workplace. ✓
- Businesses may be forced to pay any recovery costs✓ required by the compensation fund. ✓
- Employees may take the businesses to court✓ for not registering with Commissioner of the Compensation Fund. ✓
- Any other relevant answer related to the penalties for non-compliance with COIDA.

Max (8)

##### 1.2 Impact of COIDA on businesses

###### Positives/advantages

- Promotes health and safety✓ in the workplace. ✓
- Creates an enabling framework✓ for acceptable employment practices/safety regulations. ✓
- Covers all employees in the workplace, if both parties/employers and employees ✓ meet all the necessary safety provisions as outlined by COIDA. ✓
- Supplies administrative guidelines/mechanisms✓ for dealing with and processing claims. ✓
- Provides employees with financial/monetary compensation for any injury/disability/illness✓ that results from performing workplace duties. ✓

- Protects employees from financial burden should an accident occur in the workplace✓, provided that the employer is not guilty of negligence and have made contributions to the Compensation Fund. ✓
- COIDA does provide compensation✓ for domestic workers. ✓
- Any other relevant answer related to the positives/advantages of COIDA on businesses.

**AND/OR**

**Negatives/disadvantages**

- The implementation of COIDA is time-consuming, expensive, prescriptive and administratively burdensome✓, especially the lengthy claiming processes/procedures. ✓
- Employers have to register all their employees in order to make annual contributions to COIDA✓, which may result in cash flow problems for businesses. ✓
- Implementation processes/procedures required by the Act may be expensive✓ and place an additional financial burden on struggling businesses. ✓
- Employers may be forced to pay heavy penalties if they are found guilty of negligence✓, or for not enforcing safety measures. ✓
- South Africans who are temporarily/permanently employed in foreign countries✓ are not covered by COIDA. ✓
- COIDA does not cover✓ military workers. ✓
- Any other relevant answer related to the negatives/disadvantages of COIDA on businesses.

Max (10)

Breakdown of marks	
Question 1	Marks
1.1.1	2
1.1.2	8
1.2	10
<b>TOTAL</b>	<b>20</b>

**Activity 1.6**

**Learner's Book page 28**

**QUESTION 1**

**1.1 BBEE pillars from given statements**

- 1.1.1 Ownership ✓✓
- 1.1.2 Skills development ✓✓
- 1.1.3 Management control ✓✓

(3 × 2) (6)

Breakdown of marks	
Question 1	Marks
1.1	6
<b>TOTAL</b>	<b>6</b>

**QUESTION 2**

**2.1 BBEE**

**2.1.1 Difference between BEE and BBEE from the scenario**

BEE	BBEE
It was highlighted that BEE is a policy that is not enforced by the government. ✓	Businesses are compelled to comply with the BBEE Act. ✓

**NOTE: 1 The answer does not have to be in tabular format.**

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

(2 × 1) (2)

### 2.1.2 Distinction between BEE and BBBEE

BEE	BBBEE
Benefitted only a few✓ previously disadvantaged people in the economy. ✓	Encourages a wider group of previously disadvantaged people which includes black women✓, people who are physically challenged, youth, and people in rural areas to participate in the economy. ✓
Resulted in few previously disadvantaged individuals sharing✓ in the wealth of the economy. ✓	Aims to distribute the country's wealth across✓ a broader spectrum of society. ✓
Focused only on three pillars✓ that did not include all previously disadvantaged people. ✓	Focuses on five pillars which includes all sectors of the society✓, especially previously disadvantaged people and previously disadvantaged communities. ✓
Any other relevant answer related to the description of BEE.	Any other relevant answer related to the description of BBBEE.
<b>Submax (2)</b>	<b>Submax (2)</b>

**NOTE: 1** The answer does not have to be in tabular format.

**2** The difference does not have to link but they must be clear.

**3** Do not allocate marks for differences provided in the scenario.

**4** Award a maximum of TWO (2) marks if the differences are not clear/mark either BEE or BBBEE only.

**Max (4)**

### 2.1.3 Implication of the BBBEE pillars on businesses

#### a. Enterprise and supplier development (ESD)

- Businesses must be encouraged to invest in and support✓ black owned Small Medium and Micro Enterprises (SMMEs). ✓
- Businesses must create jobs✓ as ESD promotes and supports local manufacturing. ✓
- Businesses can make monetary contributions✓ to BBBEE compliant businesses and SMMEs, such as loans/donations/investments. ✓
- Businesses can also make non-monetary contributions to BBBEE compliant businesses✓ and SMMEs such as advisory services/consulting services/entrepreneurial programmes. ✓
- Limitation/barrier: ESD promotes preferential procurement and businesses often do not have a choice✓ but to transact with BBBEE approved vendors that are not necessarily their first choice. ✓
- Any other relevant answer related to the implication of Enterprise and supplier development (ESD) as a BBBEE pillar on businesses.

**Max (4)**

#### b. Social responsibility

- Businesses should contribute towards✓ social investment projects and community development. ✓
- Businesses should focus on critical areas of CSI✓ such as development in the country for example, environmental awareness/education/ housing/poverty/ unemployment etc. ✓
- Businesses should distribute scarce CSI resources✓ to selected beneficiaries in the community. ✓
- Businesses should promote sustainable use of natural resources✓ and support businesses that make use of sustainable production techniques and sustainable energy utilisation practices. ✓
- Limitation/barrier: Businesses often are not knowledgeable or experts at societal issues and social responsibility✓, and may result in wastage of financial resources if not investigated correctly. ✓
- Any other relevant answer related to the implication of social responsibility as a BBBEE pillar on businesses.

**Max (4)**

### 2.1.4 Impact of BBBEE on the business

#### Positives/advantages

- Businesses who are BBBEE compliant regarding the five pillars will be rated ✓ high on the BBBEE scorecard/ may get government tenders/may attract other BBBEE business partners/suppliers. ✓
- Encourages businesses to address the demands ✓ for redress/equity directly in the workplace. ✓
- Provides for enhanced human resources development ✓ through effective training and development. ✓
- Promotes enterprise development ✓, by developing entrepreneurial skills of designated people to establish their own businesses. ✓
- Businesses that focus on BBBEE shows commitment towards ✓ the social/education/economic developments in the community/country. ✓
- Improves the image of the business because a good BBBEE rating ✓, attracts more investors to the business. ✓
- Any other relevant answer related to the positives/advantages of BBBEE on businesses.

#### AND/OR

#### Negatives/disadvantages

- The implementation of BBBEE is time-consuming, expensive, prescriptive and administratively burdensome ✓, especially attaining BBBEE Scorecard ratings and training of employees. ✓
- Businesses have to endure rigid processes of having their BBBEE compliance ✓ measured/verified by an independent BBBEE verification agency. ✓
- Some processes associated with BBBEE, if not monitored properly ✓, may lead to corruption/ nepotism/cronyism. ✓
- BBBEE advocates Enterprise and Supplier Development (ESD) ✓ which means certain businesses that are not approved BBBEE vendors may be excluded from supplying goods and services. ✓
- Businesses that wish to acquire government tenders and conduct business with state ✓, must have their BBBEE status assessed annually, which increases the administrative burden of businesses. ✓
- Costs increases as businesses have to spend money on the correct compliance with the five BBBEE pillars ✓ in order to obtain a good BBBEE rating. ✓
- Any other relevant answer related to the negatives/disadvantages of BBBEE on businesses.

Max (6)

Breakdown of marks	
Question 2	Marks
2.1.1	2
2.1.2	4
2.1.3 a	4
2.1.3 b	4
2.1.4	6
<b>TOTAL</b>	<b>20</b>



### Activity 1.7

Learner's Book page 31 – 32

#### QUESTION 1

##### 1.1 Choose the correct description

1.1.1 E ✓✓

1.1.2 F ✓✓

1.1.3 A ✓✓

(3 × 2) (6)

Breakdown of marks	
Question 1	Marks
1.1	6
<b>TOTAL</b>	<b>6</b>

## QUESTION 2: BUSINESS ENVIRONMENTS (NATIONAL CREDIT ACT)

### 2.1 Introduction

- The NCA is concerned with consumer credit and the credit industry. ✓
- The NCA was promulgated/established to curb high levels of consumer debt and promotes responsibility in making informed decisions before buying on credit. ✓
- The NCA has resulted in the establishment of the National Credit Regulator (NCR). ✓
- The NCR is the regulatory body that applies the NCA, educates consumers about their rights, and monitors, administers and ensures adherence of the NCA and the credit industry. ✓
- Businesses must be aware of consumer rights as stipulated in the NCA and guard against the violation of these rights. ✓
- Businesses must be knowledgeable about the impact of the NCA on their operations/of how the NCA will negatively or positively impact on the business. ✓
- Businesses should make an effort to comply with the NCA to avoid unnecessary penalties. ✓
- Any other relevant introduction related to the purpose of the NCA/rights of consumers as stipulated in the NCA/impact of the NCA on businesses/ways in which businesses can comply with the NCA.

Any (2 × 1) (2)

### 2.2 Purpose of the NCA

- Promotes the social and financial interests of South African consumers, and by extension the South African economy. ✓✓
- Ensures that consumers of credit are well informed about the details included in their credit contracts. ✓✓
- Promotes the responsible granting of credit by credit providers. ✓✓
- Ensures that credit is equally available to all qualifying consumers. ✓✓
- Protects both lenders and borrowers from negligent lending practices that may result in over-indebtedness for consumers. ✓✓
- Ensures that the credit bureau/credit providers/debt counsellors are registered✓ to avoid consumer exploitation. ✓✓
- Any other relevant answer related to the purpose of the NCA.

Max (8)

### 2.3 Rights of consumers as stipulated in the NCA

Consumers of credit have the right to:

- Apply for credit and to be free ✓ from discrimination of any form. ✓
- Obtain reasons for credit being refused ✓ by credit providers. ✓
- Receive protection ✓ of their personal information. ✓
- Receive pre-agreement documentation ✓ before concluding any credit transaction. ✓
- Fair and responsible ✓ credit marketing. ✓
- Receive information ✓ in plain and understandable language. ✓
- Receive documentation as required by the NCA. ✓
- Access and challenge credit records ✓ and information held by the Credit Bureau. ✓
- Surrender/Return goods to the credit provider ✓ in order to settle the outstanding amount/debt. ✓
- Apply for debt review/counselling ✓ if the consumers cannot afford to repay their debts. ✓
- Receive protection from being held accountable for the use of their credit facility ✓ after they reported the loss/theft. ✓
- Refuse a credit limit increase. ✓
- Any other relevant answer related to the rights of consumers as stipulated in the NCA.

Max (14)

### 2.4 Impact of the NCA on businesses

Positives/advantages

- The NCA protects businesses✓ against non-paying customers. ✓
- Businesses complete thorough credit checks and receive up-to-date documentation✓ from the consumer as proof that they can afford the repayments/credit. ✓
- The information held by the credit bureau is made available to businesses✓ so that they verify the credit worthiness of consumers before granting credit. ✓
- Businesses that are authorised credit providers✓, may attract more consumers. ✓
- The correct implementation of the NCA, leads to more customers through credit sales✓ as they are now protected from abuse and exploitation. ✓

- The whole credit process is transparent✓, for example, both credit providers/creditors and consumers/debtors know their responsibilities in terms of the NCA. ✓
- Any other relevant answer related to the positives/advantages of the NCA on businesses.

**AND/OR**

**Negatives/disadvantages**

- The implementation of the NCA is time-consuming, expensive, prescriptive and administratively burdensome✓, especially complex and expensive debt collection procedures. ✓
- Failing to comply with the NCA may result in✓ legal action faced by the business. ✓
- Ensure that all attempts have been exhausted✓ to recover debt, before blacklisting the consumer. ✓
- Businesses/credit providers cannot collect debt from consumers✓ who are under debt review. ✓
- Businesses that grant credit recklessly✓ cannot recover the debt. ✓
- Profit of businesses may decline✓, because they can no longer depend on customers who had easy access to credit. ✓
- Any other relevant answer related to the negatives/disadvantages of the NCA on businesses.

**Max (16)**

**2.5 Compliance with the NCA**

- Conduct credit checks with a registered credit bureau and could also consult the National Credit Register. ✓✓
- Register the business with the National Credit Regulator (NCR). ✓✓
- Submit annual compliance reports to the NCR. ✓✓
- Conduct affordability assessments to ensure that consumers have the ability to meet their obligations. ✓✓
- Comply with the necessary procedures regarding the provisions of the Financial Intelligence Centre Act (FICA). ✓✓
- Verify the identity of clients and report suspicious transactions/train staff on their obligations in terms of FICA. ✓✓
- Any other relevant answer related to ways in which businesses can comply with the NCA.

**Max (8)**

**2.6 Conclusion**

- The NCA promotes/allows responsible lending by businesses and eliminates reckless borrowing by consumers. ✓✓
- Businesses should promote awareness/compliance of the consumer rights as stipulated in the NCA. ✓✓
- Understanding the impact of the NCA on the operations of businesses is critical in whether businesses will succeed. ✓✓
- Businesses should make all attempts to comply with the NCA as businesses may face penalties/consequences for non-compliance such as a compliance order/large fines/business licence being revoked. ✓✓
- Any other relevant conclusion related to the purpose of the NCA/rights of consumers as stipulated in the NCA/ impact of the NCA on businesses/ways in which businesses can comply with the NCA.

**Any (1 × 2) (2)**

**[40]**

Question 2: Breakdown of mark allocation		
DETAILS	MAXIMUM	TOTAL
2.1 Introduction	2	Max 32
2.2 Purpose of the NCA	8	
2.3 Rights of consumers as stipulated in the NCA	14	
2.4 Impact of the NCA on businesses	16	
2.5 Compliance with the NCA	8	
2.6 Conclusion	2	
INSIGHT		
Layout	2	8
Analysis/Interpretation	2	
Synthesis	2	
Originality/Examples	2	
<b>TOTAL MARKS</b>		<b>40</b>

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

**QUESTION 1**

**1.1 CPA rights from given statements**

- 1.1.1 Right to fair and honest dealings ✓✓
- 1.1.2 Right to choose ✓✓
- 1.1.3 Right to information about products and agreements/Right to disclosure and information ✓✓
- 1.1.4 Right to accountability from suppliers ✓✓
- 1.1.5 Right to equality in the consumer market place ✓✓

(5 × 2) (10)

Breakdown of marks	
Question 1	Marks
1.1	10
<b>TOTAL</b>	<b>10</b>

**QUESTION 2**

**2.1 CPA**

**2.1.1 Purpose of the CPA from the scenario**

- Promotes responsible consumer behaviour amongst consumers. ✓
- Establishes national standards to protect consumers regardless of economic status. ✓

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

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

Any (2 × 1) (2)

**2.1.2 Actions regarded as non-compliance according to the CPA**

- Treating customers unfairly based on the grounds of any form of discrimination such as race, gender, age, religion, language, culture, disability, sexual orientation etc. ✓✓
- Charging different and unfair prices to consumers for the same goods and services. ✓✓
- Denying/refusing customers proper information about the goods and services. ✓✓
- Varying/differentiating the quality of goods when selling in different areas, known as place discrimination. ✓✓
- Prioritising the needs of any consumer group over another when marketing/selling goods and services. ✓✓
- Falsifying information about the product such as country of origin, types of ingredients and expiry dates etc. ✓✓
- Any other relevant answer related to actions regarded as non-compliance according to the CPA.

Max (4)

**2.1.3 Negative impact of the CPA on the business**

- The implementation of the CPA is time-consuming, expensive, prescriptive and administratively burdensome✓, especially the implementation processes and procedures required by the CPA. ✓
- Consumers can take advantage of a business✓ and return goods when it is not necessary to do so. ✓
- Businesses may lose their competitive advantage✓ as confidential and classified information may become available to competitors. ✓
- Training costs of the business increases as staff need to be trained on the CPA✓ and the business often has to employ legal specialists that are knowledgeable of the CPA. ✓
- Documentation, such as sales contracts, must be edited, upgraded and simplified which places additional financial strain on the business✓, because consumers have the right to receive contracts in an understandable language. ✓
- Businesses experience significant increases in administration costs✓, as legal contracts need to be reworded so that it is in a language that is easily understandable to consumers. ✓
- Any other relevant answer related to the negative impact of the CPA on businesses.

Max (6)

## 2.1.4 Consumer rights in terms of the CPA

### Right to choose ✓✓

- Choose suppliers and goods and services. ✓
- Shop around for the best prices and then make informed choices. ✓
- Return goods that are unsafe/defective for a full refund. ✓
- Request written quotations and cost estimates. ✓
- Any other relevant answer related to the right to choose as a consumer right in terms of the CPA.

Right	2
Explanation	1
Submax	3

### Right to fair and honest dealings ✓✓

- Suppliers may not give misleading/false information to consumers. ✓
- Suppliers may not use physical force/harass consumers to buy products. ✓
- Businesses may not overbook/oversell goods/services and then dishonour the agreement. ✓
- Businesses may not promote pyramid schemes and chain-letter schemes. ✓
- Any other relevant answer related to the right to fair and honest dealings as a consumer right in terms of the CPA.

Right	2
Explanation	1
Submax	3

### Right to information about products and agreements/Right to disclosure and information ✓✓

- Businesses must ensure that contracts/agreements should be in a plain language, that is simple and easy to understand. ✓
- Businesses should label product and trade descriptions accurately. ✓
- Businesses should display prices which are fully inclusive/disclosing of all costs. ✓
- Businesses should charge consumers the lower price if two different prices for the same product are displayed. ✓
- Any other relevant answer related to the right to information about products and agreements/right to disclosure and information as a consumer right in terms of the CPA.

Right	2
Explanation	1
Submax	3

### Right to fair/responsible marketing/promotion ✓✓

- Businesses should disclose all information related to the country of origin, expiry dates/ingredients of the products. ✓
- Consumers may cancel purchases made through direct marketing within five working days/cooling off-period. ✓
- Businesses should not deliberately mislead consumers on pricing, benefits/uses of goods. ✓
- Businesses should conduct marketing of business activities in a responsible manner that complies with guidelines as outlined in the CPA. ✓
- Any other relevant answer related to the right to fair/responsible marketing/promotion as a consumer right in terms of the CPA.

Right	2
Explanation	1
Submax	3

### Right to accountability from suppliers ✓✓

- Businesses should honour credit vouchers and prepaid services. ✓
- Suppliers in possession of any prepaid certificates/credit vouchers must not treat such property as theirs and must exercise care/diligence and skill/and assume liability for any losses suffered by consumers in this regard. ✓
- Consumers have the right to be protected in lay-by agreements. ✓

- Suppliers must supply equivalent or superior products or offer a full refund with interest if goods in the lay-by are not provided by businesses. ✓
- Any other relevant answer related to the right to accountability from suppliers as a consumer right in terms of the CPA.

Right	2
Explanation	1
Submax	3

**Right to fair/just/reasonable terms and conditions ✓✓**

- Consumers have the right to protection against unfair, unreasonable or unjust contract terms. ✓
- Consumers have the right to approach the Court to ensure fair and just conduct, terms and conditions. ✓
- Businesses should provide consumers with written notices of clauses that may limit consumer rights. ✓
- Businesses may not market/sell goods at unfair prices to consumers. ✓
- Any other relevant answer related to the right to fair/just/reasonable terms and conditions as a consumer right in terms of the CPA.

Right	2
Explanation	1
Submax	3

**Right to equality in the consumer market place ✓✓**

- Businesses may not charge different prices for the same goods/services. ✓
- Businesses should not discriminate against any group of consumers when marketing their products and services in different areas/places. ✓
- Businesses should not limit access to goods and services in the consumer market. ✓
- Businesses may not under any circumstance, vary the quality of their goods to different consumers as this is discriminatory. ✓
- Any other relevant answer related to the right to equality in the consumer market place as a consumer right in terms of the CPA.

Right	2
Explanation	1
Submax	3

**Max (12)**

**2.1.5 Penalties for non-compliance with regards to the CPA**

- Businesses that do not comply may receive a compliance order that forces the business to comply with the CPA. ✓✓
- Businesses who neglect to comply with the CPA may receive large fines and may be even provided with a jail sentence, that is dependent on the severity of the non-compliance. ✓✓
- Licences of businesses may be revoked for unfair consumer practices. ✓✓
- Business may be requested by the National Consumer Commission (NCC) to suspend activities indefinitely. ✓✓
- Businesses may be compelled to pay interest or damages that is due to the consumer. ✓✓
- Any other relevant answer related to the consequences for non-compliance with regards to the CPA.

**Max (6)**

Breakdown of marks	
Question 2	Marks
2.1.1	2
2.1.2	4
2.1.3	6
2.1.4	12
2.1.5	6
<b>TOTAL</b>	<b>30</b>

## Consolidation

Learner's Book page 36 – 40

### QUESTION 1

DOWN		ACROSS	
1	Compensation board ✓✓	2	National Credit Act ✓✓
3	Bargaining councils ✓✓	4	Lockout ✓✓
5	Employment Equity Plan ✓✓	6	Labour Relations Act ✓✓
7	Employment Equity Act ✓✓	8	Labour Court ✓✓
9	National Credit Regulator ✓✓	10	Compliance order ✓✓
11	Affirmative action ✓✓	12	Right to choose ✓✓
13	Learnerships ✓✓	14	Skills Development Act ✓✓
15	Family responsibility leave ✓✓	16	Ownership ✓✓
17	National Consumer Commission ✓✓	18	Fronting ✓✓

Breakdown of marks	
Question 1	Marks
	36
<b>TOTAL</b>	<b>36</b>

### QUESTION 2

#### 2.1 Multiple choice

- 2.1.1 A ✓✓
- 2.1.2 D ✓✓
- 2.1.3 A ✓✓
- 2.1.4 C ✓✓
- 2.1.5 D ✓✓

(5 × 2) (10)

#### 2.2 Choose the correct answer

- 2.1.1 F ✓✓
- 2.1.2 A ✓✓
- 2.1.3 B ✓✓
- 2.1.4 G ✓✓
- 2.1.5 I ✓✓

(5 × 2) (10)

Breakdown of marks	
Question 2	Marks
2.1	10
2.2	10
<b>TOTAL</b>	<b>20</b>

### QUESTION 3

#### 3.1 Legislation

##### 3.1.1 Acts violated by DHM

Acts	Motivations
1. Skills Development Act/SDA ✓✓	The business does not pay the 1% skills development levy irrespective that the annual payroll is R6 500 000. ✓
2. Basic Conditions of Employment Act/BCEA ✓✓	When workers work on Sundays, they are paid their normal rate. ✓
3. Broad-Based Black Economic Empowerment Act/BBBEE ✓✓	Due to fronting, this misrepresentation has resulted in greater access to government tenders. ✓
4. Consumer Protection Act/CPA ✓✓	In addition, the country of origin for the materials used are not indicated in the labels of the garments. ✓
5. Employment Equity Act/EEA ✓✓	Furthermore, affirmative action requirements are often not met.
<b>Submax (8)</b>	<b>Submax (4)</b>

**NOTE: 1** The answer does not have to be in tabular format.

**2** Award marks for the correct identification of the Act/legislation even if the quote is incomplete/incorrect.

**3** Do not award marks for the motivation, if the Acts/legislations were incorrectly identified.

**4** Mark the first FOUR (4) Acts with the corresponding motivation only.

Max (12)

#### 3.2 Consumer rights as stipulated in the NCA

- Right to choose ✓
- Right to fair and honest dealings ✓
- Right to information about products and agreements/Right to disclosure and information ✓
- Right to fair/responsible marketing/promotion ✓
- Right to accountability from suppliers ✓
- Right to fair/just/reasonable terms and conditions ✓
- Right to equality in the consumer market place ✓
- Any other relevant answer related to consumer rights according to the NCA.

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

Max (4)

#### 3.3 Role of SETAs in supporting the implementation of the SDA

- Registers various learnerships and learning programmes. ✓✓
- Promotes and establishes various learnerships. ✓✓
- Approves the workplace skills plans and annual training reports submitted by businesses. ✓✓
- Develops skills plans that are in line with the aims of the National Skills Development Strategy (NSDS). ✓✓
- Develops/builds skills development plans for the various economic sectors. ✓✓
- Promotes learnerships and learning programmes by correctly identifying the best workplaces for practical work experience. ✓✓
- Any other relevant answer related to the role of SETAs in supporting the implementation of the SDA.

Max (6)

### 3.4 Parental leave as a provision of the BCEA

- An employee who is a parent is entitled to 10 consecutive day's parental leave✓ after the birth of his/her child irrespective of gender. ✓
- Parental leave is unpaid✓ but the employee/parent may claim from the Unemployment Insurance Fund/UIF. ✓
- The employer must be informed/notified at least one month✓ before the expected due date of birth. ✓
- Adoption leave is applicable to the adoption of a child✓ below the age of 2 years. ✓
- One parent of the adopted child is entitled to 10 weeks adoption leave to take of the child✓, while the other parent is entitled to 10 consecutive day's normal parental leave. ✓
- Commissioning parental leave is only applicable to surrogate motherhood where one parent is entitled to 10 weeks commissioning parental leave to take of the child✓, while the other parent is entitled to 10 consecutive day's normal parental leave. ✓
- Any other relevant answer related to parental leave as a provision of the BCEA.

Max (6)

### 3.5 Negative impact of the EEA on businesses

- The implementation of the EEA is time-consuming, expensive, prescriptive and administratively burdensome✓ because employment equity reports must be submitted to the Department of Labour every two years. ✓
- The training costs of the business increases✓, as employees need to be correctly trained regarding the EEA. ✓
- Employment Equity appointments may cause conflict in the workplace✓ as some employees may not respect the knowledge, skills, qualifications and experiences of the EE appointment. ✓
- Businesses sometimes appoint unsuitable and unqualified candidates into an EE position✓ in order to meet the requirements of the employment equity plan. ✓
- Businesses find it difficult to make appointments✓ because of the unsuitability of the candidate, which results in the position not being filled. ✓
- Businesses must submit employment equity plans and compliance certificates✓ before business can be conducted with the state. ✓
- Any other relevant answer related to the negative impact of the EEA on businesses.

Max (6)

### 3.6 Compliance with BBBEE

- Businesses need to find all means to achieve the requirements of the five BBBEE pillars✓, such as promoting affirmative action when making appointments. ✓
- Conduct business activities with BBBEE compliant✓ vendors/suppliers/participate in preferential procurement.
- Conduct regular skills development training✓ with black employees. ✓
- Sell shares to more black individuals✓ (within and outside) the organisation. ✓
- Appoint and promote more black employees✓ into managerial positions. ✓
- Implement sound Corporate Social Investment (CSI) policies✓ to improve and develop society at large. ✓
- Any other relevant answer related to ways in which businesses can comply with BBBEE.

Max (6)

Breakdown of marks	
Question 3	Marks
3.1.1	12
3.2	4
3.3	6
3.4	6
3.5	6
3.6	6
<b>TOTAL</b>	<b>40</b>

## QUESTION 4

### 4.1 Legislation from given statements

- 4.1.1 Broad-Based Black Economic Empowerment Act/BBBEE ✓✓
- 4.1.2 National Credit Act/NCA ✓✓
- 4.1.3 Skills Development Act/SDA ✓✓
- 4.1.4 Basic Conditions of Employment Act/BCEA ✓✓
- 4.1.5 Compensation for Occupational Injuries and Diseases Act/COIDA ✓✓

(5 × 2) (10)

### 4.2 Purpose of the SDA

- Develops the skills of the South African people, with the purpose of improving productivity. ✓✓
- Encourages businesses to improve the skills of new and existing workers. ✓✓
- Invests in the education and training of the South African workforce. ✓✓
- Purposefully redresses imbalances of the past through education and training. ✓✓
- Improves the job prospects of previously disadvantaged people. ✓✓
- Provides the systematic implementation of strategies on a national, sector and workplace basis. ✓✓
- Any other relevant answer related to the purpose of the SDA.

Max (6)

### 4.3 Consumer rights from the scenario

#### 4.3.1 Consumer rights violated by the business from the scenario

CONSUMER RIGHTS	MOTIVATIONS
1. Right to fair/responsible marketing/promotion ✓✓	A hairstylist at Nkwenkwana Professional Hairstylists did not declare all the ingredients of one of the hair products to a customer, and because of this, the customer who was allergic to one of the ingredients, was hospitalised. ✓
2. Right to fair and honest dealings ✓✓	Sales staff also harassed customers to make purchases. ✓

- NOTE:** 1 The answer does not have to be in tabular format.  
 2 Award marks for the correct consumer right even if the quote is incomplete.  
 3 Do not award marks for the motivation if the consumer rights were incorrectly identified.

Max (6)

#### 4.3.2 Other consumer rights as outlined in the CPA

##### Right to choose ✓✓

- Choose suppliers and goods and services. ✓
- Shop around for the best prices and then make informed choices. ✓
- Return goods that are unsafe/defective for a full refund. ✓
- Request written quotations and cost estimates. ✓
- Any other relevant answer related to the right to choose as a consumer right in terms of the CPA.

Right	2
Explanation	1
Submax	3

##### Right to information about products and agreements/Right to disclosure and information ✓✓

- Businesses must ensure that contracts/agreements should be in a plain language, that is simple and easy to understand. ✓
- Businesses should label product and trade descriptions accurately. ✓
- Businesses should display prices which are fully inclusive/disclosing of all costs. ✓
- Businesses should charge consumers the lower price if two different prices for the same product are displayed. ✓
- Any other relevant answer related to the right to information about products and agreements/right to disclosure and information as a consumer right in terms of the CPA.

Right	2
Explanation	1
Submax	3

**Right to accountability from suppliers ✓✓**

- Businesses should honour credit vouchers and prepaid services. ✓
- Suppliers in possession of any prepaid certificates/credit vouchers must not treat such property as theirs and must exercise care/diligence and skill/and assume liability for any losses suffered by consumers in this regard. ✓
- Consumers have the right to be protected in lay-by agreements. ✓
- Suppliers must supply equivalent or superior products or offer a full refund with interest if goods in the lay-by are not provided by businesses. ✓
- Any other relevant answer related to the right to accountability from suppliers as a consumer right in terms of the CPA.

Right	2
Explanation	1
Submax	3

**Right to fair/just/reasonable terms and conditions ✓✓**

- Consumers have the right to protection against unfair, unreasonable or unjust contract terms. ✓
- Consumers have the right to approach the Court to ensure fair and just conduct, terms and conditions. ✓
- Businesses should provide consumers with written notices of clauses that may limit consumer rights. ✓
- Businesses may not market/sell goods at unfair prices to consumers. ✓
- Any other relevant answer related to the right to fair/just/reasonable terms and conditions as a consumer right in terms of the CPA.

Right	2
Explanation	1
Submax	3

**Right to equality in the consumer market place ✓✓**

- Businesses may not charge different prices for the same goods/services. ✓
- Businesses should not discriminate against any group of consumers when marketing their products and services in different areas/places. ✓
- Businesses should not limit access to goods and services in the consumer market. ✓
- Businesses may not under any circumstance, vary the quality of their goods to different consumers as this is discriminatory. ✓
- Any other relevant answer related to the right to equality in the consumer market place as a consumer right in terms of the CPA.

Right	2
Explanation	1
Submax	3

**NOTE: 1 Do not award marks for the right to fair/responsible marketing/promotion.**

**2 Do not award marks for the right to fair and honest dealings.**

**Max (6)**

**4.3.3 Compliance with the CPA**

- Display the business's name on all business documentation, for example, letterheads/ invoices/contracts. ✓✓
- Allow consumers a five-day cooling off period in the sales agreement. ✓✓
- Disclose the prices of all products that are on sale. ✓✓
- Ensure that the quality of the goods and services is standardised and identical for all consumers. ✓✓
- Comply with requirements regarding the display of information on labels/ packaging, for example, smoking is hazardous for pregnant women. ✓✓
- Conduct training with all staff members and stakeholders on the CPA. ✓✓
- Any other relevant answer related to ways in which NPH can comply with the CPA.

**Max (6)**

#### 4.4 Impact of COIDA on businesses

##### Positives/advantages

- Promotes health and safety ✓ in the workplace. ✓
- Creates an enabling framework ✓ for acceptable employment practices/safety regulations. ✓
- Covers all employees in the workplace ✓, if both parties (employers and employees) meet all the necessary safety provisions as outlined by COIDA. ✓
- Supplies administrative guidelines/mechanisms ✓ for dealing with and processing claims. ✓
- Provides employees with financial (monetary) compensation for any injury/disability/illness ✓ that results from performing workplace duties. ✓
- Protects employees from financial burden should an accident occur in the workplace ✓, provided that the employer is not guilty of negligence and have made contributions to the Compensation Fund. ✓
- COIDA does provide compensation ✓ for domestic workers. ✓
- Any other relevant answer related to the positives/advantages of COIDA on businesses. ✓

##### AND/OR

##### Negatives/disadvantages

- The implementation of COIDA is time-consuming, expensive, prescriptive and administratively burdensome ✓, especially the lengthy claiming processes/procedures. ✓
- Employers have to register all their employees in order to make annual contributions to COIDA ✓, which may result in cash flow problems for the business. ✓
- Implementation processes/procedures required by the Act may be expensive ✓ and place additional financial burden on struggling businesses. ✓
- Employers may be forced to pay heavy penalties ✓ if they are found guilty of negligence, or for not enforcing safety measures. ✓
- South Africans who are temporarily/permanently employed in foreign countries are not covered by COIDA. ✓
- COIDA does not cover ✓ military workers. ✓
- Any other relevant answer related to the negatives/disadvantages of COIDA on businesses.

Max (6)

Breakdown of marks	
Question 4	Marks
4.1	10
4.2	6
4.3.1	6
4.3.2	6
4.3.3	6
4.4	6
<b>TOTAL</b>	<b>40</b>

### QUESTION 5: BUSINESS ENVIRONMENTS (BASIC CONDITIONS OF EMPLOYMENT ACT AND LABOUR RELATIONS ACT)

#### 5.1 Introduction

- The BCEA sets out the minimum conditions that ensure fair labour practices and human resources practices in the workplace. ✓
- The BCEA makes provision for conditions of employment which include hours of work, overtime and leave to which employers must adhere. ✓
- The LRA is an enabling framework that regulates the relationship between employees and employers, and promotes sound relations between trade unions and employer organisations. ✓
- Businesses should strive to derive the positive impact and reduce the negative impact of the LRA on their operations. ✓
- Businesses should ensure that they do not participate in actions regarded as non-compliance as they violate the LRA and are unjust/unfair and illegal. ✓
- Penalties/consequences for non-compliance refer to the legal charges businesses may face for not complying with the particular Act. ✓
- Any other relevant introduction related to the purpose of the BCEA/Provisions of the BCEA/impact of the LRA on businesses/actions regarded as non-compliance according to the LRA.

Any (2 × 1) (2)

## 5.2 Purpose of the BCEA

- Outlines clear terms and conditions of employment for employers and employees. ✓✓
- Regulates and promotes the right to fair labour practices as outlined in the Constitution of South Africa. ✓✓
- Provides minimum requirements/standards for the creation of employment contracts. ✓✓
- Advances the economic development and social justice of employees. ✓✓
- Adheres to the rules and regulations set out by the International Labour Organisation. ✓✓
- Regulates the variations of the basic conditions of employment. ✓✓
- Any other relevant answer related to the purpose of the BCEA.

Max (8)

## 5.3 Provisions of the BCEA

### Hours of work ✓✓

- Employees are not allowed✓ to work for more than 45 hours per week. ✓
- Employees may work 9 hours a day✓ if they work five days or less per week. ✓
- Employees may work 8 hours a day✓ if they work more than five days a week. ✓
- Night work performed by employees after 18:00 and before 6:00✓ the next day should be done by mutual agreement and employees must be compensated by allowance/reduction of work hours. ✓
- Any other relevant answer related to hours of work as a provision of the BCEA.

Submax (4)

### Overtime ✓✓

- Employees cannot be forced to work overtime✓ and must agree to work overtime. ✓
- Employees cannot work more than 3 hours overtime per day✓, or 10 hours per week. ✓
- Overtime must be compensated as follows:
- 1 ½ times/One and half times the normal rate of pay✓ for overtime worked on week days and Saturdays. ✓
- 2 times/ Twice/ Double the normal rate of pay✓ for overtime worked on Sundays and public holidays. ✓
- Any other relevant answer related to overtime as a provision of the BCEA.

Submax (4)

### Leave

#### Annual leave ✓✓

- 21 consecutive days annual leave per year✓ or 1 day for every 17 days worked/ 1 hour for every 17 hours worked. ✓
- An employer can only pay a worker in lieu/instead of granting leave✓ if that worker leaves the job/ terminates the employment contract. ✓
- Annual leave must be granted within 6 months✓ after the leave cycle ended. ✓
- Any other relevant answer related to annual leave as a provision of the BCEA.

#### Sick leave ✓✓

- Employees are entitled to 30 days/6 weeks paid sick leave✓ in a 3 year/36 months cycle. ✓
- 1 day paid sick leave for 26 days worked✓ during the first 6 months of employment. ✓
- A medical certificate may be required before paying an employee✓ who is absent for more than 2 consecutive days/ who is frequently absent. ✓
- Thereafter, they may take all 30 days sick leave✓, provided they meet the legal requirements. ✓
- Any other relevant answer related to sick leave as a provision of the BCEA.

#### Maternity leave ✓✓

- Pregnant employees are entitled✓ to four consecutive months of maternity leave. ✓
- Pregnant employees are prevented from performing work that may be hazardous✓ to themselves and the unborn child. ✓
- Maternity leave usually commences from any time from four weeks before✓ the expected date of birth of the unborn child under the advice of a doctor/midwife. ✓
- Any other relevant answer related to maternity leave as a provision of the BCEA.

#### Family responsibility leave ✓✓

- An employee may receive 3 to 5 days paid leave per year on request in the event of✓ the death of the employee's spouse/life partner/parent/ adoptive parent/ grandparent/child/adoptive child/grandchild/sibling. ✓
- An employer may require reasonable proof, before approving this type of leave✓, such as a death certificate of the family member whose funeral will be attended. ✓
- Any other relevant answer related to family responsibility leave as a provision of the BCEA.

### Parental leave ✓✓

- An employee who is a parent is entitled to 10 consecutive day's parental leave✓ after the birth of his/her child irrespective of gender. ✓
- Parental leave is unpaid✓ but the employee/parent may claim from the Unemployment Insurance Fund/UIF. ✓
- The employer must be informed/notified at least one month✓ before the expected due date of birth. ✓
- Adoption leave is applicable to the adoption of a child✓ below the age of 2 years. ✓
- One parent of the adopted child is entitled to 10 weeks adoption leave to take of the child✓, while the other parent is entitled to 10 consecutive day's normal parental leave. ✓
- Commissioning parental leave is only applicable to surrogate motherhood where one parent is entitled to 10 weeks commissioning parental leave to take of the child✓, while the other parent is entitled to 10 consecutive day's normal parental leave. ✓
- Any other relevant answer related to parental leave as a provision of the BCEA.

Submax (4)

### Meal breaks and rest periods ✓✓

- Employees must have a meal break of 60 minutes✓ after 5 continuous hours of work. ✓
- The meal break can be reduced to 30 minutes/half an hour ✓ by mutual written agreement, when working less than 6 hours per day. ✓
- Employees must have a daily rest period✓ of 12 continuous hours/a weekly rest period of 36 continuous hours which must include Sundays. ✓
- Any other relevant answer related to meal breaks and rest periods as a provision of the BCEA.

Submax (4)

### Public holidays ✓✓

- Employees must be paid for any public holiday that falls on a working day.
- Employees work on public holidays by mutual agreement and are paid double/2 times/twice their normal rate.
- Any other relevant answer related to public holidays as a provision of the BCEA.

Submax (4)

### Termination of employment ✓✓

- An employment contract may only be terminated following 1 week's notice✓, if the employee has been employed for 6 months or less. ✓
- A minimum of 4 weeks' notice must be given to the business✓, if the employee has been employed for a year or longer. ✓
- The employee must be given formal notice in writing if the employer has terminated the contract✓, similarly, the employee must give the employer formal notice in writing for terminating the contract. ✓
- Any other relevant answer related to termination of employment as a provision of the BCEA.

Submax (4)

### Child and forced labour ✓✓

- It is illegal to employ a child younger✓ than 15 years of age in South Africa. ✓
- It is also illegal to force✓ an employee to work. ✓
- Businesses may employ children over the age of 15 years✓, if employment is not harmful to their welling-being/ health/ /education/moral and social development/ minors under the age of 18 may not do dangerous work/work meant for an adult. ✓
- Any other relevant answer related to child and forced labour.

Max (16)

## 5.4 Impact of the LRA on businesses

### Positives/advantages

- Ensures the participation of all parties in the collective bargaining process✓, which reduces conflict in the workplace. ✓
- Protects the rights of businesses and employer organisations ✓ in labour related issues. ✓
- Promotes quick and less expensive✓ labour dispute resolutions. ✓
- Protects employers who recourse lawful lockouts✓ when negotiations between parties fail and when employees participate in strike action. ✓
- Prevents unfair discrimination in the workplace✓, because equal opportunities are promoted for all employees. ✓
- Provides sound dispute resolution✓ through consensus between organised labour, businesses and the state. ✓
- Any other relevant answer related to the positives/advantages of the LRA for businesses.

AND/OR

**Negatives/disadvantages**

- The LRA may reduce global competitiveness of businesses ✓ due to lower workplace productivity. ✓
- Businesses may lose their competitive advantage because important information is often disclosed to trade unions ✓ during collective bargaining which may be leaked to competitors. ✓
- The LRA results in decreased profitability of businesses ✓ because of a decline in productivity and sales. ✓
- Productivity may decrease significantly ✓ if employees engage in trade union related activities during work hours. ✓
- The implementation of the LRA may be very costly and time-consuming ✓, especially the dispute resolution process. ✓
- The employment of legal specialists and labour consultants ✓ increases the costs of the business. ✓
- Any other relevant answer related to the negatives/disadvantages of the LRA for businesses.

Max (12)

**5.5 Actions regarded as non-compliance according to the LRA**

- Dismissing employees unfairly or illegally. ✓✓
- Preventing employees from forming and joining trade unions. ✓✓
- Refusing to provide trade union representatives leave to attend to trade union matters. ✓✓
- Preventing employees from participating in legal strikes. ✓✓
- Dismissing employees who participate in legal strikes. ✓✓
- Forcing employees to give up their trade union membership and representation. ✓✓
- Any other relevant answer related to actions that are regarded as non-compliance by the LRA.

Max (10)

**5.6 Conclusion**

- Businesses must keep abreast of amendments made regarding the variations on the BCEA provisions by the Minister of Labour. ✓✓
- Through effective implementation of the LRA, fair labour practices in the workplace contribute to improved efficiency in business operations with minimal disruptions. ✓✓
- Sound adherence/implementation of the LRA ensures that businesses derive the positive impact and reduce the negative impact of the Act on their operations. ✓✓
- Businesses need to implement effective ways of improving compliance with the BCEA and LRA in order to avoid heavy penalties. ✓✓
- Any other relevant conclusion related to the purpose of the BCEA/provisions of the BCEA/impact of the LRA on businesses/actions regarded as non-compliance according to the LRA.

Any (1 × 2) (2)  
[40]

Question 5: Breakdown of mark allocation		
DETAILS	MAXIMUM	TOTAL
5.1 Introduction	2	Max 32
5.2 Purpose of the BCEA	8	
5.3 Provisions of the BCEA	16	
5.4 Impact of the LRA on businesses	12	
5.5 Actions regarded as non-compliance according to the LRA	10	
5.6 Conclusion	2	
INSIGHT		
Layout	2	8
Analysis/Interpretation	2	
Synthesis	2	
Originality/Examples	2	
<b>TOTAL MARKS</b>		<b>40</b>

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

# TOPIC 2 The human resources function

## Teaching tips:

How to introduce the topic	Specific strategies to teach/approach the topic
<ul style="list-style-type: none"> <li>• Refer learners to the content covered in Grade 11.</li> <li>• Emphasise that this topic in Grade 12 builds on the foundational knowledge of the content covered in 11.</li> <li>• Compile a baseline assessment to determine content gaps.</li> <li>• Revise &amp; consolidate content identified in the analysis of the baseline assessment.</li> <li>• Unpack the glossary of concepts with learners.</li> <li>• The human resources function in a business focuses on recruitment, management and providing direction for the employees.</li> <li>• Emphasise the human resources activities that will be focused on in this topic.</li> <li>• Revise the different ways in which businesses should comply with the SDA, LRA, BCEA and EEA before teaching the implications of these Acts on the human resources function. Then emphasise, that learners should not confuse the evaluation of the Acts done in topic 1 with the implications of the above mentioned Acts on the HR function, as it is not the same thing.</li> </ul>	<ul style="list-style-type: none"> <li>• Scenarios, statements and employment advertisements are useful tools that should be used to explain the differences between 'job description' and 'job specification'.</li> <li>• Provide a detailed description of these concepts.</li> <li>• Use columns and tabulations when teaching sources and methods of recruitment.</li> <li>• Provide opportunities for learners to conduct research on the impact of internal and external recruitment methods.</li> <li>• This will enable learners to gain insight in this topic and be able to respond appropriately, to direct and indirect questions</li> <li>• Practical demonstrations and role-playing activities can be used to enhance understanding of the concepts: interviewer and interviewee. The use of a two-column table listing the differences between the roles of the interviewer and interviewee will assist learners to apply this knowledge to specific scenarios and extracts used in formal assessment tasks.</li> <li>• As a practical application exercise, learners must be requested to Google or research different examples of benefits offered by businesses and report on their impact.</li> <li>• A clear distinction must be made between the purpose, aspects and benefits of induction. It is important to understand the purpose of induction before unpacking the aspects that must be included in an induction programme, as some vital aspects for inclusion may be embedded in the purpose. Here again, learners must be reminded to provide complete sentences when responding to questions on the purpose of induction to avoid losing marks unnecessarily.</li> <li>• Encourage learners to write full sentences on reasons for the termination of an employment contract.</li> <li>• Use practical examples of the differences between piecemeal and time-related salary determination methods.</li> <li>• Lower- and middle-order questioning can be effectively used in these topics, as a means to illustrate the difference.</li> </ul>

Important tips for the topic	Other ways of assessing the topic
<ul style="list-style-type: none"> <li>• Learners must be made aware that certain examples of external recruitment fall under the same category and marks will be lost if these are repeated.</li> <li>• A clear distinction must be made between the sources of internal and external recruitment, as well as between the sources and methods of recruitment.</li> <li>• Learners must recognise the difference between the words 'interviewer' and 'interviewee' in relation to the roles of each party during an interview.</li> <li>• It should be emphasised that the HR function does not train employees, but assists managers in identifying employee training and development needs. The word 'implications' refer to compliance, as the focus is on how the human resources function should comply with SDA, LRA, BCEA and EEA</li> <li>• Learners must be alerted to the fact that businesses would offer lucrative fringe benefits to attract and retain skilled and competent employees.</li> </ul>	<ul style="list-style-type: none"> <li>– Consult the following past NSC Question Papers for Section B and C type questions type questions</li> <li>– May/June 2021 P1 Question 3.3 – scenario on job analysis</li> <li>– May/June 2021 P1 Question 4.5 – scenario on interviews</li> <li>– Nov 2020 P1 Question 3.4 – scenario on recruitment</li> <li>– Nov 2020 P1 Question 6 – essay on the human resources function</li> <li>– Nov 2019 Question 5.2 – scenario on job description and job specification</li> <li>– Nov 2019 Question 6.10 – scenario on termination of an employment contract</li> <li>– June 2019 Question 5.3 – scenario on recruitment</li> <li>– June 2019 Question 10 – essay on human resources</li> <li>– Nov 2018 Question 5.3 – scenario on the role of the interviewer and candidate</li> <li>– May/June 2018 Question 5.4 – scenario on salary determination methods</li> <li>– May/June 2018 Question 10 – essay on human resources</li> <li>– Feb/March 2018 Question 5.4 – scenario on salary determination methods</li> <li>– Feb/March 2018 Question 6.9 – scenario on employment contract</li> <li>• Create informal 10 mark quizzes/tests on the key terms of the previous day's content – in that way teachers expose learners to continuous consolidation.</li> <li>• Ensure that learners practice writing various examples of essays to ensure optimum exposure.</li> </ul>

## Memoranda to activities

### Activity 2.1 Learner's Book page 52

#### QUESTION 1

##### 1.1 Introduction

- Recruitment aims to attract/source the best possible applicants that possess the required skills/knowledge/ qualifications/competencies/experience to fill vacancies/available posts. ✓
- A job analysis is a tool used by the human resources function to obtain and analyse information about the business's workforce so that they can place the right person in the right job. ✓
- The human resources department must make use of reliable recruitment procedures/processes/systems to achieve specific human resources goals. ✓
- Any other relevant introduction related to the meaning of recruitment/job analysis/recruitment procedure/impact of external recruitment.

Any (2 × 1) (2)

## 1.2 Meaning of recruitment

- Recruitment is the process used by a business to identify ✓ certain vacancies in the business and attract suitable candidates for them. ✓
- Recruitment aims to find candidates who have the necessary ✓ skills/knowledge/qualifications/competencies/ experience 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/achieve promotions/retire/as new technological skills are required. ✓
- It begins with the process of actively seeking out/finding candidates for certain vacancies ✓ from inception to the successful integration of the candidate/recruit into the business. ✓
- Any other relevant answer related to the meaning of recruitment.

Max (10)

## 1.3 Distinction between the components of job analysis

JOB DESCRIPTION ✓✓	JOB SPECIFICATION ✓✓
Describes duties/responsibilities/of ✓ a specific job. ✓	Describes the minimum acceptable ✓ personal qualities/skills/ qualifications needed for the job. ✓
Written description of the job ✓ and its requirements. / Summary of the nature/type of job. ✓	Written description of specific qualifications/skills/ experience ✓ needed for the job. ✓
Describes key performance areas tasks for a specific job ✓ for example, job title/duties/working conditions/ locations of the place of work/relationship of the job with other jobs in the business, etc. ✓	Describes key requirements for the person who will fill the position ✓, for example, formal qualifications /willingness to travel/work unusual hours, etc. ✓
Any other relevant answer related to job description.	Any other relevant answer related to the job specification.

Component	2
Explanation	4
Submax	6

Component	2
Explanation	4
Submax	6

- NOTE: 1** The answer does not have to be in tabular format.
- 2** The difference does not have to link but they must be clear.
- 3** Award a maximum of SIX (6) marks if the difference is not clear/mark either job description or job specification only.

Max (12)

## 1.4 Recruitment procedure

- The human resources manager (HRM) should evaluate the job/prepare a job analysis ✓, that includes the job specification/job description/in order to identify recruitment needs. ✓
- The HRM should indicate the job specification/key performance areas ✓ to attract suitable candidates. ✓
- Choose the method of recruitment ✓, for example, internal/external recruitment, to reach/target the suitable applicants/ candidates. ✓
- If the external recruitment is chosen ✓, the relevant recruitment sources should be selected, for example, recruitment agencies/tertiary institutions/ newspapers/electronic media, etc. ✓
- Vacancies can be internally advertised ✓ via internal email/word of mouth/posters/office notice boards etc. ✓
- External recruitment should be considered ✓ if internal recruitment was unsuccessful. ✓
- The advertisement should be prepared with the relevant information ✓, for example, the name of the company, contact details, contact person, etc. ✓
- Place the advertisement in the selected media ✓ that will ensure that the best candidates apply. ✓
- Any other relevant answer related to the recruitment procedure.

Max (12)

## 1.5 Impact of external recruitment

### Positives/advantages

- New candidates bring new✓ talents/ideas/experiences/skills/knowledge into the business. ✓
- It may help the business to meet✓ affirmative action/EEA and BBBEE targets. ✓
- There is a larger pool of candidates✓ from which to choose. ✓
- There is a better chance of getting suitable candidates with the required skills/qualifications/competencies/experience ✓ who do not need much training/development which reduces costs. ✓
- Minimises unhappiness/conflict amongst current/existing employees✓ who may have applied for the post. ✓
- Overall efficiency/productivity may occur✓ if the new worker actively adds value to the business. ✓
- Any other relevant answer related to the positives/advantages of external recruitment on businesses.

### AND/OR

### Negative/disadvantages

- External sources can be expensive✓, for example, recruitment agencies' fees/advertisements in newspapers/magazines. ✓
- The selection process may result in✓ an ineffective/incompetent candidate being chosen. ✓
- Information on CVs/referees✓ may not be reliable/may be falsified. ✓
- Recruitment process takes longer/is more time consuming and 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/increases costs of the business. ✓
- Many unsuitable applications✓ may slow down the selection process. ✓
- Any other relevant answer related to the negatives/disadvantages of external recruitment on businesses.

Max (12)

## 1.6 Conclusion

- Employees are the most valuable asset of the business, and therefore the success of the business is strongly influenced by sound recruitment processes applied by the human resources function. ✓✓
- Businesses would use external recruitment after internal recruitment methods were deemed unsuccessful. ✓✓
- Businesses would choose to use external recruitment depending on the nature of the job according to the job analysis. ✓✓
- Any other relevant conclusion related to the meaning of recruitment/job analysis/recruitment procedure/impact of external recruitment.

Any (1 × 2) (2)

[40]

Question 1: Breakdown of mark allocation		
DETAILS	MAXIMUM	TOTAL
1.1 Introduction	2	Max 32
1.2 Meaning of recruitment	10	
1.3 Distinction between the components of job analysis	12	
1.4 Recruitment procedure	12	
1.5 Impact of external recruitment	12	
1.6 Conclusion	2	
INSIGHT		
Layout	2	8
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.

**QUESTION 1**

**1.1 Interviews and selection procedure**

**1.1.1 Roles of an interviewee during the interview from the scenario**

- Tamia listened carefully to questions before responding during the interview. ✓
- Tamia also demonstrated confidence during the interview. ✓

**NOTE: 1 Do not award marks for quotes that are incomplete.  
2 Mark the first TWO (2) answers only.**

(2 × 1) (2)

**1.1.2 Other roles of an interviewee during the interview**

- Greet the interviewer by name with a solid handshake and a friendly smile. ✓✓
- Make eye contact and have good posture/body language. ✓✓
- 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. ✓✓
- Thank the interviewer for the opportunity given to be part of the interviews. ✓✓
- Any other relevant answer related to the roles of an interviewee during the interview.

**NOTE: 1 Mark the first THREE (3) answers only.  
2 Do not allocate marks for answers quoted in QUESTION 1.1.1.**

Max (6)

**1.1.3 Purpose of an interview**

- Creates an opportunity where information ✓ about the business and applicant can be exchanged. ✓
- Obtains information about the strengths and weaknesses ✓ of each candidate. ✓
- Determines a candidate's suitability ✓ for the job/Determines whether the candidate would add value to the business. ✓
- Helps the employer in choosing/making an informed decision ✓ about the most suitable candidate for the job. ✓
- Matches information provided by the applicant ✓ to the job requirements. ✓
- Evaluates the skills/personal characteristics/qualities ✓ of the applicant. ✓
- Verifies to a certain degree, the accuracy ✓ regarding information presented on the CV. ✓
- Any other relevant answer related to the purpose of an interview.

Max (6)

**1.1.4 Selection procedure**

**Option 1**

- Determine fair assessment criteria ✓ on which selection will be based. ✓
- Use the assessment criteria to assess all CVs/application forms received during recruitment/Conduct preliminary screening ✓, which is sorting the applications received according to the criteria for the job. ✓
- Check that applicants are not submitting false documents ✓ such as forged certificates/degrees/achievements. ✓
- Make a preliminary list of all applicants ✓ who qualify for the post. ✓
- Screen and check references ✓, for example, 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, for example, skills test. ✓
- Once candidates have been selected ✓, a written offer is made to them. ✓
- Any other relevant answer related to the selection procedure as a human resources activity.

**AND/OR**

### Option 2

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

Max (6)

Breakdown of marks	
Question 1	Marks
1.1.1	2
1.1.2	6
1.1.3	6
1.1.4	6
<b>TOTAL</b>	<b>20</b>

## Activity 2.3

Learner's Book page 60

### QUESTION 1

#### 1.1 Induction and benefits of induction

##### 1.1.1 Meaning of induction

- Induction is the process of introducing new employees✓ to a business/work environment/ organisation. ✓
- New employees should be familiarised✓ with their new physical work environment/organisational culture/ products and services. ✓
- Employees should be informed✓ about the processes/procedures/methods of the business. ✓
- Employees should have a basic knowledge✓ of the expectations of the job✓. /Understand their roles/ responsibilities✓ of the new job. ✓
- Ensure that employees are well conversant✓ with the safety regulations/rules/policies of the business. ✓
- Any other relevant answer related to the meaning of induction.

Max (4)

##### 1.1.2 Benefits of induction from the scenario

- Timber Traders is experiencing a significant reduction in the staff turnover rate as new employees have received proper induction. ✓
- This has resulted in increased productivity and efficiency in the workplace. ✓

**NOTE: 1 Do not award marks for quotes that are incomplete.**

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

(2 × 1) (2)

##### 1.1.3 Other benefits of induction for the business

- New employees who are familiar with the business's policies/procedures may easily adapt to their new work environment. ✓✓
- New employees learn more about the business and understand their role in the business/what is expected in the job. ✓✓
- Minimises the need for on-going training and development. ✓✓
- Improved/Better focused training may be provided based on the results obtained from the induction process. ✓✓
- New employees may feel part of the team resulting in positive morale/motivation. ✓✓
- Any other relevant answer related to the benefits of induction for businesses.

**NOTE: 1 Mark the first THREE (3) answers only.**

**2 Do not allocate marks for answers quoted in QUESTION 1.1.2.**

Max (6)

#### 1.1.4 Aspects that must be included in the induction programme

- Safety regulations and rules. ✓✓
- Overview of the business. ✓✓
- Tour of the premises/business. ✓✓
- Information about the business products/services. ✓✓
- Meeting with senior management who will explain the company's vision/mission/values/job analysis/daily tasks. ✓✓
- Introduction to key people and immediate colleagues. ✓✓
- Conditions of employment, for example, working hours/leave application process/perks/disciplinary procedures, etc. ✓✓
- Discussion of the employment contract and conditions of service. ✓✓
- Discussion of personnel policies, for example, making private phone calls/using the Internet, etc. ✓✓
- Any other relevant answer related to the aspects that must be included in the induction programme.

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

(4 × 2) (8)

Breakdown of marks	
Question 1	Marks
1.1.1	4
1.1.2	2
1.1.3	6
1.1.4	8
<b>TOTAL</b>	<b>20</b>

### Activity 2.4 Learner's Book page 62

#### QUESTION 1

##### 1.1 Importance of training in human resources

###### 1.1.1 Importance of training in human resources from the scenario

- BBT has invested in training to show employees that they are valued. ✓
- An effective training programme exists at BBT in order for employees to enhance their current skills. ✓

**NOTE: Do not award marks for quotes that are incomplete.**

(2 × 1) (2)

###### 1.1.2 Other ways in which the importance of training in human resources could be displayed at the business

- The employee who receives the necessary training is able to perform in their job/improve performance in their job./Employees are more knowledgeable and can perform tasks more efficiently. ✓✓
- Productivity usually increases when the human resources function implements training courses. ✓✓
- Overall profitability of the business will improve because of effective/regular training. ✓✓
- Ongoing training and upskilling of the workforce, encourages creativity. ✓✓
- Contributes positively towards the aims/compliance of the SDA. ✓✓
- Any other relevant answer related to other ways in which the importance of training in human resources could be displayed by businesses.

**NOTE: Do not allocate marks for answers quoted in QUESTION 1.1.1.**

Max (6)

###### 1.1.3 Placement procedure

- The Business should outline specific ✓ responsibilities/expectations/requirements of the new position. ✓
- Determine the successful candidate's strengths/weaknesses/skills/interests/competencies ✓ by subjecting the candidate to various psychometric tests. ✓
- Determine the relationship between ✓ the position and the competencies of the new candidate. ✓
- Any other relevant answer related to the placement procedure.

Max (6)

Breakdown of marks	
Question 1	Marks
1.1.1	2
1.1.2	6
1.1.3	6
<b>TOTAL</b>	<b>14</b>

## Activity 2.5

Learner's Book page 64

### QUESTION 1

#### 1.1 Salary determination methods and the link between salary determination and the BCEA.

##### 1.1.1 Methods of salary determination from the scenario

Employee	Methods of salary determination	Motivations
Okhule	Piecemeal ✓✓	Okhule is remunerated according to the number of health plans sold. ✓
Junaid	Time-related ✓✓	Junaid the cashier, is paid for the number of hours he spends at work. ✓
	<b>Submax (4)</b>	<b>Submax (2)</b>

**NOTE: 1** The answer does not have to be in tabular format.

**2** Award marks for the correct method of salary determination even if the quote is incomplete.

**3** Do not award marks for the motivation if the methods of salary determination were incorrectly identified.

**Max (6)**

##### 1.1.2 Link between salary determination and the BCEA

- The BCEA sets out conditions that ensure ✓ fair labour and human resources practices takes place within the business. ✓
- According to the BCEA, businesses may use ✓ different remuneration methods to pay their employees. ✓
- Payment of salaries should be based on whether ✓ the employee is permanent or employed on a fixed contract. ✓
- Businesses are supposed to deduct income tax (PAYE) ✓ and other salary deductions from the employees' taxable salaries. ✓
- The BCEA outlines legalities of the employment contract ✓, such as work hours/overtime, which may affect salary determination. ✓
- The BCEA also regulates the minimum wage rates per sector ✓ and the business must therefore ensure that remuneration reflected in the employment contract is not below minimum wages. ✓
- Any other relevant answer related to the link between salary determination and the BCEA.

**Max (6)**

Breakdown of marks	
Question 1	Marks
1.1.1	6
1.1.2	6
<b>TOTAL</b>	<b>12</b>

**QUESTION 1**

**1.1 Fringe benefits**

**1.1.1 Examples of employee benefits other than UIF**

- Medical Aid Fund/Health Insurance Fund ✓
- Pension Fund ✓
- Provident Fund ✓
- Funeral benefits ✓
- Car/Travel/Housing/Cellphone/Clothing allowance ✓
- Performance based incentives ✓
- Issuing of bonus shares ✓
- Staff discount/Free or low-cost meal/Canteen facilities ✓
- Any other relevant answer related to employee benefits other than UIF.

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

Max (4)

**1.1.2 Disadvantages of fringe benefits from the scenario**

- Magdalena Krombie Attorneys is experiencing cash flow problems due to high expenditure costs incurred on fringe benefits. ✓
- This has caused conflict because of the corruption associated with unfair allocation of fringe benefits. ✓

*NOTE: Do not award marks for quotes that are incomplete.*

(2 × 1) (2)

**1.1.3 Other disadvantages of fringe benefits for the business**

- Administrative costs increase ✓ as benefits need to be correctly recorded for tax purposes. ✓
- Decreases business profits, ✓ as incentive/package/remuneration costs are higher. ✓
- 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 benefits 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 the law. ✓
- Any other relevant answer related to other disadvantages of fringe benefits for the business.

*NOTE: Do not award marks for answers quoted in QUESTION 1.1.2.*

Max (6)

**1.1.4 UIF as a benefit required by law**

- UIF offers short-term financial assistance to workers ✓ when they become unemployed or are unable to work due to illness/maternity/adoption/parental leave. ✓
- UIF assists the dependants ✓ of a contributing worker who has died. ✓
- By law, employees are required to contribute 1% ✓ of their basic salary towards UIF. ✓
- Employers are also required to contribute 1% ✓ of an employee's basic salary towards UIF. ✓
- Employers pay the 2% directly ✓ to UIF on behalf of the employees. ✓
- Contributions are paid to ✓ the Unemployment Insurance Fund (UIF) or the South African Revenue Services (SARS). ✓
- Any other relevant answer related to UIF as a benefit required by law.

Max (8)

Breakdown of marks	
Question 1	Marks
1.1.1	4
1.1.2	2
1.1.3	6
1.1.4	8
<b>TOTAL</b>	<b>20</b>

**QUESTION 1**

**1.1 Legislations that have an implication on the human resources function**

**1.1.1 Legislations that have an implication on the human resources function from the scenario**

LEGISLATIONS	MOTIVATIONS
Employment Equity Act/EEA ✓✓	Kopano Media takes pride in promoting affirmative action in the business. ✓
Basic Conditions of Employment Act/BCEA ✓✓	Their employees are entitled to six weeks sick leave during a three-year cycle. ✓
Labour Relations Act/LRA ✓✓	The management of KM allows their employees to participate in decision making. ✓
<b>Submax (6)</b>	<b>Submax (3)</b>

- NOTE:** 1 The answer does not have to be in tabular format.  
 2 Award marks for the correct Act/legislation even if the quote is incomplete.  
 3 Do not award marks for the motivation, if the Acts/legislations were incorrectly identified.  
 4 Mark the first THREE (3) Legislations/Acts with the corresponding motivation only.

Max (9)

**1.1.2 Implication of the SDA on the human resources function**

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

**NOTE:** Do not award marks for answers quoted in QUESTION 1.1.1 under the SDA.

Max (8)

Breakdown of marks	
Question 1	Marks
1.1.1	9
1.1.2	8
<b>TOTAL</b>	<b>17</b>

## Consolidation

Learner's Book page 70 – 76

### QUESTION 1

DOWN		ACROSS	
1	External recruitment ✓✓	2	Interview ✓✓
3	Dismissal ✓✓	4	Employment Equity Act ✓✓
5	Minimum wages ✓✓	6	Job analysis ✓✓
7	Preliminary sifting interviews ✓✓	8	Time-related ✓✓
9	Resignation ✓✓	10	Induction ✓✓

(10 × 2) (20)

Breakdown of marks	
Question 1	Marks
	20
<b>TOTAL</b>	<b>20</b>

### QUESTION 2

DOWN		ACROSS	
1	Screening ✓✓	2	Employment contract ✓✓
3	Interviewee ✓✓	4	Redundancy ✓✓
5	Unemployment Insurance Fund ✓✓	6	Selection procedure ✓✓
7	Piecemeal ✓✓	8	Labour Relations Act ✓✓
9	Internal recruitment ✓✓	10	Placement ✓✓

(10 × 2) (20)

Breakdown of marks	
Question 2	Marks
	20
<b>TOTAL</b>	<b>20</b>

### QUESTION 3

#### 3.1 Multiple choice

- 3.1.1 D ✓✓
- 3.1.2 A ✓✓
- 3.1.3 C ✓✓
- 3.1.4 C ✓✓
- 3.1.5 B ✓✓

(5 × 2) (10)

#### 3.2 Choose the correct answer

- 3.2.1 I ✓✓
- 3.2.2 H ✓✓
- 3.2.3 D ✓✓
- 3.2.4 E ✓✓
- 3.2.5 A ✓✓

(5 × 2) (10)

Breakdown of marks	
Question 3	Marks
3.1	10
3.2	10
<b>TOTAL</b>	<b>20</b>

## QUESTION 4

### 4.1 Aspects that should be included in an employment contract

- Personal details of the employee. ✓
- Details of the business/employer for example, name/address, etc. ✓
- Job title/Position ✓
- Job description for example, duties/working conditions/responsibilities. ✓
- Job specification for example, formal qualifications/experience/willingness to travel. ✓
- Date of employment/commencement of employment. ✓
- Place where employee will spend most of his/her working time/conduct work activities. ✓
- Hours of work, for example, normal time/overtime. ✓
- Remuneration, for example, weekly/biweekly/fortnightly/monthly pay. ✓
- Benefits/Fringe benefits/Perks/Allowances. ✓
- Leave, for example, sick/maternity/annual/adoption leave/family responsibility 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, for example, appointment letter/code of conduct/ethics. ✓
- Disciplinary policy, for example, rules and disciplinary procedure for unacceptable behaviour. ✓
- Any other relevant answer related to aspects that should be included in an employment contract.

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

(2 × 1) (2)

### 4.2 Legislations that have an implication on the human resources function from given statements

4.2.1 Skills Development Act/SDA ✓✓

4.2.2 Labour Relations Act/LRA ✓✓

4.2.3 Employment Equity Act/EEA ✓✓

4.2.4 Basic Conditions of Employment Act/BCEA ✓✓

(8)

### 4.3 Meaning of recruitment

- Recruitment is the process used by a business to identify ✓ certain vacancies in the business and attract suitable candidates for it. ✓
- Recruitment aims to find candidates who have the necessary ✓ skills/knowledge/qualifications/competencies/ experience 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/achieve promotions/retire/as new technological skills are required. ✓
- It involves the process of actively seeking out/finding candidates for certain vacancies ✓ from inception to the successful integration of the candidate/recruit into the business. ✓
- Any other relevant answer related to the meaning of recruitment.

Max (4)

### 4.4 Selection procedure

#### 4.4.1 Steps of the selection procedure from the scenario

- The business received documentation such as the application forms. ✓
- In the process, LML, conducted interviews with short listed candidates. ✓

**NOTE: Do not award marks for quotes that are incomplete.**

(2 × 1) (2)

#### 4.4.2 Other steps of the selection procedure

##### Option 1

- Determine fair assessment criteria on which selection will be based. ✓✓
- Check that applicants are not submitting false documents such as forged certificates/degrees/ achievements. ✓✓
- Make a preliminary list of all applicants who qualify for the post. ✓✓

- Screen and check references, for example, 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. ✓✓
- Shortlisted candidates may be subjected to various types of selection tests, for example, skills test. ✓✓
- Once candidates have been selected, a written offer is made to them. ✓✓
- Any other relevant answer related to the selection procedure.

OR

**Option 2**

- Evaluate CVs and create a shortlist/screen the applicant. ✓✓
- Check information in the CVs and contact references. ✓✓
- Conduct preliminary interviews to identify applicants who are not suitable for the job, although they meet the requirements. ✓✓
- Assess/Test candidates who have applied for senior positions/to ensure the best candidate is chosen. ✓✓
- A written employment offer is made to the selected candidate(s). ✓✓
- Any other relevant answer related to the selection procedure.

**NOTE: 1** Mark the first **THREE (3)** answers only.  
**2** Do not award marks for answers quoted in **QUESTION 4.4.1**.

Max (6)

**4.4.3 Screening as part of the selection procedure**

- Check application documents of candidates/applicants✓ against the requirements of the job. ✓
- Candidates/applicants who meet the minimum requirements✓ are separated from others. ✓
- Conduct/perform background/credit/reference checks✓ of applicants who qualify for the job. ✓
- Prepare a shortlist✓ of suitable candidates after screening. ✓
- Any other relevant answer related to screening as part of the selection procedure.

Max (6)

**4.5 Distinction between the TWO salary determination methods**

PIECEMEAL ✓✓	TIME-RELATED ✓✓
Workers are paid according to the number of items/units produced/actions 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 takes them to make 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 the piecemeal salary determination method.	Any other relevant answer related to the time-related salary determination method.

Method	2
Explanation	1
Submax	3

Method	2
Explanation	1
Submax	3

**NOTE: 1** The answer does not have to be in tabular format.  
**2** The distinction does not have to link but must be clear.  
**3** Award a maximum of **THREE (3)** marks if the distinction is not clear/mark either piecemeal or time-related only.

Max (6)

**4.6 Impact of fringe benefits on businesses**

**Positives/advantages**

- Attractive fringe benefit packages may result in✓ higher employee retention/reduces employee turnover/low attrition rates. ✓
- Attracts/Retains qualified/skilled/experienced employees✓ who may positively contribute towards the business goals/objectives. ✓

- Increases employee job satisfaction/loyalty/morale ✓ 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 positives/advantages of fringe benefits for businesses.

**AND/OR**

**Negatives/disadvantages**

- Fringe benefits are additional costs ✓ that may result in cash flow problems for the business. ✓
- Administrative costs increase ✓ as benefits need to be correctly recorded for tax purposes. ✓
- Decreases business profits ✓, as incentive/package/remuneration costs are higher. ✓
- Creates conflict/leads to corruption ✓ if fringe benefits are 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 benefits 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 the law. ✓
- Any other relevant answer related to the negatives/disadvantages of fringe benefits for businesses.

**Max (6)**

Breakdown of marks	
Question 4	Marks
4.1	2
4.2	8
4.3	4
4.4.1	2
4.4.2	6
4.4.3	6
4.5	6
4.6	6
<b>TOTAL</b>	<b>40</b>

**QUESTION 5**

**5.1 Sources of external recruitment**

- Printed media, for example, newspapers/flyers/magazines ✓
- Electronic media, for example, radio/TV ✓
- Social media/Social networks/Internet/Business websites ✓
- Recruitment agencies ✓
- Walk-ins ✓
- Headhunting ✓
- Professional associations ✓
- Networking ✓
- Educational/Training institutions ✓
- Posters/Bill boards just outside the business ✓
- Any other relevant answer related to sources of external recruitment.

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

**Max (4)**

**5.2 Induction programme**

**5.2.1 Aspects included in the induction programme from the scenario**

- The induction programme includes safety rules and regulations. ✓
- Information about the services have also been included. ✓
- An overview of the JRL will be provided. ✓

**NOTE: Do not award marks for quotes that are incomplete.**

**(3 × 1) (3)**

**5.2.2 Other aspects that must be included in the induction programme of JRL**

- Tour of the premises/business. ✓✓
- Meeting with senior management who will explain the company's vision/mission/values/job analysis/daily tasks. ✓✓
- Introduction to key people and immediate colleagues. ✓✓
- Conditions of employment, for example, working hours/leave application process/perks/disciplinary procedures, etc. ✓✓
- Discussion of the employment contract and conditions of service. ✓✓
- Discussion of personnel policies, for example, making private phone calls/using the Internet, etc. ✓✓
- Any other relevant answer related to other aspects that must be included in the induction programme.

**NOTE: 1 Mark the first TWO (2) answers only.**  
**2 Do not award marks for answers quoted in QUESTION 5.2.1.**

**Max (4)**

**5.2.3 Purpose of induction**

- Introduce new employees to management/colleagues✓ to establish professional relationships with fellow colleagues at different levels. ✓
- Provide new employees with a tour/information✓ about the layout of the building/office. ✓
- Familiarise new employees✓ with the organisational structure/their supervisors/direct managers. ✓
- Create opportunities for new employees✓ to experience/explore different departments. ✓
- Explain safety regulations/rules✓, so that new employees will understand their roles/responsibilities in this regard. ✓
- Communicate information about the products/services ✓ offered by the business. ✓
- Ensure that employees understand their roles/responsibilities✓ so that they will be more efficient/productive. ✓
- Communicate business policies regarding✓ ethical/professional conduct/procedures/employment contract/conditions of employment, etc ✓
- Any other relevant answer related to the purpose of induction.

**Max (4)**

**5.3 Placement procedure as a human resources activity**

- The Business should outline specific responsibilities/expectations/requirements of the new position. ✓✓
- Determine the successful candidate's strengths/weaknesses/skills/interests/competencies by subjecting the candidate to various psychometric tests. ✓✓
- Determine the relationship between the position and the competencies of the new candidate. ✓✓
- Any other relevant answer related to the placement procedure as a human resources activity.

**Max (4)**

**5.4 Termination of the employment contract**

**5.4.1 Reasons for the termination of the employment contracts from the scenario**

REASONS FOR THE TERMINATION OF EMPLOYMENT CONTRACTS	MOTIVATIONS
1. Retirement ✓✓	Liyema's contract was terminated as he reached a predetermined age. ✓
2. Contract duration ✓✓	The time period of Maria's contract has expired. ✓
3. Redundancy ✓✓	Salama Industries no longer has work for Rodger as he has a duplicate role in the administration department. ✓
<b>Submax (6)</b>	<b>Submax (3)</b>

**NOTE: 1 The answer does not have to be in tabular format.**  
**2 Award marks for the correct reason for the termination of the employment contracts even if the quote is incomplete.**  
**3 Do not award marks for the motivation, if the reasons for the termination of the employment contracts were incorrectly identified.**

**Max (9)**

#### 5.4.2 Legal requirements of an employment contract

- An employment contract is an agreement ✓ between the employer and the new employee and is legally binding. ✓
- Employer and employee must agree ✓ to any changes to the contract. ✓
- Aspects of the employment contract ✓ can be renegotiated during the course of employment. ✓
- No party may unilaterally change ✓ aspects of the employment contract. ✓
- The employer and the new employee ✓ must both sign the contract. ✓
- The employment contract should include ✓ a code of conduct/code of ethics. ✓
- The employer/employer representative must explain the terms and conditions ✓ of the employment contract to the employee. ✓
- It may not contain any requirements ✓ that are in conflict/does not comply with the BCEA. ✓
- Conditions of employment/duties/responsibilities/roles ✓ of the employees must be stipulated clearly. ✓
- The remuneration package/including benefits ✓ must be clearly indicated. ✓
- Any other relevant answer related to the legal requirements of an employment contract.

Max (6)

#### 5.5 Selection procedure

##### Option 1

- Determine fair assessment criteria on which selection will be based. ✓✓
- Use the assessment criteria to assess all CVs/application forms received during recruitment/Conduct preliminary screening, which is sorting the applications received according to the criteria for the job. ✓✓
- Check that applicants are not submitting false documents such as forged certificates/degrees/achievements.
- Make a preliminary list of all applicants who qualify for the post. ✓✓
- Screen and check references, for example, 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, for example, skills test. ✓✓
- Once candidates have been selected, a written offer is made to them. ✓✓
- Any other relevant answer related to the selection procedure that businesses should follow as a human resources activity.

OR

##### Option 2

- Receive documentation, for example, application forms and sort it according to the criteria of the job. ✓✓
- Evaluate CVs and create a shortlist/screen the applicant. ✓✓
- Check information in the CVs and contact references. ✓✓
- Conduct preliminary interviews to identify applicants who are not suitable for the job, although they meet the requirements. ✓✓
- Assess/Test candidates who have applied for senior positions/to ensure the best candidate is chosen. ✓✓
- Conduct interviews with shortlisted candidates. ✓✓
- A written employment offer is made to the selected candidate(s). ✓✓
- Any other relevant answer related to the selection procedure that businesses should follow as a human resources activity.

Max (6)

Breakdown of marks	
Question 5	Marks
5.1	4
5.2.1	3
5.2.2	4
5.2.3	4
5.3	4
5.4.1	9
5.4.2	6
5.5	6
<b>TOTAL</b>	<b>40</b>

## QUESTION 6

### 6.1 Examples of employee benefits

- Medical Aid Fund/Health Insurance Fund ✓
- Pension Fund ✓
- Provident Fund ✓
- Funeral benefits ✓
- Car/Travel/Housing/Cellphone/Clothing allowance ✓
- Performance based incentives ✓
- Issuing of bonus shares ✓
- Staff discount/Free or low-cost meal/Canteen facilities ✓
- Any other relevant answer related to examples of employee benefits.

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

(3 × 1) (3)

### 6.2 Distinction between the TWO components of job analysis

JOB DESCRIPTION ✓✓	JOB SPECIFICATION ✓✓
Describes duties/responsibilities/of a specific job. ✓	Describes the minimum acceptable personal qualities/ skills/ qualifications needed for the job. ✓
Written description of the job and its requirements. / Summary of the nature/type of job. ✓	Written description of specific qualifications/ skills/ experience needed for the job. ✓
Describes key performance areas tasks for a specific job for example, job title/duties/working conditions/ locations of the place of work/relationship of the job with other jobs in the business, etc. ✓	Describes key requirements for the person who will fill the position, for example, formal qualifications / willingness to travel/work unusual hours, etc. ✓
Any other relevant answer related to job description.	Any other relevant answer related to the job specification.

Component	2
Explanation	1
Submax	3

Component	2
Explanation	1
Submax	3

**NOTE: 1 The answer does not have to be in tabular format.**

**2 The distinction does not have to link but must be clear.**

**3 Award a maximum of THREE (3) marks if the distinction is not clear/Mark either job description or job specification only.**

Max (6)

### 6.3 Methods of recruitment

#### 6.3.1 Method of recruitment from the scenario

External recruitment ✓✓

**Motivation:**

Dieketseng Kalahari Tours approached a recruitment agency to fill the vacant post of a marketing director. ✓

**NOTE: 1 Award marks for the correct method of recruitment if the quote is incomplete.**

**2 Do not award marks for the motivation, if the method of recruitment was incorrectly identified.**

Max (3)

#### 6.3.2 Impact of external recruitment

**Positives/advantages**

- New candidates bring new✓ talents/ideas/experiences/skills/knowledge into the business. ✓
- It may help the business to meet✓ affirmative action/EEA and BBBEE targets. ✓
- There is a larger pool of candidates✓ from which to choose. ✓
- There is a better chance of getting a suitable candidate with the required skills/qualifications/ competencies/experience✓ who do not need much training/development which reduces costs. ✓
- Minimises unhappiness/conflict amongst current/existing employees✓ who may have applied for the post. ✓

- Overall efficiency/productivity may occur✓ if the new worker actively adds value to the business. ✓
- Any other relevant answer related to the positives/advantages of external recruitment on businesses.

AND/OR

#### Negatives/disadvantages

- External sources can be expensive✓, for example, recruitment agencies' fees/advertisements in newspapers/magazines. ✓
- The selection process may result in✓ an ineffective/incompetent candidate being chosen. ✓
- Information on CVs/referees✓ may not be reliable/may be falsified. ✓
- Recruitment process takes longer/is more time consuming and 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/increases costs of the business. ✓
- Many unsuitable applications✓ may slow down the selection process. ✓
- Any other relevant answer related to the negatives/disadvantages of external recruitment on businesses.

Max (6)

#### 6.4 Implication of the EEA on the human resources function

- The HRM must promote/provide✓ equal opportunities/promote equality in the workplace. ✓
- The HRM must report to the Department of Labour✓ on the progress regarding the implementation of the employment equity plan. ✓
- Compile employment equity plans✓ that indicate how they will implement affirmative action. ✓ /Ensures that the human resources function promotes✓ affirmative action/establishes/achieves employment equity plans. ✓
- Assign a manager to ensure that the employment equity plan✓ will be implemented/regularly monitored. ✓
- Ensure that affirmative action✓ promotes diversity in the workplace. ✓
- Any other relevant answer related to the implication of the EEA on the human resources function.

Max (6)

#### 6.5 Role of the interviewer

##### 6.5.1 Roles fulfilled by the interviewer before the interview from the scenario

- The CEO of Amy Eksteen Distributors has booked and prepared the venue for the interview. ✓
- The panel members have been notified about the date and time of the interview. ✓

**NOTE: Do not award marks for quotes that are incomplete.**

(2 × 1) (2)

##### 6.5.2 Other roles of the interviewer before the interview

- The interviewer should develop a core set of questions based on the skills/knowledge/ability/competency required.✓✓
- Check the application/verify the CV of every candidate for anything that may need to be explained. ✓✓
- Set the interview date/Ensure that all interviews take place on the same date, if possible. ✓✓
- Inform all shortlisted candidates about the date and place of the interview. ✓✓
- Allocate the same amount of time to interview each candidate on the program. ✓✓
- Any other relevant answer related to other roles of the interviewer before the interview.

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

**2 Do not allocate marks for answers quoted in QUESTION 6.5.1.**

Max (4)

##### 6.5.3 Purpose of an interview

- Creates an opportunity where information✓ about the business and applicant can be exchanged. ✓
- Obtains information about the strengths and weaknesses✓ of each candidate. ✓
- Determines a candidate's✓ suitability for the job✓/Determines whether the candidate✓ would add value to the business. ✓
- Helps the employer in choosing/making an informed decision✓ about the most suitable candidate for the job. ✓
- Matches information provided✓ by the applicant to the job requirements. ✓
- Evaluates the skills/personal characteristics/qualities✓ of the applicant. ✓

- Verifies to a certain degree the accuracy✓ regarding information presented on the CV. ✓
- Any other relevant answer related to the purpose of the interview.

Max (4)

#### 6.5.4 Role of the interviewee during the interview

- Greet the interviewer by name✓ with a solid handshake and a friendly smile. ✓
- Listen carefully to the questions✓ before responding. ✓
- Make eye contact✓ and have good posture/body language. ✓
- Show confidence✓ and have a positive attitude/be 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. ✓
- Thank the interviewer for the opportunity✓ given to be part of the interviews. ✓
- Any other relevant answer related to the role of the interviewee during the interview.

Max (6)

Breakdown of marks	
Question 6	Marks
6.1	3
6.2	6
6.3.1	3
6.3.2	6
6.4	6
6.5.1	2
6.5.2	4
6.5.3	4
6.5.4	6
<b>TOTAL</b>	<b>40</b>

## QUESTION 7

### 7.1 Introduction

- Different methods exist that are used by employers to determine the salary of employees. ✓
- The type of salary determination method used/applied by the business depends on the nature/type of jobs that are required. ✓
- Fringe benefits are benefits provided by the business to employees in addition to their salaries. ✓
- Some employers may decide to provide fringe benefits universally to all employees or provide different/additional fringe benefits to executive management. ✓
- The business has different reasons for providing employees with fringe benefits, which include amongst others, to compensate employees for costs related to their work and to improve overall job satisfaction. ✓
- The business should ensure that they are knowledgeable regarding the link between salary determination and the Basic Conditions of Employment Act. ✓
- Any other relevant introduction related to salary determination methods/impact of fringe benefits/link between salary determination and the BCEA/implication of the BCEA on the human resources function.

Any (2 × 1) (2)

### 7.2 Salary determination methods

PIECEMEAL ✓✓	TIME-RELATED ✓✓
Workers are paid according to the number of items/units✓ produced/actions 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 takes them to make the items. ✓	Workers with the same experience/qualifications are paid on salary scales✓ regardless of the amount of work done. ✓

PIECEMEAL ✓✓	TIME-RELATED ✓✓
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 the piecemeal salary determination method.	Any other relevant answer related to the time-related salary determination method.

Method	2
Explanation	4
Submax	6

Method	2
Explanation	4
Submax	6

- NOTE: 1** The answer does not have to be in tabular format.  
**2** The distinction does not have to link but must be clear.  
**3** Award a maximum of SIX (6) marks if the distinction is not clear/Mark either piecemeal or time-related only.

Max (12)

### 7.3 Impact of fringe benefits

#### Positives/advantages

- Attractive fringe benefit packages may result in✓ higher employee retention/reduces employee turnover/low attrition rates. ✓
- Attracts/Retains qualified/skilled/experienced employees✓ who may positively contribute towards the business goals/objectives. ✓
- Increases employee job satisfaction/loyalty/morale✓ 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 positives/advantages of fringe benefits for businesses.

#### AND/OR

#### Negative/disadvantages

- Fringe benefits are additional costs✓ that may result in cash flow problems for the business. ✓
- Administrative costs increase✓ as benefits need to be correctly recorded for tax purposes. ✓
- Decreases business profits✓, as incentive/package/remuneration costs are higher. ✓
- Creates conflict/leads to corruption✓ if fringe benefits are 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 benefits 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 the law. ✓
- Any other relevant answer related to the negatives/disadvantages of fringe benefits for businesses.

Max (12)

### 7.4 Link between salary determination and the BCEA

- The BCEA sets out conditions that ensure✓ fair labour and human resources practices takes place within the business. ✓
- According to the BCEA, businesses may use different remuneration methods✓ to pay their employees. ✓
- Payment of salaries should be based on✓ whether the employee is permanent or employed on a fixed contract. ✓
- Businesses are supposed to deduct income tax (PAYE) ✓ and other salary deductions from the employees' taxable salaries. ✓
- The BCEA outlines legalities of the employment contract✓, such as work hours/overtime, which may affect salary determination. ✓
- The BCEA also regulates the minimum wage rates per sector✓ and the business must therefore ensure that remuneration reflected in the employment contract is not below minimum wages. ✓
- Any other relevant answer related to the link between salary determination and the BCEA.

Max (10)

### 7.5 Implication of the BCEA on the human resources function

- Ensures that business practices such as basic conditions of employment within the workplace does not contravene/ violate the provisions of the BCEA. ✓✓
- The human resources manager (HRM) must ensure that all employee contracts are aligned to the provisions of the BCEA. ✓✓
- Ensures that employees only work 9 hours per day in a 5-day work week/8 hours per day in a 6-day work week. ✓✓
- Ensures that employees are correctly remunerated for overtime/Overtime should not exceed 10 hours per week.
- Ensures that employees have a 60-minute break after five hours of work. ✓✓
- Ensures that employees are entitled to take six weeks paid sick leave during a 36-month cycle. ✓✓
- Ensures that employees receive double their rate if they work on public holidays/Sundays. ✓✓
- Ensures that the business does not participate in child labour practices/does not employ children under the age of 16. ✓✓
- Any other relevant answer related to implication of the BCEA on the human resources function.

Max (12)

### 7.6 Conclusion

- The various legislations in South Africa have a direct implication on the human resources function. ✓✓
- Continuous training must take place for human resources managers to keep abreast of current/new legislations/ labour legislations that may influence operations within the human resources function. ✓✓
- The business often employs legal specialists when it comes to correctly implementing the BCEA regarding all human resources activities. ✓✓
- Any other relevant conclusion related to salary determination methods/impact of fringe benefits/link between salary determination and the BCEA/implication of the BCEA on the human resources function.

Any (1 × 2) (2)

[40]

Question 7: Breakdown of mark allocation		
DETAILS	MAXIMUM	TOTAL
7.1 Introduction	2	Max 32
7.2 Salary determination methods	12	
7.3 Impact of fringe benefits	12	
7.4 Link between salary determination and the BCEA	10	
7.5 Implication of the BCEA on the human resources function	12	
7.6 Conclusion	2	
INSIGHT		
Layout	2	8
Analysis/Interpretation	2	
Synthesis	2	
Originality/Examples	2	
<b>TOTAL MARKS</b>		<b>40</b>

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

## QUESTION 8

### 8.1 Introduction

- Recruitment aims to attract/source the best possible applicants that possess the required skills/knowledge/ qualifications/competencies/experience to fill vacancies/available posts. ✓
- The human resources department must make use of reliable recruitment procedures/processes/systems to achieve specific human resources goals. ✓
- An interview is a formal meeting where information is exchanged between the interviewer and the interviewee/ respondent/applicant. ✓
- Induction is the process of introducing new employees into the workplace. ✓

- It includes introductory training to the workplace/ organisation which includes valuable information about products/ services/processes/procedures/policies/immediate team and management. ✓
- Training is a planned/purposefully organised activity where employees gain knowledge and skills that can improve their abilities of their job. ✓
- Any other relevant introduction related to the recruitment procedure/purpose of the interview/advantages of induction for businesses/importance of training in human resources.

Any (2 × 1) (2)

## 8.2 Recruitment procedure

- The human resources manager (HRM) should evaluate the job/prepare a job analysis, that includes the job specification/job description/in order to identify recruitment needs. ✓✓
- The HRM should indicate the job specification/key performance areas to attract suitable candidates. ✓✓
- Choose the method of recruitment, for example, internal/external recruitment, to reach/target the suitable applicants/ candidates. ✓✓
- If the external recruitment is chosen, the relevant recruitment sources should be selected, for example, recruitment agencies/tertiary institutions/ newspapers/electronic media, etc. ✓✓
- Vacancies can be internally advertised via internal email/word of mouth/posters/staff notices etc. ✓✓
- External recruitment should be considered if internal recruitment was unsuccessful. ✓✓
- The advertisement should be prepared with the relevant information, for example, the name of the company, contact details, contact person, etc. ✓✓
- Place the advertisement in the selected media that will ensure that the best candidates apply. ✓✓
- Any other relevant answer related to the recruitment procedure.

Max (12)

## 8.3 Purpose of the interview

- Creates an opportunity where information✓ about the business and applicant can be exchanged. ✓
- Obtains information about the strengths and weaknesses✓ of each candidate. ✓
- Determines a candidate's✓ suitability for the job✓/Determines whether the candidate✓ would add value to the business. ✓
- Helps the employer in choosing/making an informed decision✓ about the most suitable candidate for the job. ✓
- Matches information provided by the applicant✓ to the job requirements. ✓
- Evaluates the skills/personal characteristics/qualities✓ of the applicant. ✓
- Verifies to a certain degree the accuracy✓ regarding information presented on the CV. ✓
- Any other relevant answer related to the purpose of the interview.

Max (12)

## 8.4 Benefits of induction for businesses

- New employees who are familiar with the business's policies/procedures✓ may easily adapt to their new work environment. ✓
- New employees learn more about the business✓ and understand their role in the business/what is expected in the job. ✓
- Increased productivity/efficiency✓ and quality of service/performance. ✓
- Minimises the need for✓ on-going training and development. ✓
- Improved/Better focused training may be provided✓ based on the results obtained from the induction process. ✓
- New employees may feel part of the team✓ resulting in positive morale/motivation. ✓
- Reduces staff turnover✓ as new employees have been inducted properly. ✓
- Any other relevant answer related to the advantages of induction for businesses.

Max (10)

## 8.5 Importance of training in human resources

- The employee who receives the necessary training is able to perform in their job/improve performance in their job./ Employees are more knowledgeable and can perform tasks more efficiently. ✓✓
- The investment in training that a business makes shows employees that they are valued/appreciated. ✓✓
- An effective training program allows employees to strengthen/improve/enhance their skills. ✓✓
- Productivity usually increases when the human resources function implements training courses. ✓✓
- Overall profitability of the business will improve because of effective/regular training. ✓✓
- Ongoing training and upskilling of the workforce, encourages creativity. ✓✓

- Contributes positively towards the aims/compliance of the SDA. ✓✓
- Any other relevant answer related to the importance of training in human resources.

Max (12)

### 8.6 Conclusion

- Employees are the most valuable asset of the business, and therefore the success of the business is strongly influenced by sound recruitment processes applied by the human resources function. ✓✓
- Businesses make use of effective induction programmes to ensure that new employees settle in quickly as to enhance productivity/performance. ✓✓
- Businesses must prioritise that induction is conducted with new employees before they commence workplace duties. ✓✓
- The human resource function should ensure that all training programmes are aligned to the framework of the Skills Development Act to develop the skills of the employees. ✓✓
- Any other relevant conclusion related to the recruitment procedure/purpose of the interview/advantages of induction for businesses/importance of training in human resources.

Any (1 × 2) (2)  
[40]

Question 8: Breakdown of mark allocation		
DETAILS	MAXIMUM	TOTAL
8.1 Introduction	2	Max 32
8.2 Recruitment procedure	12	
8.3 Purpose of the interview	12	
8.4 Benefits of induction for businesses	10	
8.5 Importance of training in human resources	12	
8.6 Conclusion	2	
INSIGHT		
Layout	2	8
Analysis/Interpretation	2	
Synthesis	2	
Originality/Examples	2	
<b>TOTAL MARKS</b>		<b>40</b>

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

# TOPIC 3 Ethics and professionalism

How to introduce the topic	Specific strategies to teach/approach the topic
<ul style="list-style-type: none"> <li>Recap on the meanings of ethics and professionalism. Learners already did it in grade 11.</li> <li>Emphasise the differences between the two concepts. Use visual aids like pictures, newspapers, magazines, etc. to demonstrate it.</li> <li>Have a class discussion on examples of ethical, unethical, professional and unprofessional behaviour.</li> </ul>	<ul style="list-style-type: none"> <li>Involve learners in discussions which they may have observed in the world around them.</li> <li>Indicate the key words in the distinction between ethical and professional behaviour.</li> <li>Get some background information on reasons why the King Code principles were introduced. Learners must understand the reasoning for it and then learn how to apply it in the business.</li> <li>The examination guidelines (EG) indicates three unethical and three unprofessional business practices. The learners must first know the meaning of the practice, then understand the challenge it poses to the business and lastly strategies on how the business can deal with the unethical or unprofessional business practice.</li> </ul>
Important tips for the topic	Other ways of assessing the topic
<ul style="list-style-type: none"> <li>Ethical behaviour has to do with actions of the business and professional behaviour with actions of the employee.</li> <li>When learners have to answer questions on ways in which professional, responsible, ethical and effective business practice should be conducted is must be answered holistically and not be split into parts.</li> <li>When learners must differentiate between two concepts it is better to use a table to show the differences.</li> <li>If there are many facts under a heading, learners may scaffold the facts on the above and study only FIVE or SIX facts from all of those given.</li> </ul>	<ul style="list-style-type: none"> <li>For informal assessment learners can identify unethical and unprofessional practices from newspapers.</li> <li>The following are different types of questions from previous NCS papers.</li> <li>June 2019 Question 9 – essay question</li> <li>Nov 2019 Question 4.7 – application of King Code principles</li> <li>Nov 2019 Question 4.8 – dealing with unethical/unprofessional business practices</li> </ul>

## Memoranda to activities



### Activity 3.1

Learner's Book page 86

#### QUESTION 1

##### 1.1 Complete the statements

1.1.1 Ethical behaviour ✓✓

1.1.2 code of conduct ✓✓

1.1.3 professional behaviour ✓✓

(3 × 2) (6)

##### 1.2.1 Unprofessional actions from the scenario

"He noticed that employees are not polite to customers." ✓

"He also observed that senior staff were always late" ✓

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

**2** Do not award marks for quotes that are incomplete.

(2)

### 1.2.2 Examples of ethical behaviour

- The business is telling the truth during a public relation crises to overcome the business’s issue. ✓
- Businesses keep promises to their employees, partners and customers. ✓
- The business shows loyalty when they make decisions that will also benefit their staff, partners, investors and customers. ✓
- The business shows fairness when it exercises its power justly to all its stakeholders.
- The business operates within the law and other restrictions. ✓
- They ensure that the environment is not polluted during their production process. ✓
- Not engaging in illegal business practices like price fixing. ✓
- They do not make use of child labour. ✓
- Any other relevant answer related to examples of ethical behaviour.

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

**(3 × 1) (3)**

### 1.2.3 Distinction between ethical behaviour and unprofessional behaviour

ETHICAL BEHAVIOUR	PROFESSIONAL BEHAVIOUR
Refers to the principles✓ of right and wrong/ acceptable in society.✓	Refers to what is right/wrong/acceptable ✓ in a business.✓
Conforms to a set of values✓ that are morally acceptable.✓	Set of standards✓ of expected behaviour.✓
Forms part of a code of conduct✓ to guide employees to act ethically.✓	Applying a code of conduct✓ of a profession or business.✓
Focuses on developing a moral compass✓ for decision making.✓	Focuses on upholding the reputation✓ of a business/profession.✓
Involves following the principles of right and wrong✓ in business activities/practices/dealings.✓	Includes guidelines✓ on employees’ appearance/ communication/attitude/responsibility.✓
Any other relevant answer related to the difference between ethical and professional behaviour.	
<b>Submax (4)</b>	<b>Submax (4)</b>

**NOTE: 1 The answer does not have to be in tabular format.**

**2 The distinction does not have to link but must be clear.**

**3 Award a maximum of FOUR (4) marks if the distinction is not clear/Mark either ethical or professional behaviour only.**

**Max (8)**

### 1.3 Examples of unethical behaviour

- Dumping pollutants into the water supply✓ rather than cleaning up the pollution properly ✓
- Releasing toxins into the air✓ in levels above what is permitted by the Environmental Protection Agency. ✓
- Deliberately falsifying information ✓ on tax returns. ✓
- Classifying an employee as a contractor ✓ to reduce payroll taxes and avoiding other compulsory deductions. ✓
- Engaging in price fixing ✓ to force smaller competitors out of business. ✓
- Using bait and switch or false advertising tactics✓ to lure customers in or convince them to buy a product. ✓
- Any other relevant answer related to examples of unethical behaviour of businesses.

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

**Max (8)**

Breakdown of marks	
Question 1	Marks
1.1	6
1.2.1	2
1.2.2	3
1.2.3	8
1.3	8
<b>TOTAL</b>	<b>27</b>

**QUESTION 1**

**1.1.1 King Code principal from the scenario**

Transparency ✓✓

Motivation: Some shareholders were not aware of the Annual General Meeting. ✓

(3)

**1.1.2 Application of Transparency as a King Code principal**

- Decisions/Actions must be clear ✓ to all stakeholders. ✓
- Staffing and other processes ✓ should be open and transparent. ✓
- Employees/Shareholders/Directors should be aware ✓ of the employment policies of the business. ✓
- Auditing and other reports ✓ must be accurate/ available to shareholders/employees. ✓
- Regular audits should be done ✓ to determine the effectiveness of the business. ✓
- Business deals should be conducted openly ✓ so that there is no hint/sign of dishonesty/corruption. ✓
- Businesses should give details of shareholders' voting rights to them ✓ before/at the Annual General Meeting (AGM). ✓
- The board of directors must report on both the negative and positive impact ✓ of the business on the community/ environment. ✓
- The board should ensure that the company's ethics ✓ are effectively implemented. ✓
- Any other relevant answer related to the application of the principle of transparency.

**NOTE: Do not take the answer identified in QUESTION 1.1.1 as correct for QUESTION 1.1.2.**

**Max (6)**

**1.2 Ways in which professional, ethical and effective business practice should be conducted.**

- Business decisions and actions must be clear/transparent to all stakeholders. ✓✓
- Businesses should be accountable /responsible for their decisions and actions/ patent rights. ✓✓
- The business should hire honest/trustworthy accountants/financial officers with good credentials to ensure transparent recording and financial statements. ✓✓
- The payment of taxes must be regular/timeous and the business must disclose all needed information to SARS and not finding loopholes to avoid paying taxes. ✓✓
- The business should draw up a code of ethics/conduct. This document must states acceptable behaviour in the business. ✓✓
- There must be on-going development and training for all employees of the business. ✓✓
- Performance management systems/Appraisals should be in place to motivate employees of the business. ✓✓
- There must be adequate internal controls/monitoring/evaluation to ensure accountability of the business. ✓✓
- The business's salaries and wages must be fair and in line with the requirements of the BCEA. Businesses must also remunerate employees for all work done and for working overtime. ✓✓
- Businesses must take care of the environment and use green policies in the workplace such as recycling paper, responsible disposal of waste material and safe energy. ✓✓
- The business must not start a business venture at someone else's expense with the ideas of other businesses/ individuals and respect intellectual property of other businesses. ✓✓
- Businesses should treat all their employees equally, regardless of their race/colour/age/gender/disability etc. They must also adhere to the requirement of EEA act. ✓✓
- Provide good quality goods and services to customers and pay attention to the safety of customers as well as give clear information to the customers to make informed decisions. ✓✓
- Any other relevant answer related to the ways in which professional, ethical and effective business practises must be conducted.

**Max (6)**

Breakdown of marks	
Question 1	Marks
1.1.1	3
1.1.2	6
1.2	6
<b>TOTAL</b>	<b>15</b>

Activity 3.3

Learner's Book page 94

**QUESTION 1**

1.1 Unethical and unprofessional business practices from the scenario.

UNETHICAL BUSINESS PRACTICES		MOTIVATIONS	
1. Unfair advertising ✓✓		PMP advertised a 30% discount for the first 20 buyers, which was never granted." ✓	
2. Tax evasion ✓✓		The company does not declare all its income to SARS. ✓	
UNPROFESSIONAL BUSINESS PRACTICES		MOTIVATIONS	
3. Sexual harassment ✓✓		Peter promised Sheila, a position as the new secretary if she would have a relationship with him. ✓	
4. Unauthorised use of workplace resources ✓✓		He uses the business truck for private trips. ✓	
5. Abuse of work time ✓✓		Alfred, the truck driver, does not always return to the factory after making deliveries. ✓	
<b>Submax (10)</b>		<b>Submax (5)</b>	

Max (15)

*NOTE: Do not award marks for motivation if the unethical/unprofessional business practice were identified incorrectly*

Breakdown of marks	
Question 1	Marks
1.1	15
<b>TOTAL</b>	<b>15</b>

Activity 3.4

Learner's Book page 95

**QUESTION 1**

1.1 Unprofessional/Unethical business practices from the scenario

CHALLENGES (1.1.1)	TYPES (1.1.2)	DEALING WITH TYPES OF UNETHICAL AND UNPROFESSIONAL BUSINESS PRACTICES (1.1.3)
He promised shares to Jolene, the accountant, in exchange for her having a relationship with him. ✓	Sexual harassment ✓✓	<ul style="list-style-type: none"> <li>• Every business must implement internal complaints and disciplinary procedures ✓✓</li> <li>• They must educate employers on sexual harassment matters. ✓✓</li> <li>• The business must formulate a policy regarding sexual harassment. ✓✓</li> <li>• They must create a good working environment where all employees' rights and dignity are respected. An internal investigation should be conducted to determine the seriousness of the harassment. ✓✓</li> <li>• Serious cases/matters of sexual harassment should be reported to the appropriate institutions such as the South African Police Services (SAPS). ✓✓</li> <li>• Businesses must ensure that they comply with the law/ business code of conduct. ✓✓</li> <li>• Any other relevant answer related to ways in which businesses can deal with sexual harassment. ✓✓</li> </ul>
		<b>Submax (2)</b>

CHALLENGES (1.1.1)	TYPES (1.1.2)	DEALING WITH TYPES OF UNETHICAL AND UNPROFESSIONAL BUSINESS PRACTICES (1.1.3)
Jolene does not record all income in the statements they send to SARS. ✓	Tax evasion ✓✓	<ul style="list-style-type: none"> <li>Value Added Tax/VAT needs to be charged on VAT-able items. ✓✓</li> <li>Submit the correct tax returns to SARS on time. ✓✓</li> <li>All products should be correctly invoiced and recorded. ✓✓</li> <li>Disclose all sources of income for tax payment purposes. ✓✓</li> <li>Keep abreast with the latest SARS regulations and tax laws. ✓✓</li> <li>Businesses that have evaded tax should apply for amnesty and declare their income. ✓✓</li> <li>Effective systems to determine the appropriate amount of tax to be paid should be in place. ✓✓</li> <li>Businesses should keep accurate records of income statements/ financial transactions. ✓✓</li> <li>The employees' payroll needs to reflect accurate deductions according to the progressive tax system. ✓✓</li> <li>Make sure that all financial records are checked and audited. ✓✓</li> <li>Any other relevant answer related to ways in which businesses can deal with taxation/tax evasion. ✓✓</li> </ul> <p style="text-align: right;"><b>Submax (2)</b></p>
Jolene also uses the company's credit card to pay for her personal expenses. ✓	Abuse of workplace funds ✓✓	<ul style="list-style-type: none"> <li>The business must conduct regular audits. ✓✓</li> <li>They must identify risk areas/vulnerable areas. ✓✓</li> <li>They must limit the number of employees having access to business funds/assets. ✓✓</li> <li>The business must implement/introduce fraud prevention strategies. ✓✓</li> <li>The business must educate employees about the impact of fraud. ✓✓</li> <li>Fraud prevention should be a collective responsibility of businesses and workers. ✓✓</li> <li>Clear policies should be in place so that employees are aware of what is considered to be fraud. ✓✓</li> <li>The business should set up systems in the organisation for reporting fraud and corruption. ✓✓</li> <li>Any other relevant answer related to ways in which businesses can deal with abuse of workplace funds.</li> </ul> <p style="text-align: right;"><b>Submax (2)</b></p>
<b>Submax (3)</b>	<b>Submax (6)</b>	<b>Submax (6)</b>

**NOTE: 1** Mark the first strategy only.

**2** Strategies must link to the identified unprofessional practices.

**3** No marks must be awarded if strategies do not link.

**4** Marks can be awarded for strategies even if identification in 1.1.2 was incorrect.

**Max (15)**

Breakdown of marks	
Question 1	Marks
1.1.1	3
1.1.2	6
1.1.3	6
<b>TOTAL</b>	<b>15</b>

## Consolidation

Learner's Book page 96

### QUESTION 1

#### 1.1 Multiple choice

- 1.1.1 C✓✓
- 1.1.2 B✓✓
- 1.1.3 A✓✓
- 1.1.4 B✓✓
- 1.1.5 D✓✓

(5 × 2) (10)

Breakdown of marks	
Question 1	Marks
1.1	10
<b>TOTAL</b>	<b>10</b>

### QUESTION 2

#### 2.1 Examples of ethical behaviour in the workplace

- The business is telling the truth during a public relations crisis to overcome the issue that they are facing. ✓
- Businesses keep promises to their employees, partners and customers. ✓
- The business shows loyalty when they make decisions that will also benefit their staff, partners, investors and customers. ✓
- The business shows fairness when it exercises its power justly to all its stakeholders. ✓
- The business operates within the law and other restrictions. ✓
- Businesses ensure that the environment is not polluted in their production process. ✓
- Businesses do not engage in illegal business practices like price fixing. ✓
- Businesses do not make use of child labour. ✓
- Any other relevant answer related to an example of ethical behaviour.

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

(Any 4 x 1) (4)

#### 2.2 Unprofessional business practices from given statements

- 2.2.1 Abuse of worktime. ✓✓ (2)
- 2.2.2 Unauthorised use of workplace funds. ✓✓ (2)

#### 2.3 Challenge posed by sexual harassment as an unprofessional business practice.

- The affected party is normally reluctant to report the incident ✓ due to fear of victimisation. ✓
- Sexual harassment causes discomfort/humiliation ✓ and interferes with the job of the victim. ✓
- The business can lose female workers ✓ because they do not feel safe in the business. ✓
- Sometimes the affected person prefers to stay away from work ✓ and the business loses productivity. ✓
- Sexual harassment causes emotional trauma ✓ and the victim's attitude will be negative in the workplace. ✓
- Any other relevant answer related to the challenge posed by sexual harassment. **Max (6)**

#### 2.4 Ways in which business can deal with pricing of goods in rural areas

- A business may lobby with other businesses in the area to convince government to improve infrastructure in the rural area. ✓✓
- Businesses must charge fair/market related prices for goods and services. ✓✓
- The business must be willing to avoid unethical business practices to attract customer loyalty. ✓✓
- They must investigate cost-effective ways of transporting products/Hire a large truck to combine deliveries to shop-owners in the same area. ✓✓
- The business must work together with suppliers to share delivery costs to remote rural areas. ✓✓
- Any other relevant answer related to the pricing of goods in rural areas. **Max (6)**

Breakdown of marks	
Question 2	Marks
2.1	4
2.2	4
2.3	6
2.4	6
<b>TOTAL</b>	<b>20</b>

Topic 3 Ethics and professionalism

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### QUESTION 3

#### 3.1 Introduction

- Although professionalism is closely linked to ethics, it is a broader concept than ethics. ✓
- Professionalism includes issues like appearance, communication, responsibility, knowledge, skills. ✓
- Businesses always have the responsibility to do the right things and do things right. ✓
- The business must set their values that will be use in all their operations. ✓
- The aim of the King code is to set a code for ethical and effective leadership by the governing body of a company. ✓
- Any other relevant introduction related to the distinction between ethical behaviour and professional behaviour/ challenges posed by tax evasion and unfair advertising as unethical business practices/application of accountability and transparency as King Code principles/ways in which professional, responsible, ethical, and effective business practice should be conducted.

Any (2 × 1) (2)

#### 3.2 Differences between ethical and professional behaviour

ETHICAL BEHAVIOUR	PROFESSIONAL BEHAVIOUR
Refers to the principles✓ of right and wrong/ acceptable in society. ✓	Refers to what is right/wrong/acceptable ✓ in a business. ✓
Conforms to a set of values✓ that are morally acceptable. ✓	Set of standards✓ of expected behaviour. ✓
Forms part of a code of conduct✓ to guide employees to act ethically. ✓	Applying a code of conduct✓ of a profession or business. ✓
Focuses on developing a moral compass✓ for decision making. ✓	Focuses on upholding the reputation✓ of a business/ profession. ✓
Involves following the principles of right and wrong✓ in business activities/practices/dealings. ✓	Includes guidelines✓ on employees' appearance/ communication/attitude/responsibility, etc. ✓
Any other relevant answer related to ethical behaviour.	Any other relevant answer related to professional behaviour.
<b>Submax (6)</b>	<b>Submax (6)</b>

**NOTE: 1** The answer does not have to be in tabular format.

**2** The differences do not have to link but they need to be clear.

**3** Award a maximum of SIX (6) marks if the differences are not clear/Mark either ethical behaviour or professional behaviour.

Max (12)

#### 3.3 Challenges posed by unethical business practices

##### Tax evasion

- Businesses may pay heavy fines ✓ for evading tax. ✓
- Tax evasion may negatively impact ✓ on the business image. ✓
- The accountant may be charged high fees ✓ for falsifying financial statements. ✓
- Businesses may lose key stakeholders ✓ if the act of tax evasion is reported. ✓
- Some businesses submit ✓ fraudulent/incorrect returns to SARS resulting in penalties. ✓
- Businesses may not be familiar ✓ with the latest changes in tax legislation. ✓
- Any other relevant answer related to the challenges posed by tax evasion as an unethical business practice.

Submax (6)

##### Unfair advertising

- The use of false or misleading statements in advertising leads to the misrepresentation of the concerned product✓, which may negatively affect consumers. ✓
- Deceptive advertising can violate the trust of consumers ✓ and destroy business relationships. ✓
- Businesses can make unwise advertising choices✓ when they are under pressure to increase their profits. ✓
- Unfair advertisements could be harmful ✓ to consumers. ✓
- Some advertisements may be regarded as discriminatory ✓ because they exclude/target some sections of the population. ✓
- Any other relevant answer related to the challenges posed by unfair advertising as an unethical business practice.

Submax (6)

Max (12)

### 3.4 Application of King Code principles

#### Accountability

- There must be regular communication✓ between management and stakeholders. ✓
- Company should appoint internal and external auditors✓ to audit financial statements. ✓
- The board should ensure that the company's ethics are effectively implemented. ✓
- Businesses should be accountable/ responsible✓ for their decisions/actions. ✓
- Businesses should present accurate annual reports to shareholders at the Annual General Meeting (AGM). ✓
- Top management should ensure that other levels of management are clear ✓ about their roles and responsibilities to improve accountability. ✓
- Any other relevant answer related to the application of accountability as a King Code principle.

Submax (6)

#### Transparency

- Decisions/Actions must be clear✓ to all stakeholders. ✓
- Staffing and other processes✓ should be open and transparent. ✓
- Employees/Shareholders/Directors should be aware✓ of the employment policies of the business. ✓
- Auditing and other reports must be accurate/ available✓ to shareholders/employees. ✓
- Regular audits should be done✓ to determine the effectiveness of the business. ✓
- Business deals should be conducted openly✓ so that there is no hint/sign of dishonesty/corruption. ✓
- Businesses should give details of shareholders' voting rights✓ to them before/at the Annual General Meeting (AGM). ✓
- The board of directors must report on both the negative and positive impact✓ of the business on the community/environment. ✓
- The board should ensure that the company's ethics✓ are effectively implemented. ✓
- Any other answer related to the application of transparency as a King Code principal.

Submax (6)

Max (12)

### 3.5 Ways in which professional, responsible and effective business practises should be conducted

- Business decisions and actions must be clear/transparent to all stakeholders. ✓✓
- Businesses should be accountable /responsible for their decisions and actions/ patent rights. ✓✓
- The business should hire honest/trustworthy accountants/financial officers with good credentials to ensure transparent recording and financial statements. ✓✓
- The payment of taxes must be regular/timeous and the business must disclose all needed information to SARS and not finding loopholes to avoid paying taxes. ✓✓
- The business should draw up a code of ethics/conduct. This document must states acceptable behaviour in the business. ✓✓
- There must be on-going development and training for all employees of the business. ✓✓
- Performance management systems/Appraisals should be in place to motivate employees of the business. ✓✓
- There must be adequate internal controls/monitoring/evaluation to ensure accountability of the business. ✓✓
- The business's salaries and wages must be fair and in line with the requirements of the BCEA. Businesses must also remunerate employees for all work done and for working overtime. ✓✓
- Businesses must take care of the environment and use green policies in the workplace✓ such as recycling paper, responsible disposal of waste material and safe energy. ✓✓
- The business must not start a business venture at someone else's expense or using the ideas of other businesses/ individuals and respect intellectual property of other businesses. ✓✓
- Businesses should treat all their employees equally, regardless of their race/colour/age/gender/disability ✓✓
- Provide good quality goods and services to customers and pay attention to the safety of customers as well as give clear information to the customers to make informed decisions. ✓✓
- Any other relevant answer related to ways in which professional, responsible, ethical and effective business practice should be conducted.

Max (10)

### 3.6 Conclusion

- A business code of ethics should improve relationships and eliminate unethical business practices. ✓✓
- Employees who do not adhere to the code of conduct should face disciplinary actions. ✓✓
- Businesses can make use of good corporate governance to address issues that change professionalism and ethics in the workplace. ✓✓
- The King Code principles can be applied to all entities in the private and public sectors. ✓✓
- Any other relevant conclusion related to the distinction between ethical behaviour and professional behaviour/ challenges posed by tax evasion and unfair advertising as unethical business practices/application of accountability and transparency as King Code principles/ways in which professional, responsible, ethical, and effective business practice should be conducted.

Any (1 × 2) (2)  
(40)

Question 3: Breakdown of mark allocation		
DETAILS	MAXIMUM	TOTAL
3.1 Introduction	2	Max 32
3.2 Differences between ethical behaviour professional behaviour	12	
3.3 Challenge of unethical practices	12	
3.4 Application of King Code principles	12	
3.5 Ways to conduct professional, responsible, ethical and effective behaviour	10	
3.6 Conclusion	2	
INSIGHT		
Layout	2	8
Analysis/Interpretation	2	
Synthesis	2	
Originality/Examples	2	
<b>TOTAL MARKS</b>		<b>40</b>

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

# TOPIC 4 Creative thinking and problem-solving

## Teaching tips:

How to introduce the topic	Specific strategies to teach/approach the topic
<ul style="list-style-type: none"> <li>• Refer learners to content covered in Grade 10:               <ul style="list-style-type: none"> <li>– Creative thinking</li> <li>– Problem-solving</li> <li>– Decision making</li> <li>– Problem solving techniques</li> </ul> </li> <li>• Refer learners to content covered in Grade 11:               <ul style="list-style-type: none"> <li>– Problem-solving techniques</li> <li>– Application of problem solving techniques</li> </ul> </li> <li>• Emphasise that this topic in Grade 12 builds on the foundational knowledge of the content covered in Grade 10 &amp; 11.</li> <li>• Compile a baseline assessment to determine content gaps.</li> <li>• Revise &amp; consolidate content identified in analysis of the baseline assessment.</li> <li>• Unpack the glossary of concepts with learners</li> </ul>	<ul style="list-style-type: none"> <li>• Place more emphasis on the words silently and aloud when teaching the differences between the nominal-group technique and brainstorming.</li> <li>• Understanding the meaning of 'nominal-group' will assist in understanding why employees must first generate ideas silently, on their own, before sharing them with others.</li> <li>• Identify key words that could assist learners to elaborate on the advantages of creative thinking in the workplace</li> <li>• Teaching and learning should focus on how businesses should stimulate creative thinking in the workplace before learners are taught the advantages of creative thinking.</li> <li>• Use key words such as 'suggestions box', 'training', 'job swapping', 'experiments' and 'reward schemes' when teaching this topic.</li> <li>• Learners could be requested to bring articles on businesses that have stimulated creative thinking in the workplace to be used in class discussions.</li> </ul>
Important tips for the topic	Other ways of assessing the topic
<ul style="list-style-type: none"> <li>• There are similarities between the problem-solving steps and the strategic management process in terms of formulating, implementing and monitoring the strategy.</li> <li>• However, the problem-solving steps focus on how businesses can solve problems, while the strategic management process focuses on developing suitable strategies to respond to the challenges posed by business environments.</li> <li>• Creative thinking benefits both the business and employees.</li> <li>• This topic should not be confused with the benefits of diversity in the workplace as the focus is on the advantage of new and innovative ideas rather than diversity.</li> </ul>	<ul style="list-style-type: none"> <li>• Consult the following past NSC Question Papers for Section B and C type questions:               <ul style="list-style-type: none"> <li>– May/June 2021 P2 Question 4.7 – scenario on problem solving techniques</li> <li>– Nov 2020 P2 Question 4.7 – scenario on problem solving techniques</li> <li>– June 2019 Question 4.3 – scenario on problem solving techniques</li> <li>– Nov 2018 Question 6.6 – identify problem solving techniques</li> </ul> </li> </ul>

## Memoranda to activities



### Activity 4.1

Learner's Book page 101

#### QUESTION 1

##### 1.1 Problem-solving steps from the scenario

PROBLEM-SOLVING STEPS	MOTIVATIONS
1. Identify the problem ✓✓	The management of JRA was able to identify the problem during their staff meeting ✓
2. Evaluate alternative solutions ✓✓	They conducted brainstorming sessions with their employees to come up with as many possible solutions to their problem. ✓
3. Choose the most appropriate solution ✓✓	Consensus was reached on the best resolution. ✓
4. Develop an action plan ✓✓	JRA formulated a plan on how the solution will be implemented ✓
<b>Submax (8)</b>	<b>Submax (4)</b>

**NOTE: 1** Mark the first THREE (3) answers only.

**Max (12)**

##### 1.2 Other problem-solving steps

Define the problem ✓✓

- Have an in-depth understanding of the nature of the problem. ✓
- Gather as much information as possible to establish the cause of the problem. ✓
- Define all the possible causes of the problem. ✓
- Any other relevant answers related to defining the problem as a problem-solving step.

Heading	2
Explanation	1
Submax	3

Evaluate alternative solutions ✓✓

- Use critical evaluation and analytical skills to evaluate each solution. ✓
- Consider the advantages and disadvantages of each alternative solution. ✓
- Any other relevant answers related to evaluating alternative solutions as a problem-solving step.

Heading	2
Explanation	1
Submax	3

Implement the action plan ✓✓

- Carry out the planned actions to solve the problem. ✓
- Communicate delegated tasks and/or deadlines to all employees. ✓
- Any other relevant answers related to implementing the action plan as a problem-solving step.

Heading	2
Explanation	1
Submax	3

Evaluate the solution/action plan ✓✓

- Assess whether the problem has been solved partially or entirely. ✓
- Monitor the solution and action plan continuously with the appropriate tests. ✓
- If problems emerge, re-formulate the problem for improved solutions in the future. ✓
- Any other relevant answer related to evaluating the solution/action plan as a problem-solving step.

Heading	2
Explanation	1
Submax	3

- NOTE:** 1 Mark the first THREE (3) answers only.  
 2 Do not award marks for answers quoted in QUESTION 1.1.

Max (9)

Breakdown of marks	
Question 1	Marks
1.1	12
1.2	9
<b>TOTAL</b>	<b>21</b>

## Activity 4.2 Learner's Book page 107

### QUESTION 1

#### 1.1 Problem-solving techniques from given statements

- 1.1.1 Brainstorming ✓✓
- 1.1.2 Force field analysis ✓✓
- 1.1.3 Nominal group technique ✓✓
- 1.1.4 Delphi technique ✓✓

(4 × 2) (8)

Breakdown of marks	
Question 1	Marks
1.1	8
<b>TOTAL</b>	<b>8</b>

### QUESTION 2

#### 2.1 Introduction

- Problem-solving is the gathering of facts that are necessary to overcome a specific challenge. ✓
- Decision-making is the process to consider various alternatives before deciding on the best one. ✓
- Problem-solving techniques are methods that can be used to solve business related problems. ✓
- Using the Force field Analysis, the business weighs up the driving forces (advantages) and restraining forces (disadvantages) against each other. ✓
- The business can also use Force field analysis to consider how to strengthen the driving forces and weaken the restraining forces. ✓
- Any other relevant introduction related to the differences between decision-making and problem-solving/problem-solving steps/application of force field analysis and brainstorming as problem-solving techniques/impact of force field analysis.

Any (2 × 1) (2)

#### 2.2 Distinction between decision-making and problem-solving

DECISION-MAKING	PROBLEM-SOLVING
Decision-making is often done by one person/senior management. This makes decision-making more authoritative. ✓✓	Problems can be solved by a group/ team or an individual team member which make it more inclusive. This makes problem-solving more inclusive. ✓✓

DECISION-MAKING	PROBLEM-SOLVING
The person/senior management will consider various alternatives before deciding on the best one. ✓✓	The group/team will generate/identify various solutions and then critically evaluate each one. ✓✓
This process is part of the problem-solving cycle because decisions need to be taken in each step of the cycle. ✓✓	This process of analysing a situation will help the group/team to identify strategies that will bring about change. ✓✓
Any other relevant answer related to the explanation of decision-making	Any other relevant answer related to the explanation of problem-solving
<b>Submax (4)</b>	<b>Submax (4)</b>

- NOTE:** 1 *The answer does not have to be in tabular format.*  
2 *The differences do not have to link but they must be clear.*  
3 *Award a maximum of FOUR (4) marks if the distinction is not clear./Mark either decision-making or problem-solving.*

**Max (8)**

### 2.3 Problem-solving steps

Identify the problem ✓✓

- Acknowledge that there is a problem ✓ before it can be solved. ✓
- Get information and suggestions from anyone who may be affected ✓ in order to identify the exact problem. ✓
- Any other relevant answer related to identify the problem as a problem-solving step.

Heading	2
Explanation	2
Submax	4

Define the problem ✓✓

- Have an in-depth understanding ✓ of the nature of the problem. ✓
- Gather as much information as possible ✓ to establish the cause of the problem. ✓
- Define ✓ all the possible causes of the problem. ✓
- Any other relevant answer related to define the problem as a problem-solving step.

Heading	2
Explanation	2
Submax	4

Identify alternative solutions ✓✓

- Identify different possible solutions ✓ by using a problem-solving technique like brainstorming or nominal group technique. ✓
- Decide ✓ what seems to be the best solution(s) to the problem. ✓
- Any other relevant answer related to identify alternative solutions as a problem-solving step.

Heading	2
Explanation	2
Submax	4

Evaluate alternative solutions ✓✓

- Use critical evaluation and analytical skills ✓ to evaluate each solution. ✓
- Consider the advantages and disadvantages ✓ of each alternative solution. ✓
- Any other relevant answer related to evaluate alternative solutions as a problem-solving step.

Heading	2
Explanation	2
Submax	4

Choose the best solution ✓✓

- Set criteria for the best solution ✓ considering aspects such as time, cost and risk involved. ✓
- Get consensus or identify ✓ which solution will be used. ✓
- The best solution should match ✓ the size and the resources of the business. ✓

- If there is no clear solution✓ the business should go back to square one,that is, identify the problem. ✓
- Any other relevant answer related to choose the best solution as a problem-solving step.

Heading	2
Explanation	2
Submax	4

Formulate/Develop an action plan/strategy✓✓

- Arrange the necessary resources✓ and delegate tasks. ✓
- Establish a time line✓ for implementation and set deadlines✓
- Any other relevant answer related to formulate an action plan/strategy as a problem-solving step.

Heading	2
Explanation	2
Submax	4

Implement the action plan✓✓

- Carry out the planned actions✓ to solve the problem. ✓
- Communicate delegated tasks and/or deadlines✓ to all employees. ✓
- Any other relevant answer related to implement the action plan as a problem-solving step.

Heading	2
Explanation	2
Submax	4

Evaluate the solution/action plan✓✓

- Assess whether the problem has been solved✓ partially or entirely ✓
- Continuously monitor the solution and action plan ✓ using appropriate tests. ✓
- If problems emerge✓, re-formulate the problem for improved solutions in the future. ✓
- Any other relevant answer related to evaluate the action plan/solution as a problem-solving step.

Heading	2
Explanation	2
Submax	4

**Max (16)**

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

## 2.4 Application of problem-solving techniques

Application of Force field analysis

- Describe the current situation or problem and the desired situation✓ and write it in the middle or on top for everyone to see.✓
- List all driving/pros and restraining/cons forces✓ that will support and resist change. ✓
- Allocate a score to each force using a numerical scale✓, where 1 is weak and 5 is strong. ✓
- Weigh up the positives and negatives✓ then decide if the project is viable. ✓
- Choose the force with the highest score✓ as the solution. ✓
- If the project is viable, ✓ find ways to increase the forces for change. ✓
- Identify priorities✓ and develop an action plan. ✓
- Any other relevant answer related to the application of force field analysis.

**Submax (8)**

Application of Brainstorming

- The business must define the business problem clearly✓, so that all participants understand it. ✓
- The group must set a time limit✓ for each brainstorming session. ✓
- People in the group suggest ideas at random✓ and all ideas get written on a flip chart✓. Ideas may also be shared online during an E-brainstorming session.
- Use each suggestion✓, to inspire new thoughts or ideas from other group members. ✓
- The group leader must not allow anyone to judge or criticise any ideas. ✓ The goal is to generate as many ideas as possible. ✓
- Refine the ideas and combine certain ideas✓ and discuss if necessary. ✓

- After discussion the group rates ideas and chooses the best solutions ✓ according to its usefulness as well as the difficulty and cost to implement it. ✓
- Group members then need to discuss a plan of action ✓ on how to implement the best ideas. ✓
- Any other relevant answer related to the application of brainstorming.

**Submax (8)**

## 2.5 Impact of Force field analysis

Positives/Advantages

- It provides a visual summary ✓ of all the various factors supporting and opposing a particular idea. ✓
- Employees feel included ✓ and understood the way the business is going. ✓
- Employees develop and grow with the business ✓ because they are included in the process. ✓
- Informed decisions can be made ✓ because driving forces/forces for and restraining forces/forces against are critically evaluated. ✓
- This technique enables businesses to strengthen the driving forces ✓ and weaken the restraining forces. ✓
- Businesses can get an idea of how much time ✓ additional resources they may need to employ. ✓
- Any other relevant answer related to the advantages of force field analysis.

**AND/OR**

Negatives/Disadvantages

- It is time consuming ✓ since the business must stabilise before more changes can be made. ✓
- Requires the participation ✓ of all business units. ✓
- The analysis developed is entirely dependent ✓ upon the skill level and knowledge of the group working on the analysis. ✓
- Any other relevant answer related to the disadvantages of Force field analysis.

**Max (8)**

## 2.6 Conclusion

- If businesses experience problems they must carefully look at the whole situation by applying the problem-solving steps. ✓✓
- After the problem-solving steps, management must decide on the best solution for the business problem. ✓✓
- It is important to apply the correct problem-solving technique to solve the business's problem, for example, for implementing change, use the Force field analysis. ✓✓
- Any other relevant conclusion related to the differences between decision-making and problem-solving/problem-solving steps/application of force field analysis and brainstorming as problem-solving techniques/impact of force field analysis.

**Any (1 × 2) (2)  
(40)**

Question 2: Breakdown of mark allocation		
DETAILS	MAXIMUM	TOTAL
2.1 Introduction	2	Max 32
2.2 Distinction between decision-making and problem-solving	8	
2.3 Problem-solving steps	16	
2.4 Application of Force field analysis	16	
2.5 Impact of Force field analysis	6	
2.6 Conclusion	2	
INSIGHT		
Layout	2	8
Analysis/Interpretation	2	
Synthesis	2	
Originality/Examples	2	
<b>TOTAL MARKS</b>		<b>40</b>

LASO – For each component:

Allocate 2 marks if all requirements are met.

Allocate 1 mark if some requirements are met.

Allocate 0 marks where requirements are not met at all.

**QUESTION 1**

ACROSS		DOWN	
1	Forcefield ✓✓	6	Flipboard ✓✓
2	Delphi ✓✓	7	Equal ✓✓
3	One ✓✓	8	Identify ✓✓
4	Time ✓✓	9	Box ✓✓
5	Motivation ✓✓	10	Incentives ✓✓

(10 × 2) (20)

Breakdown of marks	
Question 1	Marks
	20
<b>TOTAL</b>	<b>20</b>

**Consolidation**

**QUESTION 1**

**1.1 Complete the statements**

- 1.1.1 decision-making ✓✓
- 1.1.2 Delphi ✓✓
- 1.1.3 Nominal group ✓✓
- 1.1.4 creativity ✓✓

(4 × 2) (8)

**1.2.1 Identify the problem-solving technique from the scenario**

Delphi technique ✓✓

Motivation: DPL would like to first acquire the opinions of experts on the sustainability and viability of the idea. ✓

(3)

**1.2.2 Application of the Delphi Technique**

- The business must invite a panel of experts ✓ to research the challenge of the business. ✓
- Experts do not have to be in one place ✓ and will be contacted individually. ✓
- A questionnaire consisting of questions to gather information from the experts ✓ regarding the challenge/s of the business must be designed. ✓
- The experts will then be requested to send individual responses ✓ to the questionnaire. ✓
- The business then needs to summarise the responses from the experts ✓ using a feedback report. ✓
- This feedback report is sent back to the experts and, if necessary ✓, a second set of questions/questionnaire based on the feedback report to the panel members will be developed. ✓
- Panel members will then be requested to provide further input/ideas ✓ on how to solve the challenge/s of the business. ✓
- If necessary, send a third questionnaire ✓ based on previous feedback from the second round. ✓
- Finally the business will summarize ✓ all the feedback from the experts in a report. ✓
- After reaching a consensus ✓, the business should then choose the best solution/proposal based on the report. ✓
- Any other relevant answer related to the application of the Delphi technique.

**Max (8)**

### 1.3 Advantages of brainstorming in the workplace

- Better or unique solutions and/or ideas are developed ✓ through collective contributions and will give the business a competitive advantage. ✓
- Productivity increases if the business generates ideas, ✓ which utilises time and money more effectively. ✓
- Employees are motivated ✓ as they are allowed to contribute to problem solving. ✓
- Managers will be better leaders ✓ as they will be able to manage change creatively. ✓
- Creativity may led to new inventions ✓ which improves the general standard of living. ✓
- Any other relevant answer related to the advantages of brainstorming.

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

**Max (8)**

Breakdown of marks	
Question 1	Marks
1.1	8
1.2.1	3
1.2.2	8
1.3	8
<b>TOTAL</b>	<b>27</b>

## QUESTION 2

### 2.1 Introduction

- Creative thinking is the ability to look at the same scenario/challenge and came up with original, new innovative ideas/solutions. ✓
- Nominal Group Technique is a weighted ranking method that enables a small group to generate ideas individually. ✓
- Within the Nominal group technique everyone is given an equal voice. ✓
- Any other relevant introduction related to ways in which business can create an environment that promotes creative thinking in the workplace/advantages of creative thinking in the workplace/application of nominal group technique/ impact of nominal group technique.

**Any (2 × 1) (2)**

### 2.2 Ways in which a business can create an environment that promotes creativity

- Management must always be willing to listen and respond enthusiastically to new ideas of staff members. ✓✓
- The management must encourage all staff members to develop new or unique ideas. ✓✓
- Management must make time for creating new ideas. ✓✓
- Make it easy for suggesting new ideas with suggestions boxes in the business. ✓✓
- Train staff members on innovative techniques ✓✓
- Organise job swapping with other businesses to learn from other more creative ways to handle situations. ✓✓
- Introduce incentives for staff members who came up with useful creative ideas. ✓✓
- Make sure that the working environment is free from distraction like high noise levels. ✓✓
- Any other relevant answer related to the way businesses can create an environment that promotes creativity.

**Max (12)**

### 2.3 Advantages of creative thinking in the workplace

- Better, unique or unconventional ideas and solutions ✓ are generated. ✓
- May give the business a competitive advantage ✓ if unusual, unique solutions, ideas, strategies are implemented. ✓
- Complex business problems ✓ may be solved. ✓
- Productivity increases ✓ as management and employees may quickly generate multiple ideas that use time and money more effectively. ✓
- Managers and employees ✓ have more confidence as they can live up to their full potential. ✓
- Managers will be better leaders ✓ as they will be able to handle/manage change(s) positively and creatively. ✓
- Managers and employees can develop a completely new outlook ✓, which may be applied to any task(s) they may do. ✓
- Leads to more positive attitudes ✓ as managers and employees feel that they have contributed towards problem-solving. ✓

- Improves motivation ✓ amongst staff members. ✓
- Managers and employees have a feeling of great accomplishment ✓ and they will not resist or obstruct the process once they solved a problem and contributed towards the success of the business. ✓
- Management and employees may keep up with ✓ fast-changing technology. ✓
- Stimulates initiative from employees and managers ✓ as they are continuously pushed out of their comfort zone. ✓
- Creativity may lead to new inventions ✓ which improve the general standard of living. ✓
- Any other relevant answer related to the impact of creative thinking on the business.

Max (12)

#### 2.4 Application of nominal group technique

- Encourage the group to define the problem ✓ so that all in the small group can work on the same problem. ✓
- If the group is too big ✓ it must be divided into smaller groups. ✓
- Request each employee to silently brainstorm or generate as many ideas as possible ✓ on his/her own and write it down. ✓
- Each employee in the small group has the opportunity to give one of his/her ideas ✓ with a short explanation. ✓
- Write all the ideas down on a large paper or electronically on computer ✓ for all to see. ✓
- Encourage employees ✓ to ask clarity seeking questions. ✓
- No criticism of ideas will be allowed ✓ because it will prevent others from taking part in the process. ✓
- The next step is to eliminate ideas ✓ that are duplicate ideas that are similar. ✓
- Each employee now has the opportunity to read through the suggestions ✓ and anonymously rate them from highest to lowest ✓
- Collect the ratings and calculate the total points for each suggestion ✓ and choose favourite solution. ✓
- If they were divided into small groups ✓ every group must present one solution to the large group. ✓
- Any other relevant answer related to the application of Nominal group technique.

Max (12)

#### 2.5 Impact of nominal group technique

##### Positives/Advantages

- It provides time to think about the question in silence before responding and can participate without interference of other members. ✓✓
- Voting on the ideas is anonymous and the outcome may be more honest and reliable. ✓✓
- Everyone in the group is given an opportunity to contribute to the discussion, while avoiding the likelihood of one person dominating the group process. ✓✓
- This process allow the group to generate and clarifies a large amount of ideas quickly, and democratically prioritises them. ✓✓
- This is an ideal technique for preventing conformity to group pressure. ✓✓
- This technique encourages participants to confront issues through constructive participation towards a solution of a complex business problem ✓✓.
- Any other relevant answer related to the advantages of nominal group technique.

##### AND/OR

##### Negatives/Disadvantages

- It minimises discussion, and thus does not allow the full development of ideas. ✓✓
- Ideas/Inputs made by members may not converge and cannot lead to the same solution(s). ✓✓
- Suggestions may not be as creative as when a group throws ideas around. ✓✓
- It is time consuming, as each member must make a presentation. ✓✓
- It is hard to implement it effectively with large groups unless very carefully planned beforehand. ✓✓
- Requires extended advance preparation, which means that it cannot be a spontaneous technique. ✓✓
- Good ideas can be voted out because its potential cannot be developed further. ✓✓
- Small groups limit participation and are pre-selected. ✓✓
- Any other relevant answer related to the disadvantages of nominal group technique

Max (10)

## 2.6 Conclusion

- Businesses will improve significantly if they create an environment that promotes creative thinking. ✓✓
- Businesses must consider the various problem-solving techniques and choose the most appropriate technique for a specific challenge. ✓✓
- Nominal group technique will involve all employees because they can work individually and they all have an equal voice. ✓✓
- Applying creative thinking techniques may save businesses a lot of time and money.
- Any other relevant conclusion related to ways in which business can create an environment that promotes creative thinking in the workplace/advantages of creative thinking in the workplace/application of nominal group technique/impact of nominal group technique.

Any (1 × 2) (2)  
(40)

Question 2: Breakdown of mark allocation		
DETAILS	MAXIMUM	TOTAL
2.1 Introduction	2	Max 32
2.2 Ways to promote an creative environment	12	
2.3 Advantages of creative thinking in the workplace	12	
2.4 Application of nominal group technique	12	
2.5 Impact of nominal group technique	10	
2.6 Conclusion	2	
INSIGHT		
Layout	2	8
Analysis/Interpretation	2	
Synthesis	2	
Originality/Examples	2	
<b>TOTAL MARKS</b>		<b>40</b>

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

# TOPIC 5 Macro environment: Business strategies

## Teaching tips:

How to introduce the topic	Specific strategies to teach/approach the topic
<ul style="list-style-type: none"> <li>• Refer learners to the Grade 10 content covered:               <ul style="list-style-type: none"> <li>– Macro environment</li> <li>– Formulating and implementing a strategy as part of problem solving</li> <li>– SWOT analysis</li> <li>– PESTLE factors that pose challenges to businesses</li> </ul> </li> <li>• Refer learners to the Grade 11 content covered:               <ul style="list-style-type: none"> <li>– Challenges posed by the macro environment</li> <li>– Strategies to deal with these challenges</li> </ul> </li> <li>• Emphasise that this topic in Grade 12 builds on the foundational knowledge of the content covered in Grade 10 &amp; 11.</li> <li>• Compile a baseline assessment to determine content gaps.</li> <li>• Revise and consolidate content identified in analysis of the baseline assessment.</li> <li>• Unpack the glossary of concepts with learners.</li> <li>• Emphasise that the strategic management processes serves as a platform for the entire topic.</li> </ul>	<ul style="list-style-type: none"> <li>• Practical examples are also effective when explaining the steps in strategy evaluation.</li> <li>• Use practical examples when explaining the meaning of business strategies.</li> <li>• Explain the rationale for the implementation of these strategies to enhance their understanding.</li> <li>• Teachers are encouraged to use the tips in the learner's book to emphasise how to distinguish between market development and product development.</li> <li>• Teachers must emphasise that ALL diversification strategies focus on adding new products. However, the manner in which the business adds these new products differs.</li> <li>• Teachers must be thorough in explaining the meaning of each business strategy and the difference between liquidation and liquidity when teaching defensive strategies.</li> <li>• Teachers must also take time to explain the reasons why liquidation is classified under defensive strategies.</li> <li>• Businesses will first implement divestiture and retrenchment strategies to defend themselves and liquidation will be applied as a last resort.</li> <li>• Devise strategies to illustrate how PESTLE factors can pose challenges to businesses and initiate class discussions for suggestions to deal with challenges</li> </ul>
Important tips for the topic	Other ways of assessing the topic
<ul style="list-style-type: none"> <li>• It must be pointed out that quoting examples of PESTLE factors is covered in Grade 10 and will not meet the level of complexity expected in the Grade 12 context.</li> <li>• Porter's Five Forces model is used as a research instrument rather than as strategies to increase sales and market share.</li> <li>• It must be clear to learners that this model assists businesses with answering questions such as how and what makes buyers, competitors and suppliers have power over the business</li> <li>• New entrants refer to other businesses that sell the same products in the existing market, for the first time, and that the power will depend on how easy it is for them to enter the market.</li> <li>• New competitors can easily enter the market if it takes little time and money, whereas barriers refer to obstacles like legislation, that makes it difficult to comply with, in order to enter new markets.</li> <li>• This distinction must be emphasised.</li> </ul>	<ul style="list-style-type: none"> <li>• Consult the following past NSC Question Papers for Section B and C type questions:               <ul style="list-style-type: none"> <li>– May/June 2021 P1 Question 2.3 – PESTLE elements.</li> <li>– May/June 2021 P2 Question 5 – essay on business strategies</li> <li>– Nov 2019 Question 7 – essay on business strategies</li> <li>– Nov 2018 Question 6.1 – identify PESTLE elements</li> <li>– May/June 2018 Question 6.1 – identify type of business strategies</li> <li>– May/June 2018 Question 7 – essay on business strategies</li> <li>– Feb/March 2018 Question 2.5 – scenario on industrial analysis tools</li> </ul> </li> <li>• Create informal 10 mark quizzes/tests on the key terms of the previous day's content – in that way teachers expose learners to continuous consolidation.</li> <li>• Ensure that learners practice writing various examples of essays to ensure optimum exposure.</li> </ul>

## Memoranda to activities



### Activity 5.1

Learner's Book page 119

#### QUESTION 1

##### 1.1 Strategic management process

###### 1.1.1 Strategic management process from the scenario

- Jonas Doughnuts applied Porter's Five Forces Model to analyse their position in the market. ✓
- JD formulated alternative strategies in response to their business challenges. ✓

**NOTE: 1 Do not award marks for quotes that are incomplete.**

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

(2 × 1) (2)

###### 1.1.2 Other ways in which the business can apply the strategic management process

###### Option 1

- Have a clear vision, mission statement ✓ and measurable/realistic/achievable objectives in place. ✓
- Identify strengths/weaknesses/opportunities/threats ✓ by conducting environmental scanning/ situational analysis. ✓
- Use available tools/methods for environmental scanning ✓, which may include a SWOT Analysis/ PESTLE Analysis/industrial analysis tools. ✓
- Develop/create (an) action plan(s) ✓, including the tasks to be completed/deadlines to be met/ resources to be procured, etc. ✓
- Organise the business resources ✓ and motivate staff. ✓
- Implement selected strategies ✓ by communicating it effectively/efficiently/correctly to all stakeholders. ✓
- Continuously evaluate/monitor/assess/measure strategies ✓ in order to take corrective action. ✓
- Any other relevant answer related to other ways in which the business can apply the strategic management process.

OR

###### Option 2

- Review/Analyse/Re-examine ✓ their vision/mission statement. ✓
- Conduct (an) environmental analysis/environmental scanning using models such as SWOT Analysis/ PESTLE Analysis.
- Formulate a strategy ✓ such as a(n) integration/intensive/diversification/ defensive strategy. ✓
- Implement a strategy ✓, using a template such as an action plan. ✓
- Control/Evaluate/Monitor the implemented strategy to identify gaps/deviations/differences in implementation.
- Take corrective action ✓ to ensure goals/objectives/aims are met. ✓
- Any other relevant answer related to other ways in which the business can apply the strategic management process.

**NOTE: 1 Do not award marks for answers quoted in QUESTION 1.1.1.**

**2 Do not award marks for Porter's Five Forces Model as one of the industrial analysis tools.**

Max (8)

Breakdown of marks	
Question 1	Marks
1.1.1	2
1.1.2	8
<b>TOTAL</b>	<b>10</b>

## Activity 5.2

Learner's Book page 121 – 122

### QUESTION 1

#### 1.1 SWOT Analysis

##### 1.1.1 SWOT analysis

STRENGTHS		WEAKNESSES	
1.	The marketing department of Unathi Nono Enterprises is knowledgeable on current market trends. ✓	1.	Employees however, have a poor work ethic. ✓
2.	The business is strategically situated. ✓	2.	Organisational resources are used inadequately. ✓
OPPORTUNITIES		THREATS	
1.	There is a new upmarket residential area situated close to UNE. ✓	1.	Inefficient suppliers fail to deliver inputs timeously. ✓
2.	Competitors are unable to adapt to consumer demand. ✓	2.	During load shedding, UNE suspends operations because of high crime rates. ✓

Max (8)

Breakdown of marks	
Question 1	Marks
1.1.1	8
<b>TOTAL</b>	<b>8</b>

## Activity 5.3

Learner's Book page 124

### QUESTION 1

#### 1.1 Porter's Five Forces model

##### 1.1.1 Force/element of Porter's Five Forces model from the scenario

Threat/Barriers of new entrants to the market ✓✓

##### Motivation:

Protech Droners is unable to provide droning services due to high start-up costs and complicated licencing procedures. ✓

**NOTE: 1** Award marks for the correct force/element of Porter's Five Forces model if the quote is incomplete.

**2** Do not award marks for the motivation, if the force/element of Porter's Five Forces model was incorrectly identified.

Max (3)

##### 1.1.2 THREE other forces/elements of Porter's Five Forces model

Bargaining power of suppliers/Power of suppliers ✓✓

- Suppliers that deliver high quality products may have power over the business. ✓
- The more powerful the suppliers, the less control the business has over them. ✓
- Assess/Evaluate the power of the suppliers in influencing prices. ✓
- Suppliers have a high degree of power when they sell a unique/scarce good/service. ✓
- Identify the kind of power suppliers' have regarding the quality of products/services/reliability/ efficiency/ ability to make prompt deliveries, etc. ✓
- Any other relevant answer related to bargaining power of suppliers/power of suppliers as a force/element of Porter's Five Forces model.

Force/element	2
Explanation	1
Submax	3

Bargaining power of buyers/Power of buyers ✓✓

- A few powerful buyers are often able to dictate their terms/prices to the business. ✓
- Assess how easy it is for buyers/customers to drive prices down/decrease prices. ✓
- Determine the number of buyers/the importance of each buyer to the business and the cost of switching to other products. ✓
- Buyers buying in bulk can bargain/negotiate for prices in their favour. ✓
- Conduct market research to gather more information about its buyers/customers. ✓
- Any other relevant answer related to bargaining power of buyers/power of buyers as a force/element of Porter's Five Forces model.

Force/element	2
Explanation	1
Submax	3

Competitive rivalry/Power of competitors ✓✓

- Competitors selling the same/similar products/services may have a greater impact on the market of the business. ✓
- If competitors have a unique/scarce product/service, then they will have greater power. ✓
- A business with many competitors in the same market has very little power in their market/industry. ✓
- Compile/Draw up a competitor's profile so that they can determine their own strength as well as that of competitors. ✓
- Some businesses have necessary resources/capital 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/power of competitors as a force/element of Porter's Five Forces model.

Force/element	2
Explanation	1
Submax	3

Threat of substitution/substitutes ✓✓

- Establish/Determine whether the sellers of substitute products have improved/enhanced their product/sell lower quality goods at lower prices. ✓
- If the business's product can be easily substituted, it weakens/reduces the power of the business in the market. ✓
- If the business sells unique/scarce products it will not be threatened/influenced by substitute products. ✓
- Assess if customers are using substitute products/services and determine reasons for using substitutes. ✓
- Change/improve the design/quality/efficiency of their products/services to remain competitive. ✓
- Any other relevant answer related to threat of substitution/substitutes as a force/element of Porter's Five Forces model.

Force/element	2
Explanation	1
Submax	3

**NOTE: Mark the first THREE (3) forces/elements of Porter's Five Forces model only.**

Max (9)

Breakdown of marks	
Question 1	Marks
1.1.1	3
1.1.2	9
<b>TOTAL</b>	<b>12</b>

**QUESTION 1**

**1.1 Challenges posed by PESTLE factors**

CHALLENGES (1.1.1)		PESTLE FACTORS (1.1.2)	RECOMMENDATIONS (1.1.3)
1.	Imports for main raw materials have been paused because of trade agreements. ✓	Political ✓	Trade only with countries that have favourable trade agreements with the government. ✓✓
2.	The high inflation rate has meant that demand for products have declined. ✓	Economic ✓	Consider decreasing profit margins rather than increasing product prices. ✓✓
3.	AIS is not conversant with the local language of consumers. ✓	Social ✓	Learn local/indigenous languages/Hire employees who are well conversant with the local/indigenous language of customers. ✓✓
4.	Some of their employees lack the skills to use new technology. ✓	Technological ✓	Train existing/appoint new employees to maintain/use new equipment/technology. ✓✓
5.	Enterprise and Supplier Development (ESD) as one of the pillars of BBBEE limits the operations of AIS. ✓	Legal ✓	Improve compliance with legislation such as BBBEE that impact the operations of the business. ✓✓
6.	Measures to dispose of business waste is expensive. ✓	Environmental ✓	Implement cost effective measures to dispose of medical waste. ✓✓
<b>Submax (6)</b>		<b>Submax (6)</b>	<b>Submax (12)</b>

- NOTE:**
- 1 Mark the first challenge for each PESTLE factor only.
  - 2 If the PESTLE factor is not linked to the challenge, mark the challenge only.
  - 3 Award full marks for the PESTLE factor even if the challenge is not quoted in full.
  - 4 The recommendation must be linked to the challenge.
  - 5 Do not award marks for the recommendation if the PESTLE factor is not mentioned.
  - 6 Order may be different.

Max (24)

Breakdown of marks	
Question 1	Marks
1.1.1	6
1.1.2	6
1.1.3	12
<b>TOTAL</b>	<b>24</b>

**QUESTION 1**

**1.1 Integration strategies**

**1.1.1 Integration strategy from the scenario**

Horizontal integration ✓✓

**Motivation:**

NGS decided to take over Pristine Gardening to reduce the threat of competition. ✓

**NOTE: 1** Award marks for the correct integration strategy if the quote is incomplete.

**2** Do not award marks for the motivation, if the integration strategy was incorrectly identified.

**Max (3)**

**1.1.2 Other integration strategies that could be applied by the business**

Forward vertical integration ✓✓

- The business combines/merges with/takes over its distributors down the supply chain/production chain. ✓
- It involves the expansion of business activities to gain control over the distribution of products/services. ✓
- The business takes over the distribution system and sells products/services directly to consumers/customers. ✓
- The business merges with businesses that were once their customers, while still maintaining control of the initial/primary business activities. ✓
- Any other relevant answer related to forward vertical integration as an integration strategy.

Integration strategy	2
Explanation	1
Submax	3

Backward vertical integration ✓✓

- The business combines with/merges/takes over its suppliers up the supply chain/production chain. ✓
- This is done to decrease the business's dependency on suppliers. ✓
- The business expands its role to fulfil activities/tasks that were formerly/previously completed by suppliers. ✓
- It involves buying over/merging with another business that supplies products/services to the business. ✓
- Any other relevant answer related to backward vertical integration as an integration strategy.

Integration strategy	2
Explanation	1
Submax	3

**Max (6)**

Breakdown of marks	
Question 1	Marks
1.1.1	3
1.1.2	6
<b>TOTAL</b>	<b>9</b>

**QUESTION 1****1.1 Intensive strategies****1.1.1 Intensive strategies from the scenario**

INTENSIVE STRATEGIES	MOTIVATIONS
1. Market penetration ✓✓	Durban Fried Chicken has lowered the prices of their products to increase the market share. ✓
2. Market development ✓✓	The success of the business has led to DFC opening a new branch in Mpumalanga. ✓

**NOTE: 1** The answer does not have to be in tabular format.

**2** Award marks for the correct intensive strategies even if the quote is incomplete.

**3** Do not award marks for the motivation if the intensive strategies were incorrectly identified.

**Max (6)****1.1.2 One other intensive strategy**

Product development ✓✓

- The business uses this growth strategy to introduce new products into existing/current markets. ✓
- New ideas/products are generated/ produced by the business for existing/current markets. ✓
- The business conducts test marketing/market research to establish whether new products will be accepted by existing customers. ✓
- New products may be different/of a higher quality than those of competitors. ✓
- Any other relevant answer related to product development as an intensive strategy.

Intensive strategy	2
Explanation	1
Submax	3

**1.1.3 Advantages of intensive strategies**

- Increased/enhanced/improved market share as intensive strategies reduces the business's vulnerability to actions of competitors. ✓✓
- Increase in sales/revenue/income/profitability due to variety of aggressive advertising campaigns/ because more products/services are being sold. ✓✓
- Improve service delivery which may improve business image/brand/brand awareness. ✓✓
- Increase the control over the prices charged for products/services. ✓✓
- Increase customer loyalty through effective promotion campaigns. ✓✓
- Decrease prices that may influence customers/consumers to buy more products/services. ✓✓
- Increase in regular sales from existing customers/consumers that may increase. ✓✓
- Remove existing competitors and dominate market prices. ✓✓
- Improve the focus on markets/well researched quality products that satisfy the needs of customers/consumers. ✓✓
- Any other relevant answer related to the advantages of intensive strategies.

**Max (6)**

Breakdown of marks	
Question 1	Marks
1.1.1	6
1.1.2	3
1.1.3	6
<b>TOTAL</b>	<b>15</b>

**QUESTION 1**

**1.1 Diversification strategies**

**1.1.1 Diversification strategy from the scenario**

Concentric diversification ✓✓

**Motivation:**

BD decided to add a new clothing line for toddlers to attract new customers. ✓

*NOTE: 1 Award marks for the correct diversification strategy if the quote is incomplete.*

*2 Do not award marks for the motivation, if the diversification strategy was incorrectly identified.*

**Max (3)**

**1.1.2 Other types of diversification strategies**

Horizontal diversification ✓✓

- The business adds new products/services that are unrelated to existing/current products, but which may appeal to existing/current customers/consumers. ✓
- Occurs when a business acquires/merges with a business that is at the same production stage, but it may offer a different product. ✓
- The business extends the production of products/services above/beyond the market/industry in which it currently operates. ✓
- Occurs when the business increases its development potential/extends its brand and significantly reduces risk as the new products are aimed at existing customers/consumers. ✓
- Any other relevant answer related to horizontal diversification as a diversification strategy.

Diversification strategy	2
Explanation	1
Submax	3

Conglomerate diversification ✓✓

- The business adds new products/services that are unrelated to existing products which may appeal to new groups of customers. ✓
- Occurs when the business operates multiple product lines/business entities for entirely different industries/consumers/customers. ✓
- The business grows into new products/services and markets. ✓
- Occurs when the business is able to increase overall product/service flexibility/proficiency by extending activities to unexplored/untapped/unfamiliar markets. ✓
- Any other relevant answer related to conglomerate diversification as a diversification strategy.

Diversification strategy	2
Explanation	1
Submax	3

**Max (6)**

**1.1.3 Advantages of diversification strategies**

- Increase in sales/revenue/income✓ and business growth. ✓
- Sustained profitability from different product lines✓ during times of fluctuating economic activity. ✓
- Increase in the number of products being sold✓ to existing/new customers/consumers. ✓
- Establish additional new markets✓ in unrelated markets/industries. ✓
- Gain more technological capabilities✓ through product modification. ✓
- Improve brand/image/brand awareness✓ of the business. ✓
- Reduce the risk of relying only on✓ one product for sales/revenue/income. ✓
- Retain its competitive advantage✓ by meeting the needs of current/new customers/expanding into new unexplored markets. ✓

- Remain relevant/functional/operational ✓ in the context of everchanging business environments. ✓
- Accept any other relevant answer related to the advantages of diversification strategies.

Max (6)

Breakdown of marks	
Question 1	Marks
1.1.1	3
1.1.2	6
1.1.3	6
<b>TOTAL</b>	<b>15</b>

## Activity 5.8 Learner's Book page 138

### QUESTION 1

#### 1.1 Defensive strategies

##### 1.1.1 Defensive strategies from the scenario

DEFENSIVE STRATEGIES	MOTIVATIONS
1. Retrenchment ✓✓	The employment contracts of certain employees were terminated due to a decrease in the number of product lines. ✓
2. Divestiture/Divestment ✓✓	Some of NP's assets that were no longer functional were sold. ✓
3. Liquidation ✓✓	NP finally decided to sell their assets to repay creditors. ✓

- NOTE:** 1 The answer does not have to be in tabular format.  
 2 Award marks for the correct defensive strategies even if the quote is incomplete.  
 3 Do not award marks for the motivation, if the defensive strategies were incorrectly identified.

Max (9)

Breakdown of marks	
Question 1	Marks
1.1.1	9
<b>TOTAL</b>	<b>9</b>

## Activity 5.9 Learner's Book page 139

### QUESTION 1

#### 1.1 Strategy evaluation

##### 1.1.1 Steps in strategy evaluation from the scenario

- KPD assessed the underlying basis of the business strategy. ✓
- They also took corrective action so that deviations from the standards may be corrected. ✓
- Specific dates were set by KPD for control and follow up. ✓

- NOTE:** 1 Do not award marks for quotes that are incomplete.  
 2 Mark the first THREE (3) only.

(3 × 1) (3)

##### 1.1.2 Other steps in strategy evaluation

- Look forward and backwards ✓ into the implementation process. ✓
- Compare the expected performance ✓ with the actual performance. ✓

- Measure the business performance ✓ in order to determine the reasons for deviations and analyse these reasons. ✓
- Draw up a table/list of ✓ the advantages and disadvantages of a strategy. ✓
- Decide ✓ on the desired outcome. ✓
- Consider the impact of the strategic implementation ✓ in the internal and external environments of the business. ✓
- Any other relevant answer related to steps in strategy evaluation that could be applied by KPD.

**NOTE: 1 Do not allocate marks for answers quoted in QUESTION 1.1.1.**  
**2 Accept steps provided in any order.**

Max (6)

Breakdown of marks	
Question 1	Marks
1.1.1	3
1.1.2	6
<b>TOTAL</b>	<b>9</b>

## Consolidation

Learner's Book page 140 – 145

### QUESTION 1

DOWN		ACROSS	
1	Forward vertical integration ✓✓	2	Market penetration ✓✓
3	Concentric diversification ✓✓	4	Retrenchment ✓✓
5	Industrial analysis tools ✓✓	6	Power of suppliers ✓✓
7	Conglomerate diversification ✓✓	8	Market development ✓✓
9	Industry downturn ✓✓	10	PESTLE Analysis ✓✓

(10 × 2) (20)

Breakdown of marks	
Question 1	Marks
	20
<b>TOTAL</b>	<b>20</b>

### QUESTION 2

DOWN		ACROSS	
1	Product development ✓✓	2	Strategy ✓✓
3	Horizontal diversification ✓✓	4	Porter's Five forces model ✓✓
5	Backward vertical integration ✓✓	6	Competitive rivalry ✓✓
7	Horizontal integration ✓✓	8	Liquidation ✓✓
9	Threat of substitution ✓✓	10	SWOT Analysis ✓✓

(10 × 2) (20)

Breakdown of marks	
Question 2	Marks
	20
<b>TOTAL</b>	<b>20</b>

### QUESTION 3

#### 3.1 Multiple choice

- 3.1.1 B ✓✓
- 3.1.2 D ✓✓
- 3.1.3 D ✓✓
- 3.1.4 A ✓✓
- 3.1.5 A ✓✓

(5 × 2) (10)

#### 3.2 Complete the statements

- 3.2.1 conglomerate ✓✓
- 3.2.2 weakness ✓✓
- 3.2.3 Porter's Five forces model ✓✓
- 3.2.4 environmental ✓✓
- 3.2.5 retrenchment ✓✓

(5 × 2) (10)

#### 3.3 Matching Columns

- 3.3.1 C ✓✓
- 3.3.2 H ✓✓
- 3.3.3 E ✓✓
- 3.3.4 A ✓✓
- 3.3.5 F ✓✓

(5 × 2) (10)

Breakdown of marks	
Question 3	Marks
3.1	10
3.2	10
3.3	10
<b>TOTAL</b>	<b>30</b>

### QUESTION 4

#### 4.1 PESTLE factors that pose challenges from given statements

- 4.1.1 Social ✓✓
- 4.1.2 Economic ✓✓
- 4.1.3 Technological ✓✓
- 4.1.4 Environmental ✓✓
- 4.1.5 Legal ✓✓

(5 × 2) (10)

#### 4.2 Defensive strategies

- Retrenchment ✓
- Divestiture/Divestment ✓
- Liquidation ✓

*NOTE: 1 Mark the first THREE (3) answers only.*

(3 × 1) (3)

### 4.3 Distinction between horizontal integration and horizontal diversification

HORIZONTAL INTEGRATION	HORIZONTAL DIVERSIFICATION
The business takes control of/incorporates/merges with other businesses in the same/related industry✓ which produce/sell the same/similar products. ✓	The business adds new products/services that are unrelated to existing/current products ✓, but which may appeal to existing/current customers/ consumers. ✓
The aim is to reduce the threat✓ of competition/ substitute products/services. ✓	Occurs when a business acquires/merges with a business that is at the same production stage✓, but it may offer a different product. ✓
The business is able to strengthen/expand their market share/position✓ and enhance production/ distribution. ✓	The business extends the production of products/ services✓ above/beyond the market/ industry in which it currently operates. ✓
It is the acquisition/takeover of a related business✓ that operates at the same level of the supply chain in the industry. ✓	Occurs when the business increases its development potential/extends its brand✓ and significantly reduces risk as the new products are aimed at existing customers/consumers. ✓
Any other relevant answer related to horizontal integration.	Any other relevant answer related to horizontal diversification
<b>Submax (2)</b>	<b>Submax (2)</b>

- NOTE:** 1 *The answer does not have to be in tabular format.*  
 2 *The distinction does not have to link but must be clear.*  
 3 *Award a maximum of TWO (2) marks if the distinction is not clear/Mark either horizontal integration or horizontal diversification only.*

**Max (4)**

### 4.4 Porter's Five Forces Model

#### 4.4.1 Elements of Porter's Five Forces Model from the scenario

PORTER'S FIVE FORCES		MOTIVATIONS
1	Threat/Barriers of new entrants to the market ✓✓	Bonga Bakery was easy to establish, as only a trading licence was required. ✓
2	Bargaining power of suppliers/Power of suppliers ✓✓	The main consumers have forced BB to reduce the prices of confectionary cakes. ✓
3	Competitive rivalry/Power of competitors ✓✓	Imperial Bakers (IB) that is situated near BB used a sales strategy to increase their market share. ✓
4	Bargaining power of suppliers/Power of suppliers ✓✓	A drought has caused prices of main inputs to rapidly increase. ✓
5	Threat of substitution/substitution ✓✓	Customers have opted to purchase cheaper products from IB. ✓
<b>Submax (10)</b>		<b>Submax (5)</b>

- NOTE:** 1 *The answer does not have to be in tabular format.*  
 2 *Award marks for the correct force/element of Porter's Five forces model even if the quote is incomplete.*  
 3 *Do not award marks for the motivation if the force/element of Porter's Five forces model were incorrectly identified.*

**Max (15)**

### 4.5 Strategic management process

#### Option 1

- Have a clear vision, mission statement✓ and measurable/realistic/achievable objectives in place. ✓
- Identify strengths/weaknesses/opportunities/threats✓ by conducting environmental scanning/situational analysis. ✓
- Use available tools/methods for environmental scanning✓, which may include a SWOT analysis/Porter's Five Forces model/PESTLE analysis/industrial analysis tools. ✓
- Formulate alternative strategies✓ to respond to business challenges. ✓

- Develop/create (an) action plan(s) ✓, including the tasks to be completed/deadlines to be met/resources to be procured, etc. ✓
- Organise the business resources ✓ and motivate staff. ✓
- Implement selected strategies ✓ by communicating it effectively/efficiently/correctly to all stakeholders. ✓
- Continuously evaluate/monitor/assess/measure strategies ✓ in order to take corrective action. ✓
- Any other relevant answer related to the strategic management process.

OR

Option 2

- Review/Analyse/Re-examine ✓ their vision/mission statement. ✓
- Conduct (an) environmental analysis/environmental scanning using models ✓ such as SWOT analysis/Porter’s Five Forces model/PESTLE analysis. ✓
- Formulate a strategy ✓ such as a(n) integration/intensive/diversification/defensive strategy. ✓
- Implement a strategy ✓, using a template such as an action plan. ✓
- Control/Evaluate/Monitor the implemented strategy ✓ to identify gaps/deviations/differences in implementation. ✓
- Take corrective action ✓ to ensure goals/objectives/aims are met. ✓
- Any other relevant answer related to the strategic management process.

**NOTE:** Award marks for facts presented in any order.

Max (8)

Breakdown of marks	
Question 4	Marks
4.1	10
4.2	3
4.3	4
4.4	15
4.5	8
<b>TOTAL</b>	<b>40</b>

## QUESTION 5

### 5.1 Industrial analysis tools

- SWOT analysis
- Porter’s Five Forces Model
- PESTLE Analysis

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

(3 × 1) (3)

#### 5.2.1 SWOT analysis

STRENGTH	WEAKNESS
LBD is currently using sound financial management practices. ✓	High employee voluntary turnover rates are prevalent in the business. ✓
OPPORTUNITY	THREAT
The local government is supporting LBD with grants. ✓	Covid 19 has caused a sustained decline in the sales of Liam Botman Dealers. ✓

**NOTE:** Do not award marks for quotes that are incomplete.

(4 × 1) (4)

#### 5.3.1 Intensive strategy from the scenario

Market development ✓✓

**Motivation:**

Mbombela Restaurant has applied an intensive strategy by opening a new branch located in Polokwane. ✓

**NOTE:** 1 Award marks for the correct intensive strategy if the quote is incomplete.

2 Do not award marks for the motivation, if the intensive strategy was incorrectly identified.

Max (3)

### 5.3.2 Other intensive strategies

Market penetration ✓✓

- The business focus on selling existing/current products into the existing/current market to increase their market share. ✓
- Market research on existing/current consumers/customers is used to decide how to improve the marketing mix of the business. ✓
- Aggressive marketing campaigns such as lowering/reducing prices to attract potential/existing clients are used by the business. ✓
- The business does not modify existing/current products or launch new products during market penetration. ✓
- Any other relevant answer related to market penetration as an intensive strategy.

Intensive strategy	2
Explanation	1
Submax	3

Product development ✓✓

- The business uses this growth strategy to introduce new products into existing/current markets. ✓
- New ideas/products are generated/ produced by the business for existing/current markets. ✓
- The business conducts test marketing/market research to establish whether new products will be accepted by existing customers. ✓
- New products may be different/of a higher quality than those of competitors. ✓
- Any other relevant answer related to product development as an intensive strategy.

Intensive strategy	2
Explanation	1
Submax	3

Max (6)

### 5.3.3 Advantages of intensive strategies

- Increased/enhanced/improved market share ✓ as intensive strategies reduces the business's vulnerability to actions of competitors. ✓
- Increase in sales/revenue/income/profitability ✓ due to variety of aggressive advertising campaigns/ because more products/services are being sold. ✓
- Improve service delivery ✓ which may improve business image/brand/brand awareness. ✓
- Increase the control over the prices ✓ charged for products/services. ✓
- Increase customer loyalty ✓ through effective promotion campaigns. ✓
- Decrease prices that may influence customers/consumers ✓ to buy more products/services. ✓
- Increase in regular sales ✓ from existing customers/consumers that may increase. ✓
- Remove existing competitors ✓ and dominate market prices. ✓
- Improve the focus on markets/well researched quality products ✓ that satisfy the needs of customers/consumers. ✓
- Any other relevant answer related to the advantages of intensive strategies.

Max (6)

### 5.3.4 Steps in strategy evaluation

- Examine/Assess the underlying basis of a business strategy. ✓✓
- Look forward and backwards into the implementation process. ✓✓
- Compare the expected performance with the actual performance. ✓✓
- Measure the business performance in order to determine the reasons for deviations and analyse these reasons. ✓✓
- Take corrective action so that deviations may be corrected. ✓✓
- Set specific dates for control and follow up. ✓✓
- Draw up a table/list of the advantages and disadvantages of a strategy. ✓✓
- Decide on the desired outcome. ✓✓

- Consider the impact of the strategic implementation in the internal and external environments of the business. ✓✓
- Any other relevant answer related to steps in strategy evaluation.

**NOTE:** Award marks for steps presented in any order.

Max (8)

Breakdown of marks	
Question 5	Marks
5.1	3
5.2	4
5.3.1	3
5.3.2	6
5.3.3	6
5.3.4	8
<b>TOTAL</b>	<b>30</b>

## QUESTION 6

### 6.1 Types of business strategies from given statements

- 6.1.1 Market penetration ✓✓
- 6.1.2 Backward vertical integration ✓✓
- 6.1.3 Concentric diversification ✓✓
- 6.1.4 Divestiture/Divestment ✓✓
- 6.1.5 Retrenchment ✓✓
- 6.1.6 Horizontal integration ✓✓

(6 × 2) (12)

### 6.2 Challenges posed by PESTLE factors

CHALLENGES 6.2.1		PESTLE FACTOR 6.2.2
1	Soso Consultancy is unable to keep abreast with the latest innovations in new machinery. ✓	Technological ✓✓
2	Some government policies affect the business operations of SC. ✓	Political ✓✓
3	High costs in obtaining a licence is preventing the establishment of a second branch. ✓	Legal ✓✓
4	Fluctuations in foreign currency are restricting imports. ✓	Economic ✓✓
<b>Max (4)</b>		<b>Max (8)</b>

**NOTE:** 1 Mark the first challenge for each PESTLE factor only.

2 If the PESTLE factor is not linked to the challenge, mark the challenge only.

3 Award full marks for the PESTLE factor even if the challenge is not quoted in full.

4 Order may be different.

### 6.2.3 Ways in which the business can deal with challenges that are posed by ONE of the PESTLE factors

Technological

- Conduct continuous research on the latest available technology/equipment in the market. ✓✓
- Train existing/appoint new employees to maintain/use new equipment/technology. ✓✓
- Compare prices/Select suitable suppliers for new equipment/machinery/technology at reasonable prices. ✓✓
- Businesses must be geared for online trading/e-commerce. ✓✓
- Any other relevant answer related to recommendation for challenges of technological PESTLE factors.

OR

#### Political

- Research/apply recent government policies. ✓✓
- Network/lobby with the NGOs/CBOs and all consumer rights organisations. ✓✓
- Trade only with countries that have favourable trade agreements with the government. ✓✓
- Investigate/adhere to/comply with the National Competition Policy. ✓✓
- Any other relevant answer related to recommendation for challenges of political PESTLE factors.

OR

#### Legal

- Comply with all relevant legislation that may impact on businesses. ✓✓
- Comply with the legal requirements for operating businesses, for example, licence/trade mark registration/ patents. ✓✓
- Budget for high legal establishment/start-up costs. ✓✓
- Businesses must know/understand the legalities of business contracts so that they comply with all the requirements. ✓✓
- Any other relevant answer related to recommendation for challenges of legal PESTLE factors.

OR

#### Economic

- Consider decreasing profit margins rather than increasing product prices. ✓✓
- Borrow money from financial institutions when interest rates are favourable. ✓✓
- Consider exchange rates when trading with other countries/Trade with countries with a favourable exchange rate. ✓✓
- Provide shares at competitive/lower prices to attract more foreign direct investment. ✓✓
- Any other relevant answer related to recommendation for challenges of economic PESTLE factors.

**NOTE: 1 Mark recommendations for ONE PESTLE factor only.**

**2 Mark technological or political or legislation or economic.**

Max (6)

Breakdown of marks	
Question 6	Marks
6.1	12
6.2.1	4
6.2.2	8
6.2.3	6
<b>TOTAL</b>	<b>30</b>

## QUESTION 7

### 7.1 Introduction

- Strategic management involves a multidisciplinary process of purposefully managing organisational/business resources to achieve goals/objectives. ✓
- It is conducted by management to implement specific strategies that are aimed at improving/retaining/enhancing the competitive advantage of the business and to address various challenges of the business environments. ✓
- The strategic management process is defined as the way in which an organisation defines its strategy. ✓
- A strategy is a purposeful course of action that the business follows to achieve its purpose/objectives/goals/aims. ✓
- It enables managers to make choices/devise actions regarding a set of strategies that will enable the business to enhance/achieve improved performance. ✓
- Diversification strategies are used by the business to expand operations into markets/industries that the business has not currently explored. ✓
- Diversification strategies enables the business to expand its market share/enter new markets in order to explore new sales avenues/achieve greater profitability. ✓
- The business must continuously evaluate strategies in order to change/adapt it according to current demands of the market/industry. ✓
- Any other relevant introduction related to the strategic management process/types of diversification strategies/advantages of diversification strategies/strategy evaluation.

Any (2 × 1) (2)

## 7.2 Strategic management process

### Option 1

- Have a clear vision, mission statement and measurable/realistic/achievable objectives in place. ✓✓
- Identify strengths/weaknesses/opportunities/threats by conducting environmental scanning/situational analysis. ✓✓
- Use available tools/methods for environmental scanning, which may include a SWOT analysis/Porter's Five Forces model/PESTLE analysis/industrial analysis tools. ✓✓
- Formulate alternative strategies to respond to business challenges. ✓✓
- Develop/create (an) action plan(s), including the tasks to be completed/deadlines to be met/resources to be procured, etc. ✓✓
- Organise the business resources and motivate staff. ✓✓
- Implement selected strategies by communicating it effectively/efficiently/correctly to all stakeholders. ✓✓
- Continuously evaluate/monitor/assess/measure strategies in order to take corrective action. ✓✓
- Accept any other relevant answer related to the strategic management process.

OR

### Option 2

- Review/Analyse/Re-examine their vision/mission statement. ✓✓
- Conduct (an) environmental analysis/environmental scanning using models such as SWOT analysis/Porter's Five Forces model/PESTLE analysis. ✓✓
- Formulate a strategy such as a(n) integration/intensive/diversification/defensive strategy. ✓✓
- Implement a strategy, using a template such as an action plan. ✓✓
- Control/Evaluate/Monitor the implemented strategy to identify gaps/deviations/differences in implementation. ✓✓
- Take corrective action to ensure goals/objectives/aims are met. ✓✓
- Accept any other relevant answer related to the strategic management process.

**NOTE: Award marks for facts presented in any order.**

**Max (12)**

## 7.3 Types of diversification strategies

### Concentric diversification ✓✓

- The business adds new products/services that are related to existing/current products/services✓ but will appeal to new customers/consumers. ✓
- Occurs when a business wants to increase/expand/progress✓ its product range and markets. ✓
- The business creates a new product that is technologically similar to existing/current products✓ that are aimed at new customers/consumers/markets. ✓
- Occurs when a business uses existing infrastructure/organisational resources/expertise✓ to create products with some degree of similarity but with clear differentiation from existing/current products. ✓
- Any other relevant answer related to concentric diversification as a diversification strategy.

Diversification strategy	2
Explanation	2
Submax	4

### Horizontal diversification ✓✓

- The business adds new products/services that are unrelated to existing/current products✓, but which may appeal to existing/current customers/consumers. ✓
- Occurs when a business acquires/merges with a business that is at the same production stage✓, but it may offer a different product. ✓
- The business extends the production of products/services above/beyond the market/industry✓ in which it currently operates. ✓
- Occurs when the business increases its development potential/extends its brand✓ and significantly reduces risk as the new products are aimed at existing customers/consumers. ✓
- Any other relevant answer related to horizontal diversification as a diversification strategy.

Diversification strategy	2
Explanation	2
Submax	4

Conglomerate diversification ✓✓

- The business adds new products/services that are unrelated to existing products✓ which may appeal to new groups of customers. ✓
- Occurs when the business operates multiple product lines/business entities✓ for entirely different industries/ consumers/customers. ✓
- The business grows✓ into new products/services and markets. ✓
- Occurs when the business is able to increase overall product/service flexibility/proficiency✓ by extending activities to unexplored/untapped/unfamiliar markets. ✓
- Any other relevant answer related to conglomerate diversification as a diversification strategy.

Diversification strategy	2
Explanation	2
Submax	4

Max (12)

#### 7.4 Advantages of diversification strategies

- Increase in sales/revenue/income✓ and business growth. ✓
- Sustained profitability from different product lines✓ during times of fluctuating economic activity. ✓
- Increase in the number of products being sold✓ to existing/new customers/consumers. ✓
- Establish additional new markets✓ in unrelated markets/industries. ✓
- Gain more technological capabilities✓ through product modification. ✓
- Improve brand/image/brand awareness✓ of the business. ✓
- Reduce the risk of relying only on✓ one product for sales/revenue/income. ✓
- Retain its competitive advantage✓ by meeting the needs of current/new customers/expanding into new unexplored markets. ✓
- Remain relevant/functional/operational✓ in the context of everchanging business environments. ✓
- Accept any other relevant answer related to the advantages of diversification strategies.

Max (10)

#### 7.5 Steps in strategy evaluation

- Examine/Assess the underlying basis of a business strategy. ✓✓
- Look forward and backwards into the implementation process. ✓✓
- Compare the expected performance with the actual performance. ✓✓
- Measure the business performance in order to determine the reasons for deviations and analyse these reasons. ✓✓
- Take corrective action so that deviations may be corrected. ✓✓
- Set specific dates for control and follow up. ✓✓
- Draw up a table/list of the advantages and disadvantages of a strategy. ✓✓
- Decide on the desired outcome. ✓✓
- Consider the impact of the strategic implementation in the internal and external environments of the business.

Max (12)

#### 7.6 Conclusion

- The strategic management process allows the business to stay ahead of competitors and to increase their market share. ✓✓
- Strategic management forms an integral part of the overall accountability of management. ✓✓
- Diversification strategies affords the business extensive opportunities to evolve its brand identity/boost brand image. ✓✓
- Diversification strategies are used as a purposeful mechanism to potentially minimise/reduce current market/industry downturn/protect the business from strong competitors. ✓✓
- Strategy evaluation enables a business to keep/remain abreast with changes in the business environments. ✓✓
- Strategy evaluation allows a business to evaluate/assess whether the intended strategy is serving its purpose. ✓✓
- Any other relevant conclusion related to the strategic management process/types of diversification strategies/ advantages of diversification strategies/strategy evaluation.

Any (1 × 2) (2)

[40]

Question 7: Breakdown of mark allocation		
DETAILS	MAXIMUM	TOTAL
7.1 Introduction	2	Max 32
7.2 Strategic management process	12	
7.3 Types of diversification strategies	12	
7.4 Advantages of diversification strategies	10	
7.5 Steps in strategy evaluation	12	
7.6 Conclusion	2	
INSIGHT		
Layout	2	8
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.

# TOPIC 6 Business sectors and their environments

## Teaching tips:

How to introduce	Specific strategies to teach/approach the topic
<ul style="list-style-type: none"> <li>Refer learners to the content covered in Grade 10:               <ul style="list-style-type: none"> <li>Business environments</li> <li>Components of the business environments</li> <li>Business sectors</li> </ul> </li> <li>Refer learners to the content covered in Grade 11:               <ul style="list-style-type: none"> <li>Link/relationship between the primary, secondary and tertiary sectors</li> <li>Challenges experienced by business environments</li> </ul> </li> <li>Emphasise that this topic in Grade 12 builds on the foundational knowledge of the content covered in Grade 10 &amp; 11.</li> <li>Unpack the glossary of concepts with learners.</li> </ul>	<ul style="list-style-type: none"> <li>Explain the reason why businesses may have full control, partial control or no control over the three business environments.</li> <li>Refer to the elements or features of each business environment when explaining the extent of control over each environment.</li> <li>Use the examples of challenges of the three businesses environments in the learner's book to improve familiarity of these challenges so that learners can link the challenges to the three business environments.</li> </ul>
Important tips for the topic	Other ways of assessing the topic
<ul style="list-style-type: none"> <li>Learners must be able to identify business environments and explain the extent of control from given scenarios and statements.</li> <li>Use the diagrams in the learner's book for learners to identify examples of activities that take place in the three business sectors.</li> <li>Use the diagram in the learner's book on page 164 to emphasise the distinctions between the extent of control within each business environment.</li> <li>Ensure that learners master the table on page 159 to improve their interpretation of the THREE business environments.</li> </ul>	<ul style="list-style-type: none"> <li>Consult the following past NSC Question Papers for Section B and C type questions:               <ul style="list-style-type: none"> <li>May/June 2021 P1 Question 2.5 – scenario on business sectors</li> <li>Nov 2020 P1 Question 2.3 – scenario on business sectors</li> <li>June 2019 Question 2.6 – scenario on business sectors</li> <li>Nov 2018 Question 2.3 – scenario on business sectors</li> <li>May/June 2018 Question 2.6 – scenario on business sectors</li> </ul> </li> <li>Create informal 10 mark quizzes/tests on the key terms of the previous day's content – in that way teachers expose learners to continuous consolidation.</li> </ul>

## Memoranda to activities

### Consolidation

Learner's Book page 165 – 167

#### QUESTION 1

DOWN		ACROSS	
1	Market environment ✓✓	2	No control ✓✓
3	Full control ✓✓	4	Services ✓✓
5	Macro environment ✓✓	6	Tertiary sector ✓✓
7	Primary sector ✓✓	8	Some control ✓✓
9	Micro environment ✓✓	10	Secondary sector ✓✓

(10 × 2) (20)

Breakdown of marks	
Question 1	Marks
	20
<b>TOTAL</b>	<b>20</b>

#### QUESTION 2

##### 2.1 Choose the correct answer

- 2.1.1 C ✓✓
- 2.1.2 B ✓✓
- 2.1.3 A ✓✓
- 2.1.4 D ✓✓
- 2.1.5 B ✓✓

(5 × 2) (10)

Breakdown of marks	
Question 2	Marks
2.1	10
<b>TOTAL</b>	<b>10</b>

#### QUESTION 3

##### 3.1 Business sectors from given statements

- 3.1.1 Tertiary sector ✓✓
- 3.1.2 Primary sector ✓✓
- 3.1.3 Tertiary sector ✓✓
- 3.1.4 Secondary sector ✓✓

(8)

##### 3.2 Business sectors and business environments

###### 3.2.1 Business sector from the scenario

Secondary sector ✓✓

Motivation:

Tauheer Kalam Textiles specialises in the manufacturing of contemporary clothing for various retail outlets. ✓

**NOTE: 1** Award marks for the correct business sector if the quote is incomplete/incorrect.

**2** Do not award marks for the motivation, if the business sector was incorrectly identified.

Max (3)

### 3.2.2 – 3.2.4 Challenges of business environments and extent of control

CHALLENGES (3.2.2)		BUSINESS ENVIRONMENTS (3.2.3)	EXTENT OF CONTROL (3.2.4)
1.	The business goals are not constantly reviewed. ✓	Micro environment ✓	Full/complete control ✓
2.	There is currently a shortage of raw materials from suppliers. ✓	Market environment ✓	Some/limited/less/partial control ✓
3.	The new technological developments on textile equipment is forcing TKT to improve on its processes. ✓	Macro environment ✓	No control ✓
Max (3)		Max (3)	Max (3)

- NOTE:**
- 1 Mark the first challenge for each environment only.
  - 2 If the business environment is not linked to the challenge, mark the challenge only.
  - 3 Award full marks for the business environment even if the challenge is not quoted in full.
  - 4 The extent of control must be linked to the business environment.
  - 5 Do not award marks for the extent of control if the business environment is incorrect/not stated.
  - 6 The order in which the responses occur may be different.

### 3.3 Business sectors

#### Business sectors from the scenario

BUSINESS SECTORS		QUOTATIONS
1.	Primary sector ✓✓	WS buy their raw materials from Noluntu Farmers that cultivates and extracts fynbos flowers. ✓
2.	Secondary sector ✓✓	FBT purchases their stock from Wellness Skincare (WS), a local producer of natural skincare products. ✓
3.	Tertiary sector ✓✓	Fynbos Beauty Therapists offers unique beauty therapy services to their clients. ✓
Submax (6)		Submax (3)

- NOTE:**
- 1 The answer does not have to be in tabular format.
  - 2 Award marks for the correct business sector even if the quote is incomplete/incorrect.
  - 3 Do not award marks for the quotations if the business sectors were incorrectly identified.

Max (9)

Breakdown of marks	
Question 3	Marks
3.1	8
3.2.1	3
3.2.2	3
3.2.3	3
3.2.4	3
3.3	9
<b>TOTAL</b>	<b>29</b>

# TOPIC 7 Quality of performance

## Teaching tips:

How to introduce the topic	Specific strategies to teach/approach the topic
<ul style="list-style-type: none"> <li>• Refer learners to content covered in Grade 10:               <ul style="list-style-type: none"> <li>– Eight business functions</li> <li>– Quality concepts</li> <li>– Importance of quality for the business</li> <li>– Quality relates to the business functions</li> </ul> </li> <li>• Refer learners to content covered in Grade 11:               <ul style="list-style-type: none"> <li>– Quality circles</li> <li>– Meaning of TQM</li> </ul> </li> <li>• Emphasise that this topic in Grade 12 builds on the foundational knowledge of the content covered in Grade 10 &amp; 11.</li> <li>• Compile a baseline assessment to determine content gaps.</li> <li>• Revise &amp; consolidate content identified in analysis of the baseline assessment.</li> <li>• Unpack the glossary of concepts with learners</li> </ul>	<ul style="list-style-type: none"> <li>• Practical examples should be used to highlight the differences between the quality concepts.</li> <li>• Learners should be encouraged to provide a detailed analysis of each concept.</li> <li>• Teachers should identify key words in each concept that will be used to remind learners of the differences between these concepts.</li> <li>• Practical examples should be given on the differences between ‘quality control’ and ‘quality assurance’.</li> <li>• Practical examples and video clips can be used to illustrate the distinctions between each quality concept.</li> <li>• When teaching quality indicators, use the tips in the learner’s book to distinguish between quality indicators of the marketing function and public relations function.</li> <li>• Emphasise that all businesses strive to achieve total customer/client satisfaction by correctly implementing the four other TQM elements.</li> <li>• Emphasise that monitoring and evaluation of quality processes as a TQM element is aimed at monitoring and evaluating the effectiveness of the implementation of the other four TQM elements.</li> <li>• Businesses that continuously improve their systems and processes should be used as examples when teaching this topic.</li> <li>• Teach the impact of TQM elements on large businesses by answering the how part, e.g. how large businesses implement these TQM elements and what are the advantages and disadvantages of implementing these elements.</li> <li>• When teaching ways in which TQM can reduce the cost of quality, emphasise that businesses who implement all five TQM elements reduce the cost of quality. This means that they do not lose money and resources on product defects.</li> </ul>

Important tips for the topic	Other ways of assessing the topic
<ul style="list-style-type: none"> <li>• A clear distinction should be made between the six concepts related to quality</li> <li>• It should be noted that quality assurance cannot be done before quality control, as the quality of machinery, employees and raw materials must first be checked before production takes place.</li> <li>• Learners must be well conversant with the meaning of the quality concepts before they are taught the benefits of a good quality management system.</li> <li>• Emphasise that every business function is responsible for ensuring that the final product or service is of a good quality standard.</li> <li>• The focus should be on how large businesses continually improve their systems and processes. Note that the advantages of this element focus on businesses, while the disadvantages focus on employees.</li> </ul>	<ul style="list-style-type: none"> <li>• Consult the following past NSC Question Papers for Section B and C type questions: <ul style="list-style-type: none"> <li>– May/June 2021 P1 Question 3.5 – scenario on TQM</li> <li>– May/June 2021 P2 Question 6 – essay on quality of performance</li> <li>– Nov 2020 P1 Question 3.7 – scenario on quality concepts</li> <li>– Nov 2020 P1 Question 4.4 –scenario on quality circles</li> <li>– Nov 2019 Question 5.6 – scenario on business functions</li> <li>– Nov 2019 Question 10 – essay on TQM</li> <li>– June 2019 Question 5.5 – scenario on benefits of a good management system</li> <li>– June 2019 Question 10 – essay on quality of performance</li> <li>– Nov 2018 Question 5.5 – scenario on TQM elements</li> <li>– Nov 2018 Question 8 – essay on quality performance</li> <li>– May/June 2018 Question 5.6 – scenario on elements of TQM</li> <li>– May/June 2018 Question 6.9 – scenario on impact if TQM is poorly implemented</li> <li>– Feb/March 2018 Question 5.6 – scenario on quality indicators</li> <li>– Feb/March 2018 Question 10 – essay on quality of performance</li> </ul> </li> <li>• Create informal 10 mark quizzes/tests on the key terms of the previous day’s content – in that way teachers expose learners to continuous consolidation.</li> <li>• Ensure that learners practice writing various examples of essays to ensure optimum exposure.</li> </ul>

## Memoranda to activities

### Activity 7.1

Learner's Book page 173

#### QUESTION 1

##### 1.1 Quality concepts

###### 1.1.1 Quality concepts from the scenario

QUALITY CONCEPTS		MOTIVATIONS
1.	Quality management ✓✓	Mundle Bottling developed new methods and techniques to improve the quality of their products. ✓
2.	Quality assurance ✓✓	MB ensures that all their processes enable them to get the product right the first time to prevent mistakes from happening. ✓
Submax (4)		Submax (2)

**NOTE: 1** The answer does not have to be in tabular format.

**2** Award marks for the correct quality concepts even if the motivation is incomplete/incorrect.

**3** Do not award marks for the motivation if the quality concepts were incorrectly identified.

**4** Mark the first TWO (2) quality concepts with the corresponding motivation only.

Max (6)

###### 1.1.2 Other quality concepts

Quality ✓✓

- Quality is the ability of a product/service to satisfy specific needs of consumers. ✓
- It is measured against specific criteria such as physical appearance/reliability/durability/ sustainability/after-sales services. ✓
- The efficiency of services and the ability to provide an effective outcome without too many delays. ✓
- Any other relevant answer related to quality as a quality concept.

Quality concept	2
Explanation	1
Submax	3

Quality control ✓✓

- A system that ensures the desired quality is met by inspecting the final product to ensure that it meets the required standards. ✓
- Includes setting targets/measuring performance and taking corrective measures. ✓
- Checking raw materials/employees/machinery/workmanship/production/processes to ensure that high quality standards are maintained. ✓
- Any other relevant answer related to quality control as a quality concept.

Quality concept	2
Explanation	1
Submax	3

Quality management systems ✓✓

- A quality management system is a framework that a business uses to manage key organisational processes. ✓
- It is a formalised system that documents procedures/processes/responsibilities for achieving quality policies/objectives. ✓
- Coordinates/directs organisational activities to meet customer/regulatory requirements/improve its effectiveness/efficiency/accuracy on a continuous basis. ✓
- It is expressed as organisational goals/aspirations/processes/policies/ documented information/resources needed to implement and maintain quality standards in the business. ✓

- Aims to ensure that the quality of products/services is consistent/Focuses on the means to achieve consistency. ✓
- Any other relevant answer related to quality management as a quality concept.

Quality concept	2
Explanation	1
Submax	3

Quality performance ✓✓

- Total performance of each department measured against the specified standards. ✓
- Can be obtained if all departments work together towards the same quality standards. ✓
- Quality is measured through physical product/statistical output of processes/surveys of the users and/or buyers/consumers of products/services. ✓
- Any other relevant answer related to quality performance as a quality concept.

Quality concept	2
Explanation	1
Submax	3

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

**2** Do not award marks for responses provided in QUESTION 1.1.1.

Max (6)

Breakdown of marks	
Question 1	Marks
1.1.1	6
1.1.2	6
<b>TOTAL</b>	<b>12</b>

## Activity 7.2

Learner's Book page 174

### QUESTION 1

#### 1.1 Benefits of a good quality management system

##### 1.1.1 Benefits of a good quality management system from the scenario

- Regular training is conducted at Andries Engineering, which continuously improves the quality of their employees' skills. ✓
- AE takes pride in providing efficient customer services to increase the level of customer satisfaction. ✓

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

**2** Do not award marks for quotes that are incomplete/not applicable in the scenario.

Any (2 × 1) (2)

##### 1.1.2 Other benefits of a good quality management system

- Time and organisational resources such as finance/raw materials/labour are used efficiently. ✓✓
- Productivity increases through proper/effective time management/using high quality resources. ✓✓
- Products/Services are constantly improved resulting in increased levels of customer satisfaction. ✓✓
- Enhances the ability of the business to achieve its vision/mission/goals. ✓✓
- Business has a/improves its competitive advantage over its competitors. ✓✓
- Employers and employees will have a healthy working relationship resulting in happy/productive workers. ✓✓/Improves the employee morale/productivity within the businesses. ✓✓
- Increased market share/more customers improve profitability. ✓✓
- Improves business image as there are less defects/returns. ✓✓

- Improves the financial sustainability of the business as customers are retained. ✓✓
- Any other relevant answer related to the benefits of a good quality management system.

**NOTE: Do not award marks for responses provided in QUESTION 1.1.1.**

Max (8)

Breakdown of marks	
Question 1	Marks
1.1.1	2
1.1.2	8
<b>TOTAL</b>	<b>10</b>

### Activity 7.3

Learner's Book page 178

#### QUESTION 1

##### 1.1 Quality indicators of business functions

##### 1.1.1–1.1.2 Quality indicators of the business functions from the scenario and Classification of quality indicators according to the relevant business function

	QUALITY INDICATORS (1.1.1)	BUSINESS FUNCTIONS (1.1.2)
1.	Mopeli Enterprises offer performance incentives to all employees to improve productivity. ✓	Human resources function ✓✓
2.	Sam places orders timeously and ensures regular follow-ups with suppliers. ✓	Purchasing function ✓✓
3.	Thandi ensures that accurate tax payments are submitted timeously. ✓	Financial function ✓✓
4.	Johan was requested to promote the image of ME to various stakeholders. ✓	Public relations ✓✓
	<b>Submax (4)</b>	<b>Submax (8)</b>

**NOTE: 1** The answer does not have to be in tabular format.

**2** Award marks for the quality indicators even if the business functions were incorrectly identified.

**3** Do not award marks for the business functions, if the quality indicators were incorrectly quoted.

**4** Award marks for the business functions even if the quotes are incomplete.

Max (12)

##### 1.1.3 Quality indicators of business functions

General management function ✓✓

- Develop/Implement/Monitor/Maintain effective strategic plans. ✓
- Efficient organisation/allocation of business/organisational resources to provide for the successful achievement of long-term and short-term plans. ✓
- Structured standards and norms should be in place so that control mechanisms can be implemented.
- Effectively communicate shared vision, mission and values. ✓
- Set direction and establish priorities for their business. ✓
- Lead by example/Set an example of the behaviour that is expected from employees regarding ethics/professionalism/ productivity/work ethic. ✓
- Ensure that all departments/the business meet(s) their deadlines/targets/achieve goals. ✓
- Any other relevant answer related to the quality indicators of the general management function.

Business function	2
Explanation	1
<b>Submax</b>	<b>3</b>

Production function ✓✓

- The production manager should provide/ensure high quality products/services according to specifications. ✓
- The production/operating processes of a business is done through proper/effective production planning/control. ✓
- The production manager should aim to produce products at the lowest possible cost to ensure profit maximisation. ✓
- The production manager should communicate the roles and responsibilities to the production workers.
- Products meet customers' requirements by being safe/reliable/durable. ✓
- Monitor processes and find/determine the root causes of production problems. ✓
- Implement quality control systems to ensure that quality products are consistently being produced. ✓
- Any other relevant answer related to the quality indicators of the production function.

Business function	2
Explanation	1
Submax	3

Marketing function ✓✓

- Acquire a greater market share through good/effective/efficient customer service. ✓
- Gain customers' loyalty by satisfying/meeting/exceeding their needs/wants/building positive relationships. ✓
- Adhere to ethical advertising practices when promoting products/services. ✓
- Identify competitive edge/gaps in the market and conduct regular market research. ✓
- Differentiate products from competitors to increase the target market/profitability. ✓
- Use different pricing techniques such as promotional/penetration pricing etc to ensure a competitive advantage. ✓
- Use aggressive advertising campaigns to sustain the market share. ✓
- Any other relevant answer related to the quality indicators of the marketing function.

Business function	2
Explanation	1
Submax	3

Administration function ✓✓

- Fast and reliable data capturing and processing systems. ✓
- Make reliable information available to management on time. ✓
- Make relevant information available for quick decision-making. ✓
- Use modern/updated technology efficiently/effectively. ✓
- All documentation is kept neatly and orderly in a safe place. ✓
- Easy to recall/find information/documentation. ✓
- Financial documents are kept up to date and recorded accurately. ✓
- Any other relevant answer related to the quality indicators of the administration function.

Business function	2
Explanation	1
Submax	3

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

**2. Do not award marks for responses provided in QUESTION 1.1.1 and 1.1.2.**

**Max (6)**

Breakdown of marks	
Question 1	Marks
1.1.1	4
1.1.2	8
1.1.3	6
<b>TOTAL</b>	<b>18</b>

**QUESTION 1**

**1.1 TQM elements**

**1.1.1 TQM elements from the scenario**

TQM ELEMENTS		MOTIVATIONS
1.	Continuous improvement to processes and systems ✓✓	The management of SPL ensures that they understand the business operating and production systems. ✓
2.	Total client/customer satisfaction ✓✓	Market research is always conducted by SPL to monitor the needs of consumers. ✓
<b>Submax (4)</b>		<b>Submax (2)</b>

- NOTE:** 1 *The answer does not have to be in tabular format.*  
 2 *Award marks for the correct TQM element even if the quote is incomplete.*  
 3 *Do not award marks for the motivation if the TQM elements were incorrectly identified.*  
 4 *Mark the first TWO (2) TQM elements with the corresponding motivation only.*

**Max (6)**

**1.1.2 Other TQM elements**

Continuous skills development/Education and training ✓✓

- The commitment of the business to participate in the continuous skills development/education and training of all the employees at all levels within the business. ✓
- The correct/proper/efficient/effective training programmes must be conducted/provided/sourced in order to train employees for the correct application of the various TQM concepts/techniques/ processes. ✓
- The business should conduct a skills audit to determine the qualifications/experience/competencies of employees in their ability to influence the quality of products/services/processes. ✓
- Any other relevant answer related to continuous skills development/education and training as a TQM element that could be applied by SPL as a business.

TQM element	2
Explanation	1
Submax	3

Adequate financing and capacity ✓✓

- The ability of the business to provide/acquire the correct adequate financing and capacity for all operational requirements in the pursuit of implementing TQM effectively. ✓
- The business needs to ensure that there is adequate financing and capacity available for all operations/projects/activities in order to meet TQM requirements. ✓
- To ensure that there is adequate financing and capacity, the business needs to apply sound financial management practices such as investing surplus funds/budget correctly. ✓
- Any other relevant answer related to adequate financing and capacity as a TQM element that could be applied by SPL as a business.

TQM element	2
Explanation	1
Submax	3

Monitoring and evaluation of quality processes ✓✓

- The effective implementation of TQM requires monitoring and evaluation of quality processes throughout the entire business. ✓
- The business needs to monitor and evaluate quality processes in order to determine/enhance the strengths/success and reduce/remove weaknesses/barriers/obstacles in achieving/pursuing TQM. ✓
- This is a critical/important aspect within TQM as it allows the business to enhance existing practices and ultimately improve the degree to which the business meets/exceeds customer needs. ✓
- Any other relevant answer related to monitoring and evaluation of quality processes as a TQM element that could be applied by SPL as a business.

TQM element	2
Explanation	1
Submax	3

- NOTE: 1** Mark the first TWO (2) TQM elements only.  
**2** Do not award marks for responses provided in QUESTION 1.1.1.

Max (6)

Breakdown of marks	
Question 1	Marks
1.1.1	6
1.1.2	6
<b>TOTAL</b>	<b>12</b>

## Activity 7.5

Learner's Book page 185 – 186

### QUESTION 1

#### 1.1 TQM elements

##### 1.1.1 TQM element from the scenario

- Monitoring and evaluation of quality processes ✓✓
- **Motivation:** The management of National Satellite Services always modify interventions that may improve the efficient use of resources. ✓

**NOTE: Do not award marks for the motivation if the TQM element was incorrectly identified.**

Max (3)

##### 1.1.2 Other advantages of monitoring and evaluation of quality processes

- Monitoring and evaluating quality processes prevent ✓ product defects/minimises customer complaints. ✓
- Good quality control checks/procedures minimises the replacement/breakdown ✓ of items/equipment/machinery regularly. ✓
- Large businesses may be better equipped ✓ to get things right the first time. ✓
- Improve performance ✓ and increase productivity/sales/profitability. ✓
- Any other relevant answer related to the advantages/positive impact of monitoring and evaluation of quality processes.

**NOTE: Do not award marks for responses that were quoted in QUESTION 1.1.1.**

Max (6)

Breakdown of marks	
Question 1	Marks
1.1.1	3
1.1.2	6
<b>TOTAL</b>	<b>9</b>

## QUESTION 2

### 2.1 TQM elements

#### 2.1.1 TQM elements from the scenario

TQM ELEMENTS		MOTIVATIONS
1.	Continuous skills development/Education and training ✓✓	Skills audits are conducted by Booyesen Tile Producers to determine the competencies of employees. ✓
2.	Adequate financing and capacity ✓✓	BTP has enough capital for running all their operations. ✓
3.	Total client/customer satisfaction ✓✓	Regular market research has enabled BTP to determine future needs of customers. ✓
<b>Max (6)</b>		<b>Max (3)</b>

**NOTE: 1** The answer does not have to be in tabular format.

**2** Award marks for the correct TQM element even if the quote is incomplete.

**3** Do not award marks for the motivation, if the TQM elements were incorrectly identified.

**4** Mark the first THREE (3) TQM elements with the corresponding motivation only.

**Max (9)**

#### 2.1.2 Impact of TQM elements on large businesses

Continuous skills development/Education and training

Positives/Advantages

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

**AND/OR**

Negatives/Disadvantages

- Poor communication systems in large businesses✓ may prevent effective training from taking place. ✓
- Trained employees may leave for better jobs✓ after they gained more skills. ✓
- Demotivates employees if they do not receive✓ recognition/acknowledgement for training. ✓
- Employees may not be aware of the level of competency✓ they should meet in order to achieve their targets. ✓
- It may be difficult to monitor/evaluate✓ the effectiveness of training. ✓
- Any other relevant answer related to the negatives/disadvantages of continuous skills development/education and training as a TQM element on BTP as a large business.

**Submax (6)**

Adequate financing and capacity

Positives/Advantages

- Large businesses have sufficient financing to test all processes✓ before implementation thereof. ✓
- They can afford to have systems in place to prevent errors✓ in processes/defects in raw materials /products. ✓
- Able to afford product research/market researchers✓ to gather information. ✓
- Can afford to purchase✓ quality raw materials and equipment. ✓
- Large businesses can afford high-paid specialists✓ to conduct advanced training with employees. ✓
- Any other relevant answer related to the positives/advantages of adequate financing and capacity as a TQM element on BTP as a large business.

**AND/OR**

Negatives/Disadvantages

- If the demand for the business’s product suddenly increases✓, orders begin coming in faster than expected, and the company lacks the capital required to fund the production of the stock to fill the orders. ✓
- Large rapidly growing businesses can consume large amounts of capital✓ as they try to balance normal operations and expansion. ✓
- Large businesses often spend large amounts of money on organisational resources/machinery✓ and often the return on investment is not earned in the short-term. ✓
- Financial capital is wasted✓ when incorrect financial planning/budgeting/ineffective financial management processes exists. ✓
- Incorrect financial planning/Huge amounts of accumulated debt by large business✓ may limit the growth strategy of the business/limit the ability of the business to meet its financial obligations. ✓
- Any other relevant answer related to the negatives/disadvantages of adequate financing and capacity as a TQM element on BTP as a large business.

**Submax (6)**

Total client/customer satisfaction

Positives/Advantages

- Large businesses use market research/customer surveys to measure/monitor✓ customer satisfaction/ analyse customers’ needs. ✓
- Continuously promote/foster✓ a positive business image. ✓
- Strive to understand and fulfil customer expectations✓ by aligning cross-functional teams across critical processes. ✓
- May lead to higher customer retention/loyalty✓ and businesses may be able to charge higher prices. ✓
- Large businesses may be able to gain access✓ to the global market. ✓
- Any other relevant answer related to the positives/advantages of total client/customer satisfaction as a TQM element on BTP as a large business.

**AND/OR**

Negatives/Disadvantages

- Employees who seldom come into contact with customers✓ often do not have a clear idea of what will satisfy their needs. ✓
- A large business that is characterised as a monopoly✓ have increased bargaining power and therefore do not pursue customer satisfaction/do not have satisfy/meet customer needs. ✓
- Not all employees may be involved/ committed✓ to total client satisfaction. ✓
- Reaction time to changing consumer demand✓ may be influenced by a delay in market research/ information. ✓
- Large businesses who become complacent✓ with (the) existing customer satisfaction/target market may experience limited long term growth potential. ✓
- Any other relevant answer related to the negatives/disadvantages of total client/customer satisfaction as a TQM element on BTP as a large business.

**Submax (6)**

**NOTE: 1 Mark the first TWO (2) TQM elements with their corresponding impact only.**

**Max (12)**

Breakdown of marks	
Question 2	Marks
2.1.1	9
2.1.2	12
<b>TOTAL</b>	<b>21</b>

**QUESTION 1**

**1.1 PDCA model**

**1.1.1 Steps of the PDCA model from the scenario**

STEPS OF THE PDCA MODEL		MOTIVATIONS
1.	Plan ✓✓	Ingonyama Couriers developed a plan for improvement to the processes and systems in response to late deliveries to customers. ✓
2.	Check/Analyse ✓✓	Data was analysed to determine the results of the change. ✓
Submax (4)		Submax (2)

- NOTE:**
- 1 The answer does not have to be in tabular format.
  - 2 Award marks for the correct step of the PDCA model even if the quote is incomplete.
  - 3 Do not award marks for the motivation, if the steps of the PDCA model were incorrectly identified.
  - 4 Mark the first TWO (2) steps of the PDCA model with the corresponding motivation only.

**Max (6)**

**1.1.2 Other steps of the PDCA model**

Do ✓✓

- The business should implement the change on a small scale. ✓
- Implement the processes and systems as planned. ✓
- During this step the implementors aim to effectively/accurately execute the change based on the plan/ method. ✓
- This step is essential in determining whether the change has viability/potential. ✓
- Any other relevant answer related to do, as a step of the PDCA model that could be applied by IC.

Step of the PDCA model	2
Explanation	1
Submax	3

Act as needed ✓✓

- Implement the improvement to meet the needs of the business. ✓
- Devise strategies on how to continually improve. ✓
- If the change was successful, implement it on a wider scale. ✓
- The business should continuously revise the process until they get it right the first time. ✓
- Any other relevant answer related to act as needed, as a step of the PDCA model that could be applied by IC.

Step of the PDCA model	2
Explanation	1
Submax	3

- NOTE:**
- 1 Mark the first TWO (2) steps of the PDCA model only.
  - 2 Do not award marks for responses provided in QUESTION 1.1.1.

**Max (6)**

### 1.1.3 Role of quality circles as part of continuous improvement to processes and systems

- Solve problems related to quality and implement improvements. ✓✓
- Investigate/identify problems and suggest solutions to management. ✓✓
- Ensure that there is no duplication of activities/tasks in the workplace. ✓✓
- Make suggestions for improving systems and processes in the workplace. ✓✓
- Improve the quality of products/services/productivity through regular reviews of quality processes. ✓✓
- Monitor/Reinforce strategies to improve the smooth running of business operations. ✓✓
- Reduce costs of redundancy in the long run. ✓✓
- Quality circles discuss ways of improving the quality of work/workmanship. ✓✓
- Contribute towards the improvement and development of the organisation. ✓✓
- Improve employees' loyalty and commitment to the business and its goals. ✓✓
- Any other relevant answer related to the role of quality circles as part of continuous improvement to processes and systems.

Max (8)

Breakdown of marks	
Question 1	Marks
1.1.1	6
1.1.2	6
1.1.3	8
<b>TOTAL</b>	<b>20</b>

## Activity 7.7

Learner's Book page 189

### QUESTION 1

#### 1.1 Ways in which TQM can reduce the cost of quality

##### 1.1.1 Ways in which TQM reduces the cost of quality from the scenario

- Onyx Insurance Providers shares responsibility for quality output amongst management and workers. ✓
- Work systems that empower employees have been developed by OIP to find new ways of improving quality. ✓

**NOTE: 1** Mark the first TWO (2) responses only.  
**2** Do not award marks for quotes that are incomplete.

Any (2 × 1) (2)

##### 1.1.2 Other ways in which TQM can reduce the cost of quality

- Introduce quality circles✓ to discuss ways of improving the quality of work/workmanship. ✓
- Schedule activities✓ to eliminate duplication of tasks. ✓
- Train employees at all levels✓, so that everyone understands their role in quality management. ✓
- Work closely with suppliers✓ to improve the quality of raw materials/inputs. ✓
- Improve communication about quality challenges/deviations✓, so that everyone can learn from experience. ✓
- Reduce investment on expensive✓, but ineffective inspection procedures in the production process. ✓
- Implement pro-active maintenance programmes✓ for equipment/machinery to reduce/eliminate breakdowns. ✓
- Any other relevant answer related to other ways in which TQM can reduce the cost of quality.

**NOTE: 1** Mark the first THREE (3) responses only.  
**2** Do not award marks for answers provided in QUESTION 1.1.1.

Max (6)

### 1.1.3 Negative impact of TQM if poorly implemented by the business

- Setting unrealistic deadlines ✓ that may not be achieved. ✓
- Employees may not be adequately/efficiently trained ✓, resulting in poor quality products. ✓
- Decline in productivity ✓, because of stoppages/delays. ✓
- Businesses may not be able to make necessary changes ✓ to satisfy the needs of customers. ✓
- The reputation of the business may suffer ✓ because of faulty products. ✓
- Customers will have many alternatives to choose from ✓ and the impact could be devastating to businesses. ✓
- Investors might withdraw investment ✓, if there is a decline in profits. ✓
- Bad publicity ✓ due to poor quality products supplied. ✓
- Decline in sales ✓, as product returns from unhappy customers' increase. ✓
- High staff turnover ✓, because of poor skills development/training. ✓
- Any other relevant answer related to the negative impact of TQM if poorly implemented by OIP/businesses.

Max (6)

Breakdown of marks	
Question 1	Marks
1.1.1	2
1.1.2	6
1.1.3	6
<b>TOTAL</b>	<b>14</b>

## Consolidation

Learner's Book page 190 – 193

### QUESTION 1

DOWN		ACROSS	
1	Production function ✓✓	2	Quality management system ✓✓
3	Continuous skills development ✓✓	4	Administration function ✓✓
5	Quality assurance ✓✓	6	Total Quality management ✓✓
7	Adequate financing and capacity ✓✓	8	Financial function ✓✓
9	Human resources function ✓✓	10	Quality performance ✓✓

(10 × 2) (20)

Breakdown of marks	
Question 1	Marks
	20
<b>TOTAL</b>	<b>20</b>

## QUESTION 2

DOWN		ACROSS	
1	Quality management ✓✓	2	Marketing function ✓✓
3	Public relations function ✓✓	4	Total client satisfaction ✓✓
5	PDCA model ✓✓	6	Quality ✓✓
7	Quality control ✓✓	8	Purchasing function ✓✓
9	General management function ✓✓	10	Quality circles ✓✓

(10 × 2) (20)

Breakdown of marks	
Question 2	Marks
	20
<b>TOTAL</b>	<b>20</b>

## QUESTION 3

### 3.1 Multiple choice

- 3.1.1 D ✓✓
- 3.1.2 C ✓✓
- 3.1.3 B ✓✓
- 3.1.4 A ✓✓
- 3.1.5 D ✓✓

(5 × 2) (10)

Breakdown of marks	
Question 3	Marks
3.1	10
<b>TOTAL</b>	<b>10</b>

## QUESTION 4

### 4.1 TQM elements from given statements

- 4.1.1 Monitoring and evaluation of quality processes ✓✓
- 4.1.2 Total client/customer satisfaction ✓✓
- 4.1.3 Adequate financing and capacity ✓✓
- 4.1.4 Continuous skills development/Education and training ✓✓
- 4.1.5 Continuous improvement of processes and systems ✓✓

(5 × 2) (10)

### 4.2 Role of quality circles

#### 4.2.1 Role of quality circles from the scenario

- Strategies are monitored at Groenwoud Forestry to improve the smooth running of business operations. ✓
- Suggestions for improving systems and processes in the workplace are provided to management. ✓

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

**2 Do not award marks for quotes that are incomplete.**

(2 × 1) (2)

#### 4.2.2 Other roles of quality circles

- Solve problems related to quality ✓ and implement improvements. ✓
- Investigate/identify problems ✓ and suggest solutions to management. ✓
- Ensure that there is no duplication ✓ of activities/tasks in the workplace. ✓
- Improve the quality of products/services/productivity ✓ through regular reviews of quality processes. ✓
- Reduce costs of redundancy ✓ in the long run. ✓
- Quality circles discuss ways of improving ✓ the quality of work/workmanship. ✓
- Contribute towards the improvement ✓ and development of the organisation. ✓
- Improve employees' loyalty ✓ and commitment to the business and its goals. ✓
- Any other relevant answer related to other roles of quality circles as part of continuous improvement to processes and systems.

**NOTE: Do not award marks for answers provided in QUESTION 4.2.1.**

Max (6)

#### 4.3 Meaning of TQM

- TQM is an integrated system/methodology/process applied throughout the organisation ✓, which helps to design/produce/provide quality products/services to customers. ✓
- It is a thought revolution in management ✓, where the entire business is operated with customer orientation in all business activities. ✓
- TQM enables businesses to continuously improve on the delivery of products/services ✓ in order to satisfy the needs of customers. ✓
- Management ensures that each employee is responsible/accountable ✓ for the quality of his/her work/actions. ✓
- Any other relevant answer related to the meaning of TQM.

Max (4)

#### 4.4 Impact of TQM if poorly implemented by businesses

##### 4.4.1 Ways in which the poor implementation of TQM has impacted on the operations of the business from the scenario

- Unrealistic deadlines have been set by Phungula Software that may not be achieved by employees. ✓
- Investors have withdrawn because of a decline in profitability. ✓

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

**2 Do not award marks for quotes that are incomplete.**

(2 × 1) (2)

##### 4.4.2 Impact of TQM if poorly implemented by the business.

- Employees may not be adequately/efficiently trained ✓, resulting in poor quality products. ✓
- Decline in productivity ✓, because of stoppages/delays. ✓
- Businesses may not be able to make necessary changes ✓ to satisfy the needs of customers. ✓
- The reputation of the business may suffer ✓ because of faulty products. ✓
- Customers will have many alternatives to choose from ✓ and the impact could be devastating to businesses. ✓
- Bad publicity ✓ due to poor quality products supplied. ✓
- Decline in sales, as product returns from unhappy customers' increase. ✓
- High staff turnover ✓, because of poor skills development/training. ✓
- Any other relevant answer related to the impact of TQM if poorly implemented by PS other than the answers provided in QUESTION 4.4.1.

**NOTE: Do not award marks for responses provided in QUESTION 4.1.1.**

Max (6)

#### 4.5 Differences between quality control and quality assurance

QUALITY CONTROL	QUALITY ASSURANCE
System that ensures the desired quality is met ✓ by inspecting the final product. ✓	Checks carried out during ✓ and after the production process. ✓
Ensures that finished products ✓ meet the required standards. ✓	Ensures that required standards have been met ✓ at every stage of the process. ✓
Includes setting targets/measuring performance ✓ and taking corrective measures. ✓	The 'building in' of quality ✓ as opposed to 'checking for' quality. ✓
Any other relevant answer related to quality control.	Any other relevant answer related to quality assurance.
<b>Submax (2)</b>	<b>Submax (2)</b>

- NOTE: 1** The answer does not have to be in tabular format.  
**2** Differences do not have to link but must be clear.  
**3** Award a maximum of TWO (2) marks if the distinction is not clear/Mark either quality control or quality assurance only.

**Max (4)**

#### 4.6 Quality indicators of the marketing function

##### 4.6.1 Quality indicators of the marketing function from the scenario

- Hermanus Seafood Emporium differentiates their products from competitors. ✓
- Different pricing techniques such as promotional pricing are used by HSE to ensure a competitive advantage. ✓

- NOTE: 1** Mark the first TWO (2) answers only.  
**2** Do not award marks for quotes that are incomplete.

**Any (2 × 1) (2)**

##### 4.6.2 Other quality indicators of the marketing function

- Acquire a greater market share ✓ through good/effective/efficient customer service. ✓
- Gain customers' loyalty ✓ by satisfying/meeting/exceeding their needs/wants/building positive relationships. ✓
- Adhere to ethical advertising practices ✓ when promoting products/services. ✓
- Identify competitive edge/gaps ✓ in the market and conduct regular market research. ✓
- Use aggressive advertising campaigns ✓ to sustain the market share. ✓
- Any other relevant answer related to other quality indicators of the marketing function that could be displayed at HSE as a business.

- NOTE: 1** Mark the first TWO (2) answers only.  
**2** Do not award marks for answers provided in QUESTION 4.6.1.

**Max (4)**

Breakdown of marks	
Question 4	Marks
4.1	10
4.2.1	2
4.2.2	6
4.3	4
4.4.1	2
4.4.2	6
4.5	4
4.6.1	2
4.6.2	4
<b>TOTAL</b>	<b>40</b>

## QUESTION 5

### 5.1 Introduction

- Quality is the ability of a product/service to satisfy specific needs of consumers. ✓
- By providing high-quality products/services, the business has a much greater chance of being successful. ✓
- Continuous improvement to processes and systems refers to the ability/commitment of the business to pursue/execute/achieve continuous improvement of processes and systems. ✓
- The effective implementation of TQM requires monitoring and evaluation of quality processes throughout the entire business. ✓
- Large businesses must ensure that all stakeholders have the necessary knowledge to enhance the ability of the business to improve the positive impact and reduce the negative impact of TQM. ✓
- Any other relevant introduction related to the benefits of a good quality management system/distinction between quality management and quality performance/impact of continuous improvement to processes and systems; and monitoring and evaluation of quality processes on large businesses/ways in which TQM can reduce the cost of quality.

(2 × 1) (2)

### 5.2 Benefits of a good quality management system

- Effective customer services are rendered, resulting in increased customer satisfaction. ✓✓
- Time and organisational resources such as finance/raw materials/labour are used efficiently. ✓✓
- Productivity increases through proper/effective time management/using high quality resources. ✓✓
- Products/Services are constantly improved resulting in increased levels of customer satisfaction. ✓✓
- Enhances the ability of the business to achieve its vision/mission/goals. ✓✓
- Business has a/improves its competitive advantage over its competitors. ✓✓
- Regular training will continuously improve the quality of employees' skills/knowledge/competencies. ✓✓
- Employers and employees will have a healthy working relationship resulting in happy/productive workers./Improves the employee morale/productivity within the businesses. ✓✓
- Increased market share/more customers improve profitability. ✓✓
- Improves business image as there are less defects/returns. ✓✓
- Improves the financial sustainability of the business as customers are retained. ✓✓
- Any other relevant answer related to the benefits of a good quality management system.

Max (10)

### 5.3 Differences between quality management and quality performance

QUALITY MANAGEMENT	QUALITY PERFORMANCE
Techniques/tools/methods used✓ to design/improve the quality of a product. ✓	Total performance of each department✓ measured against the specified standards. ✓
Can be used for accountability✓ within each of the business functions. ✓	Can be obtained if all departments work together✓ towards the same quality standards. ✓
Aims to ensure that the quality of products/services✓ is consistent✓/Focuses on the means✓ to achieve consistency. ✓	Quality is measured through physical product/statistical output✓ of processes/surveys of the users and/or buyers/consumers of products/services. ✓
Any other relevant answer related to quality management.	Any other relevant answer related to quality performance.
<b>Submax (6)</b>	<b>Submax (6)</b>

**NOTE: 1** The answer does not have to be in tabular format.

**2** Differences do not have to link but must be clear.

**3** Award a maximum of SIX (6) marks if the distinction is not clear/Mark either quality management or quality performance only.

Max (12)

#### 5.4 Impact of TQM elements on large businesses

Continuous improvement to processes and systems

Positives/Advantages

- Large businesses have more available/readily available resources✓ to check on quality performance in each unit. ✓
- Enough capital resources are available for new equipment/technology✓ required for processes and systems. ✓
- Large businesses have a person/department✓ dedicated to the improvement of processes and systems. ✓
- They can afford to use the services of the quality circles✓ to stay ahead of their competitors. ✓
- Large businesses are willing to take risks/try new processes and systems✓ because they are able to absorb the impact of losing money/financial resources. ✓
- Any other relevant answer related to the positives/advantages of continuous improvement to processes and systems on large businesses.

**AND/OR**

Negatives/Disadvantages

- Quality control can become complicated✓ with large scale manufacturing processes. ✓
- Systems and processes take time and effort to implement in large businesses✓ as communication/buy-in may delay the process. ✓
- Risk of changing parts of the business✓ that are actually working well. ✓
- Not all negative feedback from employees and customers is going to be accurate✓, which may result in incorrect/unnecessary changes to systems and processes. ✓
- Limitations regarding availability of machinery/technology✓ may influence the ability of large businesses to continuously improve processes and systems. ✓
- Any other relevant answer related to the negatives/disadvantages of continuous improvement to processes and systems on large businesses.

**Submax (6)**

Monitoring and evaluation of quality processes

Positives/Advantages

- Monitoring and evaluating quality processes✓ prevent product defects/minimises customer complaints. ✓
- Good quality control checks/procedure minimises✓ the replacement/breakdown of items/equipment/machinery on a regular basis. ✓
- Large businesses may be better equipped✓ to get things right the first time. ✓
- Improve performance✓ and increase productivity/sales/profitability. ✓
- Modify interventions✓ that may improve the efficient use of resources. ✓
- Any other relevant answer related to the positives/advantages of monitoring and evaluation of quality processes on large businesses.

**AND/OR**

Negatives/Disadvantages

- Large businesses are often divided✓ and the departments work in silos. ✓
- It is difficult to get everyone to communicate effectively✓ and often the message is not received correctly. ✓
- It often takes longer to detect problems✓ or respond to weaknesses. ✓
- It is not viable/possible✓ to check quality of all the products. ✓
- Limited active/accurate monitoring and evaluation of quality processes may occur✓ as some managers may view/apply this TQM element as a mere routine/formality. ✓
- Any other relevant answer related to the negatives/disadvantages of monitoring and evaluation of quality processes on large businesses.

**Submax (6)**

**Max (12)**

### 5.5 Ways in which TQM can reduce the cost of quality

- Introduce quality circles to discuss ways of improving the quality of work/workmanship. ✓✓
- Schedule activities to eliminate duplication of tasks. ✓✓
- Share responsibility for quality output amongst management and workers. ✓✓
- Train employees at all levels, so that everyone understands their role in quality management. ✓✓
- Develop work systems that empower employees to find new ways of improving quality. ✓✓
- Work closely with suppliers to improve the quality of raw materials/inputs. ✓✓
- Improve communication about quality challenges/deviations, so that everyone can learn from experience. ✓✓
- Reduce investment on expensive, but ineffective inspection procedures in the production process. ✓✓
- Implement pro-active maintenance programmes for equipment/machinery to reduce/eliminate breakdowns. ✓✓
- Any other relevant answer related to ways in which TQM can reduce the cost of quality.

Max (12)

### 5.6 Conclusion

- By having good quality management systems the business is therefore, able to ensure its financial sustainability in the future. ✓✓
- Quality of performance cannot take place without quality management as management must take a lead in setting quality standards for each business function. ✓✓
- Businesses who implement all five TQM elements reduce the cost of quality and therefore, do not lose money and resources on product defects. ✓✓
- Businesses need to evaluate the impact of TQM elements such as continuous improvement to processes and systems, and monitoring and evaluation of quality processes in order to reduce barriers/obstacles in achieving TQM. ✓✓
- Any other relevant conclusion related to the benefits of a good quality management system/distinction between quality management and quality performance/impact of continuous improvement to processes and systems; and monitoring and evaluation of quality processes on large businesses/ways in which TQM can reduce the cost of quality.

Any (1 × 2) (2)

[40]

Question 5: Breakdown of mark allocation		
DETAILS	MAXIMUM	TOTAL
5.1 Introduction	2	Max 32
5.2 Benefits of a good quality management system	10	
5.3 Differences between quality management and quality performance	12	
5.4 Impact of TQM elements on large businesses: <ul style="list-style-type: none"> <li>• Continuous improvement to processes and systems</li> <li>• Monitoring and evaluation of quality processes</li> </ul>	12	
5.5 Ways in which TQM can reduce the cost of quality	12	
5.6 Conclusion	2	
INSIGHT		
Layout	2	8
Analysis/Interpretation	2	
Synthesis	2	
Originality/Examples	2	
<b>TOTAL MARKS</b>		<b>40</b>

LASO – For each component:

Allocate 2 marks if all requirements are met.

Allocate 1 mark if some requirements are met.

Allocate 0 marks where requirements are not met at all.

# TOPIC 8 Management and leadership

## Teaching tips:

How to introduce the topic	Specific strategies to teach/approach the topic
<ul style="list-style-type: none"> <li>Recap the meaning of the concepts covered in Grade 10.</li> <li>Emphasise that the major differences between management and leadership relates to how they deal with employees and how they make decisions.</li> <li>Indicate to learners what will be covered under leadership styles and the three leadership theories.</li> <li>Emphasise the concepts that will be covered with learners in this topic.</li> </ul>	<ul style="list-style-type: none"> <li>Make a clear distinction between the leadership styles and leadership theories.</li> <li>It is advisable that the leadership theories must first be taught before teaching the impact of each leadership style.</li> <li>It should be pointed out that the leadership theories guide leaders on how to choose a leadership style that is relevant to specific situations e.g. the charismatic leader will follow a transformational leadership theory as a guide on how to influence their followers to work hard.</li> <li>Practical examples and demonstrations can be used to illustrate how each style would be applied in a business.</li> <li>Learners' knowledge on the situational leadership theory must be extended through the use of key words such as 'task', 'relationships' and 'analysis'.</li> <li>It should be noted that leaders use the situational leadership theory to choose an appropriate leadership style that is relevant to current situation.</li> <li>Class discussions should focus on the word 'positive attitude' when addressing the role of personal attitude in successful leadership.</li> <li>The focus should be on how a positive attitude contributes to a successful leadership.</li> <li>Examples of business leaders who became successful due to their positive attitudes must be used in these activities.</li> </ul>
Important tips for the topic	Other ways of assessing the topic
<ul style="list-style-type: none"> <li>The terms management and leadership are often used interchangeably, as if they have the same meaning. This is, however, not the case and learners must be reminded of this.</li> <li>When learners are required to differentiate/distinguish between management and leadership, the best way to answer this question is by drawing a table and contrasting the differences.</li> <li>Provide learners with case studies/scenarios that will enable them to identify the different leadership styles and provide quotations to motivate answers.</li> <li>The differences between types of leadership styles must be clearly outlined.</li> <li>The focus must be on the meaning and application of each leadership style.</li> <li>Indicate to learners that the terms transformational and transitional are used interchangeable, as both refer to periods of change within a business.</li> </ul>	<ul style="list-style-type: none"> <li>Use case studies from magazines or newspaper articles to assess learners informally on leadership styles and the application thereof.</li> <li>Use Google Form Quizzes to assess learners informally on the impact and application of the different leadership styles</li> <li>Consult the following past NSC Question Papers for Section B and C type questions:             <ul style="list-style-type: none"> <li>May/June 2021 P2 Question 2.3 – scenario on leadership theories</li> <li>Nov 2020 P2 Question 2.6 – scenario on leadership styles</li> <li>Nov 2019 Question 3.3 – scenario on role of personal attitude in successful leadership</li> <li>June 2019 Question 3.6 – scenario on leadership styles</li> <li>May/June 2018 Question 8 – essay on management and leadership</li> </ul> </li> </ul>

## Memoranda to activities

### Activity 8.1

Learner's Book page 202

#### QUESTION 1

##### 1.1 Multiple Choice

- 1.1.1 F ✓✓
- 1.1.2 E ✓✓
- 1.1.3 A ✓✓
- 1.1.4 B ✓✓
- 1.1.5 G ✓✓

(5 × 2) (10)

Breakdown of marks	
Question 1	Marks
1.1	10
<b>TOTAL</b>	<b>10</b>

### Activity 8.2

Learner's Book page 207

#### QUESTION 1

##### 1.1 Leadership styles

###### 1.1.1 Leadership style from the scenario

Democratic leadership style ✓✓

Submax (2)

###### Motivation:

He regularly requests experienced employees to contribute ideas on how to increase their sales. ✓

*NOTE: Do not award marks for the motivation if the leadership style was incorrectly identified.*

Submax (1)

Max (3)

###### 1.1.2 Impact of Democratic leadership

Positives/Advantages

- The leaders do not have to rely on their own knowledge/skills ✓ to solve complex problems. ✓
- Leaders may invite employees to participate in the decision-making process ✓ and benefit from their experiences/expertise. ✓
- Employees contribute a variety/innovative idea ✓ that may benefit the organisation/lead to improved production techniques ✓
- Employees feel empowered/motivated, ✓ resulting in increased productivity levels. ✓
- Regular communications between leaders and employees, ✓ leads to improved decision making. ✓
- Any other relevant answer related to the positives/advantages of the democratic leadership styles

AND/OR

Negatives/Disadvantages

- Input from inexperienced employees could lead to decisions ✓ that's not in the best interest of the organisation. ✓
- Leader may not be in the position to take decisions immediately, ✓ because key employees are unable to attend the meeting. ✓
- Could be demoralising to employees ✓ if a leader does not consider their inputs before making a decision. ✓
- Leader could delay making decisions ✓ because he/she is waiting for inputs from employees. ✓
- It's not an ideal leadership style ✓ if the leader needs to make a decision in the event of an emergency in the organisation. ✓
- The reliability of feedback provided by some employees ✓ may not be accurate. ✓
- Any other relevant answer related to the disadvantages of the democratic leadership styles

Max (8)

**1.1.3 Situations in which the transactional leadership style could be applied within the workplace.**

- The leader wants employees to exceed target levels. ✓✓
- The business wants to maximise employee performance. ✓✓
- Deadlines have to be met on short notice/under pressure. ✓✓
- Employees have a low morale. ✓✓
- The strategies/business structures are clear and do not have to change. ✓✓
- Any other relevant answer related to situations in which the transactional leadership style could be applied within the workplace.

Max (6)

Breakdown of marks	
Question 1	Marks
1.1.1	3
1.1.2	8
1.1.3	6
<b>TOTAL</b>	<b>17</b>

**Activity 8.3**

**Learner's Book page 211**

**QUESTION 1**

**1.1 Introduction**

- A clear distinction is made between management and leadership and both have different roles within the business. ✓
- Various leadership theories guide leaders on the different leadership styles that may be applied in the workplace. ✓
- The autocratic and transactional leadership styles have a different impact on the business. ✓
- The Laissez-faire and situational leadership styles should be applied in suitable situations based on the needs of the business. ✓
- Any other relevant introduction related to differences between management and leadership/ situational- and transformational leadership theories/impact of the autocratic and transactional leadership styles/situations during which the laissez-faire- and charismatic leadership styles could be applied.

(2 × 1) (2)

**1.2 Differences between management and leadership**

MANAGEMENT	LEADERSHIP
<ul style="list-style-type: none"> <li>• Manage processes by using their authority ✓✓</li> <li>• Instructional in their approach when dealing with employees ✓✓</li> <li>• Follow the plans to reach targets. ✓✓</li> <li>• Focus on organisation targets ✓✓</li> <li>• Focus on the processes involved in the production process ✓✓</li> <li>• Control the actions of employees ✓✓</li> <li>• Administer plans as set out by top-management ✓✓</li> <li>• Task orientated, ensuring the job gets done ✓✓</li> <li>• Any other relevant answer related to management.</li> </ul>	<ul style="list-style-type: none"> <li>• Lead by inspiring and motivating employees ✓✓</li> <li>• Provide guidance and direction to employees ✓✓</li> <li>• Promotes creativity to improve productivity levels ✓✓</li> <li>• Focus on vision and mission of the organisation ✓✓</li> <li>• Focus on potential of employees ✓✓</li> <li>• Influence the actions of employees ✓✓</li> <li>• Creative/Innovative when dealing with challenges ✓✓</li> <li>• People orientated, thus putting employees first ✓✓</li> <li>• Any other relevant answer related to leadership.</li> </ul>
<b>Submax (6)</b>	<b>Submax (6)</b>

**NOTE:** 1. The answer does not have to be in tabular format.  
 2. The distinction does not have to link but must be clear.  
 3. Award a maximum of SIX (6) marks if the distinction is not clear/Mark either management or leadership.

Max (12)

### 1.3 Situational and transformational/transitional leadership theories

#### Situational leadership theory

- Leaders are required to manage employees under a different conditions ✓ and different character traits are required to deal with each situation within the workplace. ✓
- A different leadership style would be adopted by the leader, ✓ based on the prevailing circumstances at a particular time. ✓
- Effective leaders may adopt the leadership style ✓ that will ensure that the goals of the organisation are achieved. ✓
- The relationship between the leader and the employees ✓ are based on values of trust/ integrity/ respect. ✓
- Leaders possesses the skills/knowledge ✓ to analyse situation/allocate tasks/ responsibilities to the most suitable employees. ✓
- Conflict could arise if the leadership style is deemed inconsistent ✓ when dealing with employees in different situations. ✓
- The effectiveness of this leadership theory is dependent on the relationship that exist ✓ between the leader and employees. ✓
- Any other relevant answer related to situational leadership theory.

**Submax (6)**

#### Transformational/Transitional leadership theory

- This leadership theory would be adopted by the leader ✓ during a period in which the organisation would experience radical changes. ✓
- The leader may use his communication skills/passion/interaction with employees ✓ to convince employees to accept the changes that are planned in the organisation. ✓
- Employees in turn respect/admire the leader/trust the leaders' judgements ✓ regarding the planned changes within the organisation. ✓
- Strategic thinking leaders uses this leadership theory to convince employees ✓ to accept the long-term vision of the organisation. ✓
- Leaders have strong/charismatic personalities, ✓ that they use to increases the motivation/ productivity levels of workers. ✓
- Employees are supported through-out this period of radical change ✓ and given opportunities to share their thoughts/ideas without any constraints. ✓
- Leaders lead by example ✓ and workers respond by being focusing on their own outputs. ✓
- Workers take greater ownership of their responsibilities ✓ and are aware of their limitations and strengths. ✓
- Any other relevant answer related to transformational/transitional leadership theory.

**Submax (6)**

**Max (12)**

### 1.4. Impact of the autocratic and transactional leadership styles

#### Impact of the autocratic leadership styles

##### Positives/Advantages

- The leader is in a position to take quick decisions, ✓ without consulting employees. ✓
- The leader has certainty that decisions will be made timeously, ✓ without delays/work gets done on schedule. ✓
- There is no uncertainty regarding the source of instructions, ✓ which comes directly from the leader. ✓
- Strict monitoring/control of production processes by the leader ✓ ensures quality products and services. ✓
- Clear/Consistent direction from the leader, ✓ provides certainty to new employees. ✓
- The large workforce in certain business makes it impractical ✓ to meet/consult with employees. ✓
- Concise/Clear guidance could be given ✓ to newly appointed/inexperienced staff. ✓
- Any other relevant answer related to positive/advantages of the autocratic leadership style.

##### AND/OR

##### Negatives/Disadvantages

- Tension could arise between the leaders and employees, ✓ if there are disagreements on strategies ✓
- Employees could become frustrated/irritated ✓ if their inputs are not considered. ✓
- Productivity levels of the organisation could decrease significantly ✓ because employees are demotivated. ✓
- The organisation could lose ✓ out on new/innovative ideas/solutions from employees. ✓
- The business could experience high rates of absenteeism ✓ because employees do not feel valued. ✓
- The leaders may experience resistance ✓ from experienced/highly skilled employees. ✓
- Any other relevant answer related to negatives/disadvantages of the autocratic leadership style.

**Submax (6)**

Impact of the transactional leadership style

Positives/Advantages

- Linking rewards to targets ✓ encourages workers to work effectively/efficiently. ✓
- Incentives offered to employees who exceed targets ✓ increases the productivity levels of workers. ✓
- Other employees are encouraged to work harder ✓ if they see fellow employees getting incentives for meeting/exceeding targets. ✓
- Achieving the organisations goals become easier ✓ because workers feel valued/appreciated. ✓
- Employees are given targets ✓ and they know the targets they need to work towards. ✓
- Employees are aware of the punishment, ✓ should targets not be met. ✓
- Any other relevant answer related to positive/advantages of the transactional leadership styles.

**AND/OR**

Negatives/Disadvantages

- Employees may feel demoralised ✓ if they're punished for not meeting targets. ✓
- Leader may need to monitor the performance of employees ✓ to ensure that targets are met. ✓
- Measuring the performance of workers constantly ✓ may detract the leader from performing other essential tasks. ✓
- The health of employees could be negatively affected ✓ by increased stress levels in pursuit of targets by of employees. ✓
- It's not a suitable leadership style for team work ✓, because the failure of one member to achieve his/her targets may affect the incentives of all members. ✓
- Any other relevant answer related to negatives/disadvantages of the transactional leadership style.

**Submax (6)**

**Max (12)**

### **1.5 Situations in which the laissez-faire- and charismatic leadership styles could be applied within the workplace**

Laissez-faire leadership style

- The leader is occupied with more important aspects of the business and delegation of of duties may improve the efficiency of the organisation. ✓✓
- Employees are experienced in their chosen field, are often trusted/relied on by the leader to make responsible decisions. ✓✓
- Leadership potential exists amongst employees and that they need opportunities to acquire additional skills. ✓✓
- Employees have acquired a greater level of knowledge/skills on a particular subject matter than what the leader have acquired. ✓✓
- Any other relevant answer related to situations during which the laissez-faire leadership styles could be applied within the workplace.

**Submax (4)/(6)**

Charismatic leadership style

- Organisation wants to implement changes and uses the leader to get the support of employees. ✓✓
- The leader wants to boost the morale of employees, who may be demotivated. ✓✓
- The leader wants employees to continue on the path of high productivity/efficiency levels. ✓✓
- Confidence levels of employees are low; and employees need to be inspired. ✓✓
- Any other relevant answer related to situations during which the charismatic leadership styles could be applied within the workplace.

**Submax (4)/(6)**

**Max (10)**

### **1.6 Conclusion**

- Effective managers and leaders create career opportunities for employees and inspire them to achieve the organisation's objectives. ✓✓
- Leadership theories such as the situational leadership theory and the transformational/transitional leadership theory aid in improving the role of leadership in the workplace. ✓✓
- Leaders/managers should strive to derive the positive impact of the autocratic leadership and transactional leadership style and reduce the negative impact of these leadership styles on business operations. ✓✓
- Different leadership styles can be applied by leaders/management based on the prevailing situations within the workplace. ✓✓

- Any other relevant conclusion related to differences between management and leadership/ situational- and transformational leadership theories/impact of the autocratic and transactional leadership styles/situations during which the laissez-faire- and charismatic leadership styles could be applied.

Any (1 × 2) (2)  
[40]

Question 1: Breakdown of mark allocation		
DETAILS	MAXIMUM	TOTAL
1.1 Introduction	2	Max 32
1.2 Differences between management and leadership	12	
1.3 Situational and transformational leadership theories	12	
1.4 Impact of the autocratic and transactional leadership styles	12	
1.5 Application of leadership styles: – Laissez-faire leadership style – Democratic leadership style	10	
1.6 Conclusion	2	
INSIGHT		
Layout	2	8
Analysis/Interpretation	2	
Synthesis	2	
Originality/Examples	2	
<b>TOTAL MARKS</b>		<b>40</b>

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

## Consolidation

Learner's Book page 214

### QUESTION 1

#### 1.1 Multiple Choice

- 1.1.1 D ✓✓
- 1.1.2 C ✓✓
- 1.1.3 A ✓✓
- 1.1.4 B ✓✓
- 1.1.5 C ✓✓

(5 × 2) (10)

Breakdown of marks	
Question 1	Marks
1.1	10
<b>TOTAL</b>	<b>10</b>

### QUESTION 2

#### 2.1. Leadership theories

- transformational leadership theory ✓
- situational leadership theory ✓
- leaders and followers ✓

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

(3 × 1) (3)

## 2.2. Differences between management and leadership

MANAGEMENT	LEADERSHIP
<ul style="list-style-type: none"> <li>• Manage processes by using their authority. ✓✓</li> <li>• Instructional in their approach when dealing with employees. ✓✓</li> <li>• Follow the plans to reach targets. ✓✓</li> <li>• Focus on organisation targets. ✓✓</li> <li>• Focus on the processes involved in the production process. ✓✓</li> <li>• Control the actions of employees. ✓✓</li> <li>• Administer plans as set out by top-management. ✓✓</li> <li>• Task orientated, ensuring the job gets done. ✓✓</li> <li>• Any other relevant answer related to management.</li> </ul>	<ul style="list-style-type: none"> <li>• Lead by inspiring and motivating employees. ✓✓</li> <li>• Provide guidance and direction to employees. ✓✓</li> <li>• Promotes creativity to improve productivity levels. ✓✓</li> <li>• Focus on vision and mission of the organisation. ✓✓</li> <li>• Focus on potential of employees. ✓✓</li> <li>• Influence the actions of employees. ✓✓</li> <li>• Creative/Innovative when dealing with challenges. ✓✓</li> <li>• People orientated, thus putting employees first. ✓✓</li> <li>• Any other relevant answer related to leadership.</li> </ul>
<b>Submax (4)</b>	<b>Submax (4)</b>

- NOTE:** 1. *The answer does not have to be in tabular format.*  
 2. *The distinction does not have to link but must be clear.*  
 3. *Award a maximum of TWO (4) marks if the distinction is not clear/Mark either management or leadership.*

**Max (8)**

## 2.3 Leadership styles

### 2.3.1 Laissez-faire/free reign leadership style ✓✓

(2)

**Motivation:**

Tido requested his skilled employees to use their own work methods without violating business policies. ✓

(1)

- NOTE:** 1 *Award marks for the leadership style even if the quote is incomplete.*  
 2 *Do not award marks for the motivation if the leadership style was incorrectly identified.*

**Max (3)**

### 2.3.2 Impact of laissez-faire/free reign leadership style

**Positives/Advantages**

- Employees are trusted/given the responsibility✓ of making decisions in areas of their own expertise. ✓
- Employees don't need to consult the leader,✓ when making decisions which may benefit the organisation. ✓
- Motivation levels of employees increases,✓ because the leader recognises their abilities/ skills to make decisions. ✓
- Productivity levels of the organisation could increase significantly✓ because employees feel valued/ appreciated. ✓
- Employees experience personal growth/development✓ as they are allowed to make decisions on their own. ✓
- The leadership skills of individual employees may develop✓ as they interact with other employees in decision making. ✓
- Any other relevant answer related to the positives/advantages of the laissez-faire/free reign leadership style.

**AND/OR**

**Negatives/Disadvantages**

- The uncertainty regarding clear decision making ✓ could be influence the morale of employees negatively. ✓
- Employees could be hesitant to take decisive actions, ✓ which could affect their work performance. ✓
- Conflict could arise between employees/fellow team members, ✓ if the actions of employees with strong personalities are questioned. ✓
- The leader does not become involved✓ in disagreements amongst employees. ✓
- Employees may find it difficult to get fellow members to meet deadlines, ✓ which may impact negatively on deadlines being met. ✓

- Productivity levels may decrease✓ if the employees lack the skills/knowledge necessary to make the right decisions✓
- Any other relevant answer related to the positives/advantages of the laissez-faire/free reign leadership style.

**Max (8)**

## 2.4. Situations in which leadership styles can be applied

### 2.4.1 Charismatic leadership styles

- The organisation wants to implement changes and uses the leader to get the support of employees. ✓✓
- The leader wants to boost the morale of employees, who may be demotivated. ✓✓
- The leader wants employees to continue on the path of high productivity/efficiency levels. ✓✓
- Confidence levels of employees are low; and employees need to be inspired✓✓
- Any other relevant answer related to situations in which charismatic leadership style can be applied

**Max (4)**

### 2.4.2 Autocratic leadership styles

- If a crisis arises within the organisation that requires immediate action on the part of the leader. ✓✓
- In the event of an emergency occurring that requires the leader to act immediately to avoid loss of life/serious injury to workers. Example: To evacuate the building in the event of a fire in an office of a manager. ✓✓
- The leader has all the information at his disposal and do not require further input from employees. ✓✓
- The leader needs to exert his authority on employees who regularly disregards the organisational policies/procedures. ✓✓
- The leader has earned the trust of the employees and they are willing to accept his judgements. ✓✓
- The business appointed inexperienced/new employees that could benefit from the type of leadership. ✓✓
- Any other relevant answer related to situations in which autocratic-leadership style can be applied.

**Max (4)**

Breakdown of marks	
Question 2	Marks
2.1	3
2.2	8
2.3.1	3
2.3.2	8
2.4.1	4
2.4.2	4
<b>TOTAL</b>	<b>30</b>

## QUESTION 3

### 3.1 Introduction

- A variety of leadership styles are available to leaders to inspire and motivate employees. ✓
- A leader's preferred leadership styles is determined to a large extent by his/her personal beliefs, attitudes and past experiences. ✓
- The leadership style adopted by certain leaders are influenced by the situations during which the leader finds himself/herself. ✓
- Leadership theories guide leaders/managers on how to address/manage certain situations. ✓
- Personal attitude refers an individual's emotional, psychological, and physical responses to events that influence their achievements. ✓
- Another relevant introduction related to differences between democratic and autocratic leadership styles / impact of the charismatic and transactional leadership styles / transformational and leaders and followers leadership theories/ role of personal attitude in successful leadership.

**Any (2 × 1) (2)**

### 3.2 Differences between the democratic and autocratic leadership styles

DEMOCRATIC LEADERSHIP STYLE	AUTOCRATIC LEADERSHIP STYLE
<ul style="list-style-type: none"> <li>Invites employees to be part of the decision-making process. ✓✓</li> </ul>	<ul style="list-style-type: none"> <li>All decisions are taken by the leader alone, without employee involvement ✓✓</li> </ul>
<ul style="list-style-type: none"> <li>Open communication between the leader and employees. ✓✓</li> </ul>	<ul style="list-style-type: none"> <li>Employees are told what to do and how it must be done ✓✓</li> </ul>
<ul style="list-style-type: none"> <li>People-oriented, taking into consideration the opinions of employees. ✓✓</li> </ul>	<ul style="list-style-type: none"> <li>Task-orientated, with the focus on the end result and not the employees ✓✓</li> </ul>
<ul style="list-style-type: none"> <li>Empowers workers by involving them in the decision-making process. ✓✓</li> </ul>	<ul style="list-style-type: none"> <li>Positive effect on novice/new workers who values the micro management style ✓✓</li> </ul>
<ul style="list-style-type: none"> <li>Experienced employees provide the leader with valuable advice and support. ✓✓</li> </ul>	<ul style="list-style-type: none"> <li>Most appropriate leadership style in the event of a crisis/emergency ✓✓</li> </ul>
<ul style="list-style-type: none"> <li>Employees are involved in finding solutions to disagreements that may arise. ✓✓</li> </ul>	<ul style="list-style-type: none"> <li>Disagreements are resolved by the leaders telling the parties how to resolve it ✓✓</li> </ul>
<ul style="list-style-type: none"> <li>Any other relevant answer related to democratic leadership style.</li> </ul>	<ul style="list-style-type: none"> <li>Any other relevant answer related to autocratic leadership style</li> </ul>
<b>Submax (4)</b>	<b>Submax (4)</b>

- NOTE:** 1. *The answer does not have to be in tabular format.*  
 2. *The distinction does not have to link but must be clear.*  
 3. *Award a maximum of TWO (4) marks if the distinction is not clear/Mark either democratic leadership style or autocratic leadership style.*

**Max (8)**

### 3.3 Impact of the charismatic and transactional leadership styles

Charismatic leadership style

Positives/Advantages

- Leader communicates the vision/goals of the organisation ✓ in a concise/clear manner, that inspire confidence amongst employees. ✓
- Employees are inspired ✓ by the energy/passion of the charismatic leader. ✓
- Employees are motivated ✓ to exceed their own expectations/overcome their own fears. ✓
- Employees are made to feel valued/appreciated, ✓ which encourage them to worker harder and improve productivity levels. ✓
- Any other relevant answer related to the positives/advantages of the charismatic leadership style.

**AND/OR**

Negatives/Disadvantages

- Leader may promote their own personal interest, ✓ instead of leading for the benefit of the organisation. ✓
- Employees rely on the leader ✓ to improve their moral/motivation levels. ✓
- The organisation may be over-reliant on the presence of the leader, ✓ which could harm the organisation if the leader should leave the organisation. ✓
- Employees could also be reluctant to challenge the leader on important issues, ✓ which may impact negatively organisation achieving their goals. ✓
- Any other relevant answer related to the negatives/disadvantages of the charismatic leadership style.

**Submax (6)**

Transactional leadership styles

Positives/Advantages

- Linking rewards to targets encourages workers ✓ to work effectively/efficiently. ✓
- Incentives offered to employees who exceed targets ✓ increases the productivity levels of workers. ✓
- Other employees are encouraged to work harder ✓ if they see fellow employees getting incentives for meeting/exceeding targets. ✓
- Achieving the organisations goals become easier ✓ because workers feel valued/appreciated. ✓
- Employees are given targets/they know the targets ✓ they need to work towards. ✓
- Employees are aware of the punishment, ✓ should targets not be met. ✓
- Any other relevant answer related to the positives/advantages of the transactional leadership style.

**AND/OR**

#### Negatives/Disadvantages

- Employees may feel demoralised ✓ if they're punished for not meeting targets. ✓
- Leader may need to monitor the performance of employees ✓ to ensure that targets are met ✓
- Measuring the performance of workers constantly ✓ may detract the leader from performing other essential tasks ✓
- The health of employees could be negatively affected ✓ by increased stress levels in pursuit of targets by employees. ✓
- It's not a suitable leadership style for team work, ✓ because the failure of one member to achieve his/her targets may affect the incentives of all members. ✓
- Any other relevant answer related to the negatives/disadvantages of the transactional leadership style.

**Submax (6)**

**Max (12)**

### 3.4 Leadership theories

#### Transformational leadership theory

- This leadership theory would be adopted by the leader ✓ during a period in which the organisation would experience radical changes. ✓
- The leader may use their communication skills/passion/interaction with employees ✓ to convince employees to accept the changes that are planned in the organisation. ✓
- Employees in turn respect/admire the leader/trust the leaders' judgements ✓ regarding the planned changes within the organisation. ✓
- Strategic thinking leaders uses this leadership theory ✓ to convince employees to accept the long-term vision of the organisation. ✓
- Leaders have strong/charismatic personalities, ✓ that they use to increases the motivation/ productivity levels of workers. ✓
- Employees are supported through-out this period of radical change/given opportunities ✓ to share their thoughts/ ideas without any constraints. ✓
- Leaders lead by example/workers respond ✓ by being focusing on their own outputs. ✓
- Workers take greater ownership of their responsibilities ✓ and are aware of their limitations and strengths. ✓
- Any other relevant answer related to the transformational leadership theory.

**Submax (8)**

#### Leaders and follower's leadership theory

- The relationship between the leader and employees ✓ has a major impact on the goals that the organisation has set out to achieve. ✓
- Employees, as followers of the leader, follow the instructions of the leader and collectively work towards the organisation's goals.
- Leaders allow followers to be creative/innovative/encourages followers ✓ explore alternative methods to increase productivity. ✓
- Leaders lead by example/provides incentives ✓ for positive behaviour. ✓
- Followers takes responsibility ✓ for goals/targets not achieved. ✓
- Innovation/Creativity of some followers are stifled ✓ as they simply follow the leader and other followers. ✓
- Any other relevant answer related to the leaders and followers leadership theory.

**Submax (8)**

**Max (16)**

### 3.5 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. ✓✓
- Any other relevant answer related to the role of personal attitude in successful leadership.

**Max (10)**

### 3.6 Conclusion

- Leaders who understand various leadership styles and theories may be able to lead effectively and handle any situation. ✓✓
- The success of the organisation depends to a large extent on the leadership provided. ✓✓
- Managers can also be successful leaders if they not only focus on the task at hand, but also the people/workers who will execute the task. ✓✓
- A leader who is positive/enthusiastic/energetic will inspire his followers to improve/empower/uplift themselves to achieve their own personal goals. ✓✓
- Another relevant conclusion related to differences between democratic and autocratic leadership styles/impact of the charismatic- and transactional leadership styles/transformational and leaders and follower’s leadership theories/ role of personal attitude in successful leadership.

Any (1 × 2) (2)

[40]

Question 3: Breakdown of mark allocation		
DETAILS	MAXIMUM	TOTAL
3.1 Introduction	2	Max 32
3.2 Differences between democratic and autocratic leadership styles	8	
3.3 Impact of charismatic and transactional leadership styles	12	
3.4 Transformational and leaders and followers leadership theories	16	
3.5 Role of personal attitude in successful leadership	10	
3.6 Conclusion	2	
INSIGHT		
Layout	2	8
Analysis/Interpretation	2	
Synthesis	2	
Originality/Examples	2	
<b>TOTAL MARKS</b>		<b>40</b>

LASO – For each component:

Allocate 2 marks if all requirements are met.

Allocate 1 mark if some requirements are met.

Allocate 0 marks where requirements are not met at all.

# TOPIC 9 Investment: Securities

## Teaching tips:

How to introduce the topic	Specific strategies to teach/approach the topic
<ul style="list-style-type: none"> <li>• Emphasise that investment securities are an important way of acquiring wealth for individuals and businesses.</li> <li>• Various investment opportunities are available.</li> <li>• Certain investors want to grow wealth.</li> <li>• Other investors want to generate additional income.</li> <li>• Risk associated with each investment.</li> </ul>	<ul style="list-style-type: none"> <li>• Teachers must provide detailed descriptions of the different type of investments and ensure that this topic is adequately taught and assessed during the academic year.</li> <li>• Learners can be requested to visit financial institutions and conduct research on types of investments, their risk factors and the impact on businesses.</li> <li>• Provide examples of types of investment that are relevant to each investment decision.</li> <li>• The different types of preference shares and types of shares must be tabulated and discussed.</li> <li>• Learners' ability to list, state, name and explain the different types of preference shares and to identify these concepts from given statements/scenarios could be assessed through aspect testing.</li> <li>• Practical examples and demonstrations are also useful tools to achieve the desired level of understanding.</li> </ul>
Important tips for the topic	Other ways of assessing the topic
<ul style="list-style-type: none"> <li>• Investment decision factors must be linked to the decisions to invest.</li> <li>• Make learners aware that the concepts of 'liquidity' and 'liquidation' are from entirely different topics, although they are almost similar in pronunciation but the meaning is different.</li> </ul>	<ul style="list-style-type: none"> <li>• Consult the following past NSC Question Papers for Section B and C type questions:               <ul style="list-style-type: none"> <li>– May/June 2021 P2 Question 4.4 – calculation of compound interest</li> <li>– Nov 2020 P2 Question 4.2 – identify types of preference shares</li> <li>– Nov 2020 P2 Question 5 – Essay on investment</li> <li>– June 2019 Question 3.5 – calculation of compound interest</li> <li>– June 2019 Question 8 – essay on securities</li> <li>– Nov 2018 Question 3.5 – calculations on simple and compound interest</li> <li>– Nov 2018 Question 8 – essay on securities</li> <li>– May/June 2018 Question 6.4 – scenario on type of investments</li> <li>– Feb/March 2018 Question 8 – essay on securities</li> </ul> </li> </ul>

## Memoranda to activities

### Activity 9.1

Learner's Book page 220

#### QUESTION 1

##### 1.1 Complete the statements:

- 1.1.1 inflation rate ✓✓
- 1.1.2 liquidity ✓✓
- 1.1.3 Johannesburg Securities Exchange ✓✓
- 1.1.4 risk ✓✓
- 1.1.5 tax ✓✓

(5 × 2) (10)

Breakdown of marks	
Question 1	Marks
1.1	10
<b>TOTAL</b>	<b>10</b>

### Activity 9.2

Learner's Book page 224

#### QUESTION 1

##### 1.1 Types of investment opportunities and risk factors

- 1.1.1 Managed portfolio ✓✓

Submax (2)

##### Motivation:

Mandy Frazer, a new investor at HIS, requested the company's financial advisor to manage her various investments in one basket. ✓

*NOTE: 1. Award marks for the type of investment even if the quote is incomplete.*

*2. Do not award marks for the motivation if the type of investment was incorrectly identified.*

Submax (1)

Max (3)

##### 1.1.2 Risks associated with a managed portfolio

- The risks linked to a managed portfolio ✓ is lower over a longer period. ✓
- The risks linked to the investments are spread out ✓ because investments are made in several companies. ✓
- Financial advisors prefer investing funds ✓ in the capital market. ✓
- Unexpected changes in the market ✓ may negatively impact the portfolio in the short term with high risks linked to the investment. ✓
- Any other relevant answer related to the risk associated with a managed portfolio.

Max (6)

##### 1.2 Risk associated with mutual funds/stokvels and debentures

##### 1.2.1 Mutual funds/Stokvels

- Members could be contributing to an illegal financial scheme and could lose all the money contributed. ✓✓
- The possibility exists that a member could be unable to contribute his/her monthly savings. ✓✓
- The investment is linked to low risk and money of the investors are relatively safe. ✓✓
- Any other relevant answer related to risks associated with mutual funds/stokvels.

Max (4)

##### 1.2.2 Debentures:

- Debentures have a low risk as they need to be paid back. ✓✓
- Companies are liable to repay the original amount of the debenture plus interest, which decrease the risk for the investor. ✓✓

- Investors may earn a steady income in the form of interest while preserving their principal amount. ✓✓
- Any other relevant answer related to risks associated with debentures.

Max (4)

Breakdown of marks	
Question 1	Marks
1.1.1	3
1.1.2	6
1.2.1	4
1.2.2	4
<b>TOTAL</b>	<b>17</b>

### Activity 9.3

Learner's Book page 232

## QUESTION 1

### 1.1 Introduction

- The primary aim of any investment in businesses is to get a return on the investment. ✓
- This simply means that at the end of the investment period, the investor wants his investment back plus any other additional money that he/she would've made on the investment. ✓
- Various investment opportunities are available to the investor and he/she must take variety of factors into consideration before making an investment. ✓
- The investor has the option of investing in either ordinary shares or preference shares when investing in a company. ✓
- The choice of shares the investor invest in is determined by his/her personal financial circumstances. ✓
- Any other relevant introduction related to factors that should be considered when making an investment decision/ ordinary and preference shares/ types of preference shares/ impact of unit trusts as a form of investment.

Any (2 × 1) (2)

### 1.2 Factors that should be considered when making an investment decision

#### Risk

- The risk linked to investment opportunities refers to the doubt/uncertainty ✓ that exists regarding the extent of any gains/losses that an investor could make. ✓
- Different investment opportunities ✓ have different risks linked to them. ✓
- Certain shares do have a low risk over ✓ an extended investment period. ✓
- Shares with higher risks ✓ have a greater potential for higher returns. ✓
- Investment in ordinary shares has a higher risk as the investor may lose the full/part of the investment ✓ when the company is dissolved/declared bankrupt/liquidated. ✓
- The investment in preference shares have a lower risk linked to his investment, ✓ because he/she will have rights to the company's assets should it be declared insolvent. ✓
- Any other relevant answer related to the meaning of risk when making investment decisions.

Submax (4)

#### Inflation rate

- Inflation refers to a general increase in the price of goods and services, ✓ whilst the value of money decreases as a result thereof. ✓
- The higher the inflation rate ✓, the lower the purchasing power of money. ✓
- Investors seek those investments in which the return on investment ✓ is higher than the inflation rate. ✓
- The value of certain assets like property increases as inflation increases, ✓ thus providing the investors with a higher rate of return. ✓
- Any other relevant answer related to inflation rate as a factor that must be considered when making investment decisions.

Submax (4)

Max (8)

### 1.3 Distinction between ordinary shares and preference shares

ORDINARY SHARES	PREFERENCE SHARES
The shareholder is only entitled to receive a return on his investment ✓ when the company makes a profit and declares a dividend. ✓	The shareholders of a certain type of preference shares are entitled to dividend payment ✓ regardless of whether the company declares a dividend payment or not. ✓
A higher dividend is payable to the shareholder ✓ if the profits are higher. ✓	The shareholder will receive a fixed rate of return ✓ regardless of the amount of the profit. ✓
Should the company be liquidated, the shareholder will be paid only after ✓ the preference shareholders have been paid from the sale of the remaining assets. ✓	Should the company be liquidated, the shareholder will be paid before ✓ the ordinary shareholders get paid from the sale of the remaining assets. ✓
The shareholder receives standard shares ✓ with no special privileges. ✓	The shareholder receives special privileges ✓ in terms of dividend payments. ✓
The dividend payments to shareholders fluctuate from year to year ✓, and in certain years no dividends are paid. ✓	The dividend payments to shareholders are fixed ✓, and payments made depend on the type of preference shares purchased. ✓
The shareholder has the right to participate and vote ✓ at the Annual General Meetings of the company. ✓	The voting rights of the shareholder is limited ✓ to issues affecting the rights of the preference shareholders. ✓
Any other relevant answer related to ordinary shares.	Any other relevant answer related to preference shares.
<b>Submax (8)</b>	<b>Submax (8)</b>

**NOTE:** 1. The answer does not have to be in tabular format.

2. The distinction does not have to link, but must be clear.

3. Award a maximum of EIGHT (8) marks if the distinction is not clear/Mark either ordinary shares or preference share only.

**Max (16)**

### 1.4 Types of preference shares

Participating preference shares ✓✓

- The investor is certain of receiving a minimum ✓ fixed dividends from the company. ✓
- Any surplus profit the company may have made ✓ must be shared with the investor. ✓
- The investor is entitled to receive higher dividend payments ✓ in the event of the company making higher profits. ✓
- Entitled to receive payments before the ordinary shareholders ✓ if the company should be declared insolvent/bankrupt. ✓
- Any other relevant answer related to participating preference shares.

**Submax (4)**

Non-participating preference shares/Ordinary preference shares ✓✓

- The investor is certain of receiving ✓ a minimum fixed dividend from the company. ✓
- Do not share in any surplus profit ✓ the company may have made. ✓
- The investor is not entitled to receive higher dividend payments ✓ in the event of the company making higher profits. ✓
- If the company should be liquidated the investor will be paid back his original investment ✓ and all unpaid dividends due to him/her. ✓
- Any other relevant answer related to non-participating preference shares/ordinary preference shares.

**Submax (4)**

Cumulative preference shares ✓✓

- Investors will receive, payments for past dividends that were not paid out due to poor financial performance by the company. ✓
- Any other relevant answer related to cumulative preference shares.

**Submax (4)**

Non-cumulative preference shares ✓✓

- Investors will not receive, payments for past dividends that were not paid ✓ out due to poor financial performance by the company. ✓
- Any other relevant answer related to non-cumulative preference shares.

**Submax (4)**

Redeemable preference shares ✓✓

- Investors are able to sell the shares back to the company from which they bought ✓ it, at a fixed price should the company so desire. ✓
- Any other relevant answer related to redeemable preference shares.

**Submax (4)**

Non-redeemable preference shares ✓✓

- Investors are able to sell the shares back to the company from which they bought it, ✓ should the company close down for reasons other than bankruptcy/insolvency. ✓
- Any other relevant answer related to non- redeemable preference shares.

**Submax (4)**

Convertible preference shares ✓✓

- The investor is able to convert the shares into a fixed number of ordinary shares ✓ on a future date determined on the date the shares were issued. ✓
- Any other relevant answer related to convertible preference shares.

**Submax (4)**

Non-convertible preference shares ✓✓

- The investor is able to convert the shares ✓ into a fixed number of ordinary shares. ✓
- Any other relevant answer related to non-convertible preference shares.

**Submax (4)**

*NOTE: Mark the first FOUR (4) types of preference shares.*

**Max (12)**

## 1.5 Impact of unit trusts

Positives/Advantages

- Unit trusts are funds of investors that are pooled together and managed by a fund manager on behalf of the investors who buys shares on the JSE. ✓✓
- The fund manager chooses from a variety of share options that offer low risks to high risks investments. ✓✓
- The investments are managed according to predetermined rules and procedures, making it a safe investment. ✓✓
- The amounts that may be invested each month varies from small amounts to high amounts ✓✓
- Investment is easy for the investors, with options like online investment offered to investors. ✓✓
- Investors have free access to the funds and may convert it to cash in the event of an emergency. ✓✓
- Lowers the potential risk and allows more people to invest in the fund. ✓✓
- Any other relevant answer related to the positives/advantages of unit trusts as a form of investment.

**AND/OR**

Negatives/Disadvantages

- Share prices as a rule are subject to fluctuations, which may increase the risk of this investment. ✓✓
- Growth of unit trust investments are dependent on the, established and well recognised companies in which shares were bought, continue to grow/expand. ✓✓
- The funds of the unit trust are limited to contributions of members thereof and may not be increased by other borrowings. ✓✓
- This investment option is not recommended to investors who wants to invest for a limited period of time. ✓✓
- This investment option is not suitable for investors who wants to evade risks.
- Any other relevant answer related to the negatives/disadvantages of unit trusts as a form of investment.

**Max (10)**

## 1.6 Conclusion

- Before making any decisions on investment, the investor must consider the different factors when making investment decisions. ✓✓
- Shareholders have different types of preference shares from which to choose based on their investment needs. ✓✓
- The investor must carefully consider whether the invest in preference shares or in ordinary shares. ✓✓

- Unit trusts have a different impact which is considered by investors before commencing with the investment. ✓✓
- Any other relevant conclusion related to factors that should be considered when making an investment decision/ ordinary and preference shares/ types of preference shares/ impact of unit trusts as a form of investment.

Any (1 × 2) (2)

[40]

Question 1: Breakdown of mark allocation		
DETAILS	MAXIMUM	TOTAL
1.1 Introduction	2	Max 32
1.2 Factors to consider when making informed investment decisions	8	
1.3 Distinction between ordinary and preference shares	16	
1.4 Types of preference shares	12	
1.5 Impact of unit trusts	10	
1.6 Conclusion	2	
INSIGHT		
Layout	2	8
Analysis/Interpretation	2	
Synthesis	2	
Originality/Examples	2	
<b>TOTAL MARKS</b>		<b>40</b>

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

## Activity 9.4

## Learner's Book page 235

### QUESTION 1

#### 1.1 Simple interest

$$\begin{aligned} \text{Interest} &= P \times r \times t = R\ 100\ 000 \times 0.08 \times 3 \checkmark \\ &= R\ 8\ 000 \times 3 \checkmark \\ &= R\ 24\ 000 \checkmark \checkmark \end{aligned}$$

(4)

**NOTE:** 1. Award full marks (4) if the answer is correct and no workings are shown.

2. If the formula and workings were shown correctly but the final answer is wrong, award a maximum of THREE (3) marks.

3. If the workings and the answer are incorrect, award a maximum of ONE mark for the formula.

#### 1.2 Compound interest

Option 1:

$$\begin{aligned} \text{Year 1: } &R\ 100\ 000 \times 0.08 \times 1 = R\ 8\ 000.00 \checkmark \\ \text{Year 2: } &R\ 108\ 000 \times 0.08 \times 1 = R\ 8\ 640.00 \checkmark \\ \text{Year 3: } &R\ 116\ 640 \times 0.01 \times 1 = R\ 9\ 331.20 \checkmark \\ \text{Total interest: } &R\ 8\ 000 + R\ 8\ 640 + R\ 9\ 331.20 = R\ 25\ 971.20 \checkmark \checkmark \end{aligned}$$

OR

Option 2:

$$\begin{aligned} \text{Interest} &= P \times (1 + i)^n - P = R\ 100\ 000 \times (1 + 0.08)^3 - R\ 100\ 000 \checkmark \\ &= R\ 100\ 000 \times (1.08)^3 - R\ 100\ 000 \checkmark = R\ 100\ 000 \times (1.08 \times 1.08 \times 1.08) - 100\ 000 \checkmark \\ &= R\ 100\ 000 \times (1.259712) - R\ 100\ 000 \checkmark \\ &= R\ 125\ 971.20 - R\ 100\ 000 \checkmark \\ &= R\ 25\ 971.20 \checkmark \checkmark \end{aligned}$$

Max (4)

### 1.3 Recommendation

Compound interest ✓✓

Submax (2)

#### Motivation:

- Compound interest yields more interest than simple interest. ✓✓
- Compound interest allows Zinzi to earn interest on interest. ✓✓

Submax (2)

Max (4)

Breakdown of marks	
Question 1	Marks
1.1	4
1.2	4
1.3	4
<b>TOTAL</b>	<b>12</b>

## Consolidation

Learner's Book page 236 – 237

### QUESTION 1

#### 1.1 Multiple choice

- 1.1.1 D ✓✓
- 1.1.2 A ✓✓
- 1.1.3 B ✓✓
- 1.1.4 C ✓✓
- 1.1.5 B ✓✓

(5 × 2) (10)

Breakdown of marks	
Question 1	Marks
1.1	10
<b>TOTAL</b>	<b>10</b>

### QUESTION 2

#### 2.1 Investment decisions

- Return on Investment ✓
- Risk ✓
- Investment period ✓
- Inflation rate ✓
- Taxation ✓
- Liquidity ✓

Max (4 × 1) (4)

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

#### 2.2 Type of investment opportunities

##### 2.2.1 Type of investment opportunity from the scenario

Mutual funds/Stokvels ✓✓

Submax (2)

#### Motivation:

The Unified African Group was recently established to provide members of the local community with opportunities to contribute to a savings fund informally. ✓

Submax (1)

Max (3)

### 2.2.2 Risks associated with mutual funds/stokvels

- Members could be contributing to an illegal financial scheme ✓ and could lose all the money contributed. ✓
- The possibility exist that a member could be unable to contribute ✓ his/her monthly savings. ✓
- The investment is linked to low risk ✓ and money of the investors are relatively safe. ✓
- Any other relevant answer related to the risks associated with mutual funds/stokvels.

Max (4)

### 2.3 Distinction between ordinary shares and preference shares

ORDINARY SHARES	PREFERENCE SHARES:
The shareholder is only entitled to receive a return on his investment ✓ when the company makes a profit and declares a dividend. ✓	The shareholders of a certain type of preference shares are entitled to dividend payment ✓ regardless of whether the company declares a dividend payment or not. ✓
A higher dividend is payable to the shareholder ✓ if the profits are higher. ✓	The shareholder will receive a fixed rate of return ✓ regardless of the amount of the profit. ✓
Should the company be liquidated, the shareholder will be paid only after ✓ the preference shareholders have been paid from the sale of the remaining assets. ✓	Should the company be liquidated, the shareholder will be paid before ✓ the ordinary shareholders get paid from the sale of the remaining assets. ✓
The shareholder receives standard shares ✓ with no special privileges. ✓	The shareholder receives special privileges ✓ in terms of dividend payments. ✓
The dividend payments to shareholders fluctuate from year to year ✓, and in certain years no dividends are paid. ✓	The dividend payments to shareholders are fixed ✓, and payments made depend on the type of preference shares purchased. ✓
The shareholder has the right to participate and vote ✓ at the Annual General Meetings of the company. ✓	The voting rights of the shareholder is limited ✓ to issues affecting the rights of the preference shareholders. ✓
Any other relevant answer related to ordinary shares.	Any other relevant answer related to preference shares.
<b>Submax (4)</b>	<b>Submax (4)</b>

**NOTE: 1. The answer does not have to be in tabular format.**

**2. The distinction does not have to link but must be clear.**

**3. Award a maximum of FOUR (4) marks if the distinction is not clear/Mark either ordinary shares and preference shares.**

Max (8)

### 2.4 Rights of preference shareholders

- The shareholder is entitled to receive dividends irrespective of the profit levels of the company. ✓✓
- They only have voting rights at the AGM under particular circumstances/for certain resolutions. ✓✓
- The shareholder is entitled to receive dividend payments before ordinary shareholders. ✓✓
- In the event of the company being declared bankrupt/insolvent they have a claim on the assets of the company before ordinary shareholders. ✓✓
- Full disclosure must be made to the shareholders by providing them with copies of all financial reports. ✓✓
- The voting rights of the investor is limited to issues affecting the rights of the preference shareholders. ✓✓
- Any other relevant answer related to rights of preference shareholders.

Max (6)

Breakdown of marks	
Question 1	Marks
2.1	4
2.2.1	3
2.2.2	4
2.3	8
2.4	6
<b>TOTAL</b>	<b>25</b>

### QUESTION 3

#### 3.1 Introduction

- The financial sector in South African is one of the more vibrant and sophisticated sectors in the world economy today. ✓
- JSE provides listed companies with the ability to acquire financial resources to start or expand business operations. ✓
- The choice of simple or compound interest influence the amount of interest that will be paid to the investor. ✓
- Fixed deposits are conservative forms of investment that have both a positive and negative impact. ✓
- Unit trusts are collections of investment options made up of shares in different companies. ✓
- Any other relevant introduction related to functions of the JSE/simple and compound interest/impact of unit trusts and fixed deposits as the forms of investment/rights of ordinary shareholders.

Any (2 × 1) (2)

#### 3.2 Functions of the JSE

- Gives opportunities to financial institutions such as insurance companies to invest their funds in shares. ✓✓
- Serves as a barometer/indicator of economic conditions in South Africa. ✓✓
- Keeps investors informed on share prices by publishing the share prices daily. ✓✓
- Acts as a link between investors and public companies. ✓✓
- Shares are valued and assessed by experts. ✓✓
- Small investors are invited to take part in the economy of the country through the buying/selling of shares. ✓✓
- Venture capital market is made available on the open market. ✓✓
- Orderly market for securities serves as a disciplined market for securities. ✓✓
- Raises primary capital by encouraging new investments in listed companies ✓✓
- Mobilises the funds of insurance companies and other institutions. ✓✓
- Any other relevant answer related to the functions of the JSE.

Max (8)

#### 3.3 Distinction between simple interest and compound interest

SIMPLE INTEREST	COMPOUND INTEREST
Interest earned ✓ on the original amount only. ✓	Interest earned on original amount invested, ✓ as well as interest earned in the preceding years that were added to the original amount invested. ✓
The value of the original amount remains the same ✓ for the duration of the investment. ✓	The value of the original amount increases ✓ as additional interest is added in subsequent years. ✓
The interest portion of the investment is accounted for separately ✓ from the original amount of the investment. ✓	The interest portion of the investment is added ✓ to the original investment, thus increasing the original investment. ✓
The return on investment is lower ✓ than the return on investment of compound interest. ✓	The return on investment is higher ✓ than the return on investment of simple interest. ✓
The total amount of interest earned ✓ is lower than the total amount of compound interest earned. ✓	The total amount of interest earned is higher ✓ than the total amount of simple interest earned. ✓
Any other relevant answer related to simple interest.	Any other relevant answer related to compound interest.
<b>Submax (6)</b>	<b>Submax (6)</b>

- NOTE:** 1. The answer does not have to be in tabular format.  
 2. The distinction does not have to link but must be clear.  
 3. Award a maximum of SIX (6) marks if the distinction is not clear/Mark either simple interest or compound interest.

Max (12)

### 3.4 Impact on forms of investment

Fixed deposits

Positives/Advantages

- The investor is certain of the return on investment ✓ because the interest rate is fixed for a predetermined period. ✓
- The period of investment available to the investor ✓ ranges from short-term, medium term or long-term periods. ✓
- The investor doesn't have access to his/her funds for the duration of the investment period ✓, thus instilling a sense of financial discipline. ✓
- The duration of the investment period ✓ is determined solely by the investor. ✓
- The return on investment ✓ of this type of investment is higher. ✓
- Investors earn a better return on investment ✓ than on an ordinary savings account. ✓
- The investor will be paid the original amount of the investment ✓ plus all interest earned during the investment period. ✓
- Any other relevant answer related to the positives/advantages of fixed deposits.

AND/OR

Negatives/Disadvantages

- The investor doesn't have access to any funds ✓ invested until the end of the investment period. ✓
- The return in investments may be lower ✓ than the general rate of inflation. ✓
- This type of investment generally provides the investors ✓ with a lower return than other type of investments. ✓
- Any other relevant answer related to negatives/disadvantages of fixed deposit.

Submax (8)

Unit trust

Positives/Advantages

- Unit trusts are funds of investors that are pooled together ✓ and managed by a fund manager on behalf of the investors who buy shares on the JSE. ✓
- The fund manager chooses from a variety of share options ✓ that offer low risks to high risks investments. ✓
- The investments are managed according to predetermined rules and procedures, ✓ making it a safe investment. ✓
- The amounts that may be invested each month varies ✓ from small amounts to high amounts. ✓
- Investment is easy for the investors, ✓ with options like online investment offered to investors. ✓
- Investors have free access to the funds ✓ and may convert it to cash in the event of an emergency. ✓
- Any other relevant answer related to the positives/advantages of unit trusts.

AND/OR

Negatives/Disadvantages

- Share prices as a rule are subject to fluctuations, ✓ which may increase the risk of this investment. ✓
- Growth of unit trust investments are dependent ✓ on the, established and well recognised companies in which shares were bought, continue to grow/expand. ✓
- The funds of the unit trust are limited ✓ to contributions of members thereof and may not be increased by other borrowings. ✓
- This investment option is not recommended ✓ to investors who want to invest for a limited period of time. ✓
- This investment option is not suitable for investors ✓ who want to evade risks. ✓
- Any other relevant answer related to the negatives/disadvantages of unit trusts.

Submax (8)

Max (16)

### 3.5 Rights of ordinary shareholders

- The shareholder is only entitled to receive a return on his investment in the event of the company making a profit and declaring a dividend. ✓✓
- Higher dividend is payable to the shareholder if the profits are higher. ✓✓
- Attend the Annual General Meeting to learn about the company's performance. ✓✓
- The shareholder receives standard shares with no special privileges. ✓✓
- The dividends payments to shareholders fluctuates from year to year and in certain years no dividends are paid. ✓✓
- The shareholder has the right to participate and vote at the Annual General Meeting of the company. ✓✓
- Any other relevant answer related to the rights of ordinary shareholders.

Max (10)

### 3.6 Conclusion

- Data obtained from the JSE allows government to make decision regarding the economy. ✓✓
- Compound interest earned allows investors to increase their interest earned exponentially. ✓✓
- Some investors decide to invest their money in more conservative forms of investment such as fixed deposits, whereas other investors choose unit trusts as the risk is spread across various companies. ✓✓
- Ordinary shares can be quite lucrative as higher dividends are earned by shareholders when the company is profitable. ✓✓
- Any other relevant conclusion related to functions of the JSE/simple and compound interest/impact of unit trusts and fixed deposits as the forms of investment/rights of ordinary shareholders

Any (1 × 2) (2)  
[40]

Question 3: Breakdown of mark allocation		
DETAILS	MAXIMUM	TOTAL
3.1 Introduction	2	Max 32
3.2 Functions of the JSE	8	
3.3 Distinction between simple interest and compound interest	12	
3.4 Impact of forms of investment	16	
3.5 Rights of ordinary shareholders	10	
3.6 Conclusion	2	
INSIGHT		
Layout	2	8
Analysis/Interpretation	2	
Synthesis	2	
Originality/Examples	2	
<b>TOTAL MARKS</b>		<b>40</b>

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

# TOPIC 10 Investment: Insurance

## Teaching tips:

How to introduce the topic	Specific strategies to teach/approach the topic
<ul style="list-style-type: none"> <li>• Show learners a video clip of insurance.</li> <li>• The video will consist of               <ul style="list-style-type: none"> <li>– Basic types of insurance and terms associated with insurance that we will be covered in this topic.</li> </ul> </li> <li>• Issues learners with questions based on the video that learners will have to answer.</li> <li>• After watching the video, quiz learners on the questions they have answered.</li> <li>• Have a brief discussion on the content of the video.</li> <li>• Provide learners with an opportunity to answer questions based on the video.</li> </ul>	<ul style="list-style-type: none"> <li>• Use a table to explain the differences between insurable and non-insurable risks using practical examples.</li> <li>• A clear distinction must be made between insurable and non-insurable risks.</li> <li>• Focus on the word 'risks' not 'assets' so that learners do not confuse the insurable and non-insurable risks with the types of assets that should be insured.</li> <li>• Use relevant examples and demonstrations when teaching the principles of insurance.</li> <li>• Identify key words that will enable learners to remember the explanation of each principle.</li> <li>• Make four columns using simple statements when explaining each principle. Learners must be advised to include examples of each insurance principle, as this forms part of the expected answer.</li> <li>• Ensure that learners have a clear understanding of the meaning of under-insurance before addressing the meaning of the average clause.</li> <li>• Learners must be made aware that the average clause applies to property or assets that are underinsured, and it is used to calculate the proportion of the loss that must be paid to the insured when goods or assets are under-insured.</li> <li>• Learners are expected to be able to calculate the average clause using the correct formula, i.e., the amount insured divided by the value of the property multiplied by the damage.</li> <li>• The reason for starting with the amount insured should be explained, as this indicates the impact of under-insurance.</li> <li>• Learners must be reminded that the formula and the workings are allocated part-marks and must be clearly shown.</li> </ul>
Important tips for the topic	Other ways of assessing the topic
<ul style="list-style-type: none"> <li>• It must be emphasised that the term 'average clause' is applied when goods or assets are underinsured.</li> <li>• Focus on the importance and advantages of insurance on businesses rather than on individuals.</li> <li>• Terms such as 'transfer of risks' and 'protect businesses' must be explained in the relevant context, with the emphasis being on how businesses benefit from insuring their assets.</li> <li>• It is vital that learners be encouraged to write full sentences when explaining the importance of insurance.</li> <li>• Learners should be careful that they do not explain the advantages of insurance for individuals instead of for businesses.</li> </ul>	<ul style="list-style-type: none"> <li>• Consult the following past NSC Question Papers for Section B and C type questions:               <ul style="list-style-type: none"> <li>– May/June 2021 P2 Question 2.6 – scenario on insurance</li> <li>– Nov 2020 P2 Question 2.3 – calculation of insurance</li> <li>– Nov 2019 Question 3.6 – scenario on average clause</li> <li>– Nov 2019 Question 8 – essay on insurance</li> <li>– Nov 2018 Question 6.4 – scenario on average clause</li> <li>– Feb/March 2018 Question 6.4 – scenario on scenario on average clause</li> </ul> </li> </ul>

## Memoranda to activities

### Activity 10.1 Learner's Book page 244

#### QUESTION 1

##### 1.1 Complete the sentence

- 1.1.1 average clause ✓✓
- 1.1.2 reinstatement ✓✓
- 1.1.3 short-term ✓✓
- 1.1.4 under-insured ✓✓
- 1.1.5 excess ✓✓

(5 × 2) (10)

Breakdown of marks	
Question 1	Marks
1.1	10
<b>TOTAL</b>	<b>10</b>

### Activity 10.2 Learner's Book page 246

#### QUESTION 1

##### 1.1 Insurance clause from the scenario

Average clause ✓✓

(2)

##### 1.2 Calculation of average clause

$$\begin{aligned} & \frac{\text{Amount insured}}{\text{Value of insured item}} \times \text{Amount of damages/loss} \checkmark \\ & = \frac{600\,000}{800\,000} \times 100\,000 \checkmark \\ & = 75\,000 \checkmark\checkmark \end{aligned}$$

(4)

- NOTE:**
1. Award full marks (4) if the answer is correct and no workings are shown.
  2. If the formula and workings were shown correctly but the final answer is wrong, award a maximum of THREE (3) marks.
  3. If the workings and the answer are incorrect, award a maximum of ONE mark for the formula.

Breakdown of marks	
Question 1	Marks
1.1	2
1.2	4
<b>TOTAL</b>	<b>6</b>

**QUESTION 1**

**1.1 Introduction**

- Distinct differences exist between the concepts insurance and assurance. ✓
- The nature of the risk to the insured will determine whether the cover will relate to insurance or assurance. ✓
- Businesses are exposed to many risks during the course of their business operations. ✓
- To protect the business against these risks the business will pay the insurer a premium in return for taking over the risk from the insured. ✓
- Businesses are required by law to take out compulsory insurance, for example UIF.
- The insured must however bear in mind that the insurer will take over only certain risks from the insured. ✓
- Any other relevant introduction related to the advantages of insurance for business/distinction between insurance and assurance/types of compulsory insurance/ benefits paid out by the UIF

Any (2 × 1) (2)

**1.2 Advantages of insurance for businesses**

- 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 businesses against dishonest employees. ✓✓
- Protects businesses against losses due to death of a debtor. ✓✓
- Protects the business against theft/loss of stock and/or damages caused by natural disasters such as floods and storm damage. ✓✓
- Protects businesses from claims made by members of the public for damages that the business is responsible for. ✓✓
- Businesses will be compensated for insurable losses, for example, destruction of property through fire. ✓✓
- Businesses assets, for example, vehicles/equipment/buildings need to be insured against damage and/or theft. ✓✓
- Businesses are protected against the loss of earnings, for example, strikes by employees which result in losses worth millions. ✓✓
- 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. ✓✓
- Any other relevant answer related to the advantages of insurance for businesses.

Max (8)

**1.3 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 a certainty, ✓ but the time of the event is uncertain. ✓
Applicable to ✓ short-term insurance. ✓	Applicable to ✓ long-term insurance. ✓
Examples: Property insurance/Cash in transit/Theft/ Burglary/ Fire ✓	Examples: Life insurance/Endowment policy/ Retirement annuities ✓
Any other relevant answer related to insurance.	Any other relevant answer related to assurance.
<b>Submax (6)</b>	<b>Submax (6)</b>

- NOTE: 1** The answer does not have to be in tabular format.
- 2.** The distinction does not have to link but must be clear.
- 3.** Award a maximum of SIX (6) marks if the distinction is not clear/Mark either insurance or assurance.

Max (12)

## 1.4 Types of compulsory insurance

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

- The RAF/RABS is responsible for providing appropriate cover ✓ to all road users within the borders of South Africa. ✓
- The object of the Fund is the payment of compensation ✓ in accordance with RAF/RABS Act for loss or damage wrongfully caused by the driving of a motor vehicle. ✓
- The RAF/RABS provides a social security safety net to the country/economy ✓ by making available compulsory social insurance cover to all users of South African roads. ✓
- The RAF/RABS indemnifies the wrongdoer ✓ from liability to any victim of a car accident. ✓
- Contributions to the RAF/RABS are done by way of a levy on fuel ✓ used for road transportation. ✓
- The cover extends to all members of society ✓ including, pedestrian, owners and drivers of motor vehicles, as well as their passengers. ✓
- The social insurance cover, however, does not extend to drivers of motor vehicles ✓ that are found to be negligent. ✓
- In the event of an accident, the RAF/RABS pays the medical and related services costs ✓ required to restore accident victims to health. ✓
- Accident victims/their families are compensated ✓ for loss of income as a result of the accident. ✓
- Compensation is also paid by RAF/RABS for pain and suffering/loss of amenities of life/ disability and disfigurement/ funeral costs to families ✓ in circumstances where the victim of the accident sustains fatal injuries. ✓
- The amount that the victim of an accident for loss of income may claim ✓ is limited by legislation. ✓
- Any other relevant answer related to the Road Accident Fund (RAF)/Road Accident Benefit Scheme (RABS).

**Submax (8)**

### Compensation Fund/Compensation for Occupational Injuries and Diseases Act (COIDA)

- The Compensation for Occupational Injuries and Diseases Act covers occupational diseases /injuries sustained by employees ✓ during the performance of their official duties. ✓
- COIDA makes provision for employees who sustain injuries/diseases incurred at work ✓ to be compensated. ✓
- All employers are compelled to register with the compensation fund ✓ so that employees may be compensated for accidents/diseases sustained in the workplace. ✓
- Employers are required to report all accidents within 7 days ✓ and occupational diseases within 14 days to the Compensation Commissioner. ✓
- The levy paid to the compensation fund ✓ is the responsibility of the employer. ✓
- No contributions are required from the employee ✓ towards the compensation fund. ✓
- Should an employee die as a result of a work-related accident/disease, ✓ his/her dependant(s) will receive financial support. ✓
- Any other relevant answer related to the Compensation Fund/Compensation for Occupational Injuries and Diseases Act (COIDA).

**Submax (8)**

**Max (16)**

## 1.5 Benefits paid out by UIF

### Unemployment benefits

- If the employer terminates the service of an employee, the employee may apply to the Unemployment Insurance Fund (UIF) for benefits. ✓✓
- The benefits are only available to unemployed employees who have been contributing to the UIF while they were employed. ✓✓
- The unemployed employee may not claim for UIF benefits if he/she has resigned, been suspended or absconded from work. ✓✓
- You may however claim for benefits from the UIF if the Commission for Conciliation, Mediation and Arbitration (CCMA) considers your resignation as a constructive dismissal. ✓✓
- To qualify for benefits, unemployed employees you must register, with the Department of Employment & Labour as a work seeker. ✓✓
- The unemployed employee must apply for the UIF benefits as soon as he/she become unemployed or within six months of the termination of his/her employment. ✓✓
- Any other relevant answer related to benefits paid out by UIF.

**Max (10)**

## 1.6 Conclusion

- The value of insurance for businesses and individuals are indispensable in the modern economy. ✓✓
- Organisations insure their possessions/assets and make provision for future events to ensure the sustainability of their business. ✓✓
- Workers who qualify, can also claim maternity, illness, adoption and dependant benefits. ✓✓
- Contributions to be paid by employers to the compensation fund are determined by the Department of Labour. ✓✓
- The RAF/RABS is responsible for providing appropriate cover to all road users within the borders of South Africa. ✓✓
- Any other relevant conclusion related to the advantages of insurance for business/distinction between insurance and assurance/types of compulsory insurance/ benefits paid out by the UIF.

Any (1 × 2) (2)  
[40]

Question 1: Breakdown of mark allocation		
DETAILS	MAXIMUM	TOTAL
1.1 Introduction	2	Max 32
1.2 Advantages of insurance for businesses	8	
1.3 Distinction between insurance and assurance	12	
1.4 Types of compulsory insurance	16	
1.5 Benefits paid out by UIF	10	
1.6 Conclusion	2	
INSIGHT		
Layout	2	8
Analysis/Interpretation	2	
Synthesis	2	
Originality/Examples	2	
<b>TOTAL MARKS</b>		<b>40</b>

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

## Consolidation

Learner's Book page 256-257

### QUESTION 1

#### 1.1 Multiple choice

- 1.1.1 D ✓✓
- 1.1.2 B ✓✓
- 1.1.3 B ✓✓
- 1.1.4 C ✓✓
- 1.1.5 B ✓✓

(5 × 2) ( 10)

Breakdown of marks	
Question 1	Marks
1.1	10
<b>TOTAL</b>	<b>10</b>

### QUESTION 2

#### 2.1 Types of benefits paid by UIF

- Unemployment benefits ✓
- Illness/Disability benefits ✓
- Maternity benefits ✓

- Dependent benefits
- Adoption benefits ✓

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

Any (5 × 1) (5)

## 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 a certainty,✓ but the time of the event is uncertain.✓
Applicable to✓ short-term insurance.✓	Applicable to✓ long-term insurance.✓
Examples: Property insurance✓/ Cash in transit/Theft/ Burglary/ Fire✓	Examples: Life insurance✓/Endowment policy/ Retirement annuities, ✓
Any other relevant answer related to insurance.	Any other relevant answer related to assurance.
<b>Submax (4)</b>	<b>Submax (4)</b>

**NOTE: 1 The answer does not have to be in tabular format.**

**2. The distinction does not have to link but must be clear.**

**3. Award a maximum of FOUR (4) marks if the distinction is not clear/Mark either insurance or assurance.**

Max (8)

## 2.3 Compulsory Insurance

### 2.3.1 Types of compulsory insurance from the scenario

Road Accident Fund (RAF) / Road Accident Benefit Scheme (RABS) ✓✓ (2)

#### Motivation:

Peter, an employee of EC, was recently involved in a car accidents and was hospitalised for four weeks. ✓ (1)

**NOTE: 1 Award marks for the type of compulsory insurance even if the quote is incomplete.**

**2. Do not award marks for the motivation if the type of compulsory insurance was incorrectly identified.**

Max (3)

### 2.3.2 Other types of compulsory insurance

Unemployment Insurance Fund (UIF) ✓✓

- The Unemployment Insurance Fund (UIF) was established to assist employees with financial aid should they become unemployed due to termination of the employment contract by the employer. ✓
- The UIF provided financial assistance for a limited period to the dependants of a deceased employee who was registered with the UIF.✓
- The employer is required to register their employees with the UIF and to pay the levy of 2% of the employees remuneration to SARS on a monthly basis. ✓
- The employee contributes 1% of his remuneration towards the UIF. ✓
- The employer contributes an additional 1% of the employees remuneration towards the UIF fund. ✓
- The additional contributions of 1% by the employer ensures that the payment to the employee's increases, should he/she become unemployed. ✓
- Employees must work at least 24 hours a month before they are required to contribute towards the UIF fund. ✓
- Unemployed employees must register with the Department of Labour and all valid claims will be processed by the UIF. ✓
- Any other relevant answer related to UIF as a compulsory insurance.

Submax (3)

Compensation for Occupational Injuries and Diseases Act (COIDA) ✓✓

- The Compensation for Occupational Injuries and Diseases Act covers occupational diseases /injuries sustained by employees during the performance of their official duties. ✓
- COIDA makes provision for employees who sustain injuries/diseases incurred at work to be compensated. ✓
- All employers are compelled to register with the compensation fund so that employees may be compensated for accidents/diseases sustained in the workplace. ✓
- Employers are required to report all accidents within 7 days and occupational diseases within 14 days to the Compensation Commissioner. ✓
- The levy paid to the compensation fund is the responsibility of the employer. ✓
- No contributions are required from the employee towards the compensation fund. ✓
- Should an employee die as a result of a work-related accident/disease, his/her dependent(s) will receive financial support. ✓
- Any other relevant answer related to the Compensation Fund/Compensation for Occupational Injuries and Diseases Act (COIDA) as a compulsory insurance.

**Submax (3)**

**Max (6)**

#### 2.4 Distinction between over-insurance and under-insurance

OVER-INSURANCE	UNDER-INSURANCE
The insured insures assets/possessions for more than the market value. ✓✓	The insured insures assets/possessions for less than the market value. ✓✓
The insurer will apply the principle of reinstatement to compensate for losses. ✓✓	The insurer will apply the average clause should the insured submit a claim for losses/damages. ✓✓
Compensation by the insurer will not be more than the market value of the items damaged/loss. ✓✓	The insured will be compensated partly/proportionally for damages/losses incurred. ✓✓
The insurer will replace/repair the damages/loss incurred by the insured. ✓✓	The insurer will pay the insured cash for damages or losses incurred. ✓✓
Any other relevant answer related to over-insurance.	Any other relevant answer related to under-insurance.
<b>Submax (4)</b>	<b>Submax (4)</b>

**NOTE: 1** The answer does not have to be in tabular format.

**2.** The distinction does not have to link but must be clear.

**3.** Award a maximum of FOUR (4) marks if the distinction is not clear/Mark either over-insurance or under-insurance.

**Max (8)**

Breakdown of marks	
Question 2	Marks
2.1	5
2.2	8
2.3.1	3
2.3.2	6
2.4	8
<b>TOTAL</b>	<b>30</b>

### QUESTION 3

#### 3.1 Introduction

- The nature of the risk to the insured will determine whether the cover will relate to insurance or assurance. ✓
- Businesses are exposed to many risks during the course of their business operations. ✓
- To protect the business against these risks the business will pay the insurer a premium in return for taking over the risk from the insured. ✓
- The insured must however bear in mind that the insurer will take over only certain risks from the insured. ✓
- Due to the nature of certain risks, insurance companies are not willing to insure all risks. ✓

- Insurance considers some risk riskier than other risks. ✓
- The RAF/RABS provides insurance cover for all road users in South Africa. ✓
- COIDA makes provision for workers who are injured or dies while performing official duties. ✓
- The UIF is a safety net for workers who become unemployed due to specified events. ✓
- Any other relevant introduction related to the distinction between insurable risk and non-insurable risks/meaning of compulsory insurance/principles of insurance/benefits of insurance for businesses.

Any (2 × 1) (2)

### 3.2 Distinction between insurable risks and non-insurable risk

INSURABLE RISK	NON-INSURABLE RISK
Refers to risks that insurance companies ✓ are prepared to take over from individuals/businesses. ✓✓	Refers to risks that insurance companies are not prepared to take over from individuals/businesses. ✓✓
Should the insured suffer losses/damages ✓ the insurer will reimburse the insured for losses/damages incurred. ✓✓	These risks are regarded as too high by the insurance companies. ✓✓
The premiums of all the insured are added together/ invested, ✓ allowing the insurer to compensate the insured for the insurable risk. ✓✓	The possibility exist that the premiums paid by all the insured will be less than the compensation paid to the insured for losses/damages incurred. ✓✓
Example of insurable risks: Theft/Fidelity insurance/ Burglary/ Money in transit/ Fire/✓✓	Examples of non-insurable risks: Losses/Damages incurred as a result of a war/Fluctuations in fashion and trends/ Losses/Damages incurred as a result of illegal marketing activities/New inventions created by the improvement in technology. ✓✓
Any other relevant answer related to insurable risks.	Any other relevant answer related to non-insurable risks.
<b>Submax (6)</b>	<b>Submax (6)</b>

**NOTE: 1** The answer does not have to be in tabular format.

**2.** The distinction does not have to link but must be clear.

**3.** Award a maximum of SIX (6) marks if the distinction is not clear/Mark either insurable risks or non-insurable risks.

Max (12)

### 3.3 Meaning of compulsory insurance

- Refers to insurance that individuals/business ✓ are compelled to take out. ✓
- Individual/Business are legally obliged to insure against certain risks ✓ that may or may not occur. ✓
- The types of risks are regulated ✓ by the state ✓
- Individuals/Businesses are required to pay levies into a centralised fund ✓ and damages/losses incurred are paid from the fund ✓
- Examples: Unemployment Insurance Fund [UIF]/Road accident Fund [RAF]/Compensation for Occupational Injuries and Diseases Act [COIDA]. ✓
- Any other relevant answer related to the meaning of compulsory insurance.

Max (8)

### 3.4 Principles of insurance

#### Indemnification /Indemnity

- According to this principle of insurance the insured pays a premium to the insurer ✓ and the insurer in return agrees to pay the assured an amount of money for losses/damage incurred as stipulated in an agreement between the two parties. ✓
- The insured will be compensated ✓ should a specified event occur that leads to losses/damages. ✓
- The insured must provide evidence to the insurer that a specified event occurred ✓ before any payments are made to the insured. ✓
- The amount of money that the insured will receive will be limited to actual loss/damage incurred, ✓ despite the fact that the agreement may contain a higher amount. ✓
- The general principle is that the insured may not profit from insurance, ✓ but has the right to be placed in a similar position that he/she was in prior to the loss/damage. ✓
- Any other relevant answer related to indemnification/indemnity as a principle of insurance.

Submax (6)

Utmost good faith

- The insured has the responsibility of providing the insurer with all the necessary information ✓ that may affect the scope of the risk of the insurer. ✓
- The insured must be truthful with the information requested ✓ when concluding an insurance agreement. ✓
- The insurer must be truthful regarding any terms/conditions ✓ relating to the insurance contract. ✓
- The insured must provide accurate information ✓ when submitting any claims as a result of a loss/damages. ✓
- The insurer must be honest ✓ when assessing the validity of any claim submitted by the insured. ✓
- Any other relevant answer related to utmost good faith as a principle of insurance.

**Submax (6)**

**Max (12)**

### 3.5 Benefits of insurance for businesses

- The insured do not have to bear the risk of losses/damages to assets/possessions. ✓✓
- Taking over the risk by the insurer from the insured is linked to certain terms and conditions stipulated in the insurance contract. ✓✓
- The businesses are protected from damages/losses incurred due to natural disasters. ✓✓
- The businesses are protected from damages/losses incurred due to theft/burglary of assets/possessions. ✓✓
- The businesses will be compensated for insurable losses of assets/possessions caused by fire. ✓✓
- Businesses are protected against the loss of earnings, due to strikes by employees.
- Businesses are protected against deceitful/dishonest employees. ✓✓
- A businessman may insure the life of a business partner and receive compensation on his/her death to prevent the loss of capital. ✓✓
- Businesses may insure the lives of debtors to protect the businesses against losses due to death of a debtor. ✓✓
- Any other relevant answer related to importance of insurance.

**Max (14)**

### 3.6 Conclusion

- It is important that certain principles must be adhered to by both parties to ensure the validity of the contract. ✓✓
- Breach of the principles could invalidate any claims that may arise should a loss/damages/event occurs. ✓✓
- RAF pays for injuries as a result of road accidents, caused by workers while on duty thus saving businesses money. ✓
- COIDA cover workers who incur injuries or die while performing their duties, protecting business from claims by dependants. ✓
- UIF pays workers a monthly stipend when they are retrenched thereby protecting by businesses from claims. ✓
- Any other relevant conclusion related to the distinction between insurable risk and non-insurable risks/meaning of compulsory insurance/principles of insurance/benefits of insurance for businesses.

**Any (1 × 2) (2)**

**[40]**

Question 3: Breakdown of mark allocation		
DETAILS	MAXIMUM	TOTAL
3.1 Introduction	2	Max 32
3.2 Distinction between insurable risks and non-insurable risks	12	
3.3 Meaning of compulsory insurance	8	
3.4 Principles of insurance	12	
3.5 Benefits of insurance for businesses	14	
3.6 Conclusion	2	
INSIGHT		
Layout	2	8
Analysis/Interpretation	2	
Synthesis	2	
Originality/Examples	2	
<b>TOTAL MARKS</b>		<b>40</b>

LASO – For each component:

Allocate 2 marks if all requirements are met.

Allocate 1 mark if some requirements are met.

Allocate 0 marks where requirements are not met at all.

# TOPIC 11 Team performance assessment and conflict management

## Teaching tips:

How to introduce the topic	Specific strategies to teach/approach the topic
<ul style="list-style-type: none"> <li>Refer learners to content covered in Grade 10:               <ul style="list-style-type: none"> <li>Concept of team work</li> <li>Advantages of team work for the business</li> <li>Factors that influence team relationships</li> <li>Criteria for successful team performance</li> </ul> </li> <li>Refer learners to content covered in Grade 11:               <ul style="list-style-type: none"> <li>Stages of team development</li> <li>Team dynamics theories</li> </ul> </li> <li>Compile a baseline assessment to determine content gaps.</li> <li>Revise &amp; consolidate content identified in analysis of the baseline assessment.</li> <li>Unpack the glossary of concepts with learners.</li> </ul>	<ul style="list-style-type: none"> <li>Provide alternative words for norming, performing and adjourning.</li> <li>Practical examples and role play must be used when teaching the stages of team development.</li> <li>Place emphasis on activities that take place in each stage of team development.</li> <li>A clear distinction should be made between the meaning of a 'conflict' and a 'grievance'.</li> <li>This will enable learners to understand the differences between the conflict resolution steps and the grievance procedure.</li> <li>The former refers to two people, while the latter refers to one person.</li> <li>They will then realise that the team dynamic theories enable businesses to allocate task effectively to employees, based on their personalities and roles.</li> </ul>
Important tips for the topic	Other ways of assessing the topic
<ul style="list-style-type: none"> <li>Learners must be taught how to differentiate between norming and performing stages, as they usually swop the answers for these stages.</li> <li>It should also be noted that team members must first complete their tasks before dissolving during the adjourning stage.</li> <li>Learners must understand that conflict resolution techniques deal with two employees who have different opinions or beliefs while grievance procedure focuses on the aggrieved employee.</li> <li>Conflict resolution techniques can be regarded as informal process since no minutes of the meeting are kept during the meeting.</li> <li>Learners must be discouraged from writing negative statements on how to deal with difficult employees and personalities.</li> </ul>	<ul style="list-style-type: none"> <li>Consult the following past NSC Question Papers for Section B and C type questions:               <ul style="list-style-type: none"> <li>May/June 2021 P2 Question 6 – essay on team performance and conflict management</li> <li>Nov 2020 P2 Question 3.2 – scenario on stages of team development</li> <li>Nov 2019 Question 9 – essay on team performance and conflict management</li> <li>June 2019 Question 4.2 – identify causes of conflict</li> <li>June 2019 Question 6.6 – identify stages of team development</li> <li>Nov 2018 Question 4.3 – scenario on stages of team development</li> <li>Nov 2018 Question 4.6 – scenario on difficult personalities</li> <li>May/June 2018 Question 4.5 – scenario on stages of team development</li> <li>Feb/March 2018 Question 9 – essay on conflict management</li> </ul> </li> </ul>

## Memoranda to activities

### Activity 11.1 Learner's Book page 261

#### QUESTION 1

##### 1.1 Criteria for successful team performance

- 1.1.1 Shared values/Mutual Trust and Support ✓✓
- 1.1.2 Co-operation/Collaboration ✓✓
- 1.1.3 Communication ✓✓
- 1.1.4 Interpersonal attitude and behaviour ✓✓

(4 × 2) (8)

##### 1.2 Features of criteria for successful team performance

Shared values/Mutual trust and support

- Team members respect/trust one another ✓ despite differences that may exist among the team. ✓
- The experiences/knowledge/skills of other team members ✓ are acknowledged/respected. ✓
- The timeous contribution of every team member ✓ enables the team to meet its deadlines. ✓
- Any other relevant answer related to shared values/mutual trust and support as a criterion for successful team performance.

Submax (2)

Co-operation/Collaboration

- Each team member knows exactly what they are expected to do ✓ because the goals are clear/realistic. ✓
- Team members are willing to work with one another ✓ in pursuit of the goals of the team. ✓
- Team members are willing to work with supervisors ✓ in pursuit of the organisation's goals. ✓
- Decision-making is a collaborative effort ✓ between all team members and supervisors. ✓
- Any other relevant answer related to co-operation/collaboration as a criterion for successful team performance.

Submax (2)

Communication

- The role/s of every team member is set out ✓ in the procedures that the team must adhere to. ✓
- Good communication between team members ✓ may result in quick decisions. ✓
- Quality feedback improves the morale ✓ of the team. ✓
- Frank discussions amongst team members contribute ✓ to viable solutions being explored. ✓
- Any other relevant answer related to communication as a criterion for successful team performance.

Submax (2)

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. ✓
- Team members work together passionately ✓ to achieve a common goal. ✓
- The positive contributions of team members are acknowledged by the team leader, ✓ which increases the confidence level of team members. ✓
- Any other relevant answer related to interpersonal attitudes and behaviour as a criterion for successful team performance.

**NOTE: Do not award marks for responses that were quoted in question 1.1.**

Submax (2)

Max (8)

Breakdown of marks	
Question 1	Marks
1.1	8
1.2	8
<b>TOTAL</b>	<b>16</b>

**QUESTION 1**

**1.1 Stages of team development**

**1.1.1 Stage of development from the scenario**

Performing/Working as a team towards a goal ✓✓ (2)

**Motivation:**

Team members are aware of strategies and aims of the team. ✓ (1)

**NOTE: 1. Award marks for the stage of team development even if the quote is incomplete.  
2. Do not award marks for the motivation if the stage of team development was incorrectly identified.**

**Max (3)**

**1.1.2 Other stages of team development**

Forming ✓✓

- This is the first stage of team development and team members are introduced to each other. ✓
- Team members observe each other's behaviour and are polite to each other. ✓
- In this stage team members shows mutual respect and they feel comfortable. ✓
- This stage is characterised by focussing on the routine and administrative details of the goals of the team. ✓
- Any other relevant answer related to the forming stage.

**Submax (3)**

Storming ✓✓

- Conflict occurs amongst team member after the forming stage is concluded. ✓
- There may be power struggles for the position of team leader. ✓
- Team members with different ideas exchange these ideas, which leads to conflict. ✓
- Team members opposes the ideas of other team members that does not correspond with their ideas. ✓
- Power struggles occur within the group, and the dominant team members takes charge of the team. ✓
- At certain times the storming stage are often resolved quickly, and if it's not resolved the team won't move further than this stage. ✓
- Any other relevant answer related to the storming stage.

**Submax (3)**

Norming/Reconciliation/Settling ✓✓

- The conflict during the storming stage must be resolved as soon as possible. ✓
- This will allow the team to move to the norming stage. ✓
- During this stage, team members compromise their ideas and accept that they need to work in harmony with one another. ✓
- Team members come to an agreement and reach consensus. ✓
- The duties and responsibilities of all the team members are set out and agreed to. ✓
- The processes involved in achieving the goals are adhered to and team members appreciate the contributions of fellow team members. ✓
- Individual team members collectively work towards the goals of the team. ✓
- Any conflict that happens during this stage is addressed in a professional/collegial manner. ✓
- Any other relevant answer related to the norming/settling/reconciliation stage.

**Submax (3)**

Adjourning/Mourning ✓✓

- The focus is on the completion of the task/ending the project. ✓
- Some team members adjust poorly to the team breaking up, because they'll find it difficult to work on their own again. ✓
- All tasks must be completed before the team finally breaks up and individual members go their separate ways. ✓
- Any other relevant answer related to the adjourning/mourning stage

**Submax (3)**

**Max (6)**

**NOTE: 1. Mark the first TWO (2) stages only.  
2. Do not award marks for responses provided in QUESTION 1.1.1.**

## 1.2 Cause of conflict

- Employees from different backgrounds do not always agree on the path to be followed in pursuit of the organisation’s goals. ✓ ✓
- Not adhering to the rules/procedures of the organisation may lead to conflict is the guilty parties are addressed on this matter. ✓ ✓
- Lack of cooperation could delay the production process and cause frustration amongst colleagues. ✓ ✓
- The different personalities of employees come to the fore when employees engage with each. ✓ ✓
- Lack of recognition by management of workers who performs additional duties/consistently perform at high levels. ✓ ✓
- Unrealistic deadlines may increase the stress levels of certain employees. ✓ ✓
- Unfair workloads may cause some employees to feel marginalised/resentful. ✓ ✓
- Lack of clear communication may cause uncertainty amongst employees. ✓ ✓
- Any other relevant answers related to causes of conflict

Max (6)

Breakdown of marks	
Question 1	Marks
1.1.1	3
1.1.2	6
1.2	6
<b>TOTAL</b>	<b>15</b>

## Activity 11.3 Learner’s Book page 269

### QUESTION 1

#### 1.1 Introduction

- Businesses must guard against unpleasant working conditions that may lead to grievances and unnecessary conflict. ✓
- Distinct differences exist between the terms “grievance” and “conflict”. ✓
- Conflict refers to disagreements between two or more team members. ✓
- It is unavoidable that where ever individuals come together a certain amount of conflict will arise. ✓
- Businesses should take necessary steps to address conflict in the workplace. ✓
- Effective strategies must be in place to deal with difficult employees in the workplace. ✓
- Individuals all come with their own pre-conceived ideas/cultural backgrounds/past experiences which may be in conflict with that of others within the group. ✓
- Any other relevant introduction related to grievance and conflict/causes of conflict in the workplace/conflict resolution steps/different ways in which businesses can deal with difficult employees in the workplace.

Any ( 2 × 1 ) (2)

#### 1.2 Differences between grievance and conflict

GRIEVANCE	CONFLICT
Refers to a complaint by an employee against the employer or a fellow employee. ✓✓	Refers to a disagreement between two or more employees workplace. ✓✓
Grievance is lodged against a work-related issue. ✓✓	Conflict arises due to a difference of opinions expressed by employees. ✓✓
Examples: Discrimination/Unfair treatment/Poor working conditions. ✓	Examples: Lack of trust/Lack of communication/ Personality clashes/Different values. ✓
Any other relevant answer related to grievance.	Any other relevant answer related to conflict
<b>Submax (4)</b>	<b>Submax (4)</b>

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

Max (8)

### 1.3 Causes of conflict in the workplace

- Employees from different backgrounds ✓ do not always agree on the path to be followed in pursuit of the organisation's goals. ✓
- Not adhering to the rules/procedures of the organisation ✓ may lead to conflict if the guilty parties are addressed on this matter. ✓
- Lack of cooperation ✓ could delay the production process and cause frustration amongst colleagues. ✓
- The different personalities of employees ✓ come to the fore when employees engage with each. ✓
- Lack of recognition by management ✓ of workers who performs additional duties/consistently perform at high levels. ✓
- Unrealistic deadlines ✓ may increase the stress levels of certain employees. ✓
- Unfair workloads ✓ may cause some employees to feel marginalised/resentful. ✓
- Lack of clear communication ✓ may cause uncertainty amongst employees. ✓
- Any other relevant answers related to causes of conflict.

Max (14)

### 1.4 Conflict resolution steps/procedures

- Acknowledge that conflict exist ✓ between the employees. ✓
- Determine the cause of the conflict ✓ that must be resolved. ✓
- Invite conflicting employees ✓ to state their views separately. ✓
- Arrange a time and place ✓ for conflicting employees to meet. ✓
- Invite conflicting employees ✓ to a joint meeting. ✓
- Explain the purpose of the meeting ✓ to the conflicting employees. ✓
- Allow each employee ✓ to express his/her views. ✓
- Encourage conflicting employees ✓ to accept that their views are different. ✓
- Evaluate the views expressed ✓ and make an objective decision. ✓
- Any other relevant answers related to conflict resolution steps/procedures.

Max (12)

### 1.5 Ways in which businesses can deal with difficult employees in the workplace

- Arrange a private meeting with the difficult employee, to avoid being distracted whilst dealing with the issues. ✓✓
- State clearly the purpose of the meeting to ease any fear that the employee may have. ✓✓
- Be specific about the behaviour of the employee that's deemed to be unacceptable. ✓✓
- Provide the difficult employee with an opportunity to explain his side of the unacceptable behaviour. ✓✓
- Determine a deadline by which the behaviour of the difficult employee must improve. ✓✓
- A conversation must be held with the difficult employee regarding the deadline and the monitoring of progress of the behaviour prior to the deadline. ✓✓
- Provide the difficult employee with guidelines for improvement of his/her behaviour. ✓✓
- Assist the difficult employee about being realistic about changes in his behaviour. ✓✓
- Any other relevant answers related to ways in which businesses can deal with difficult employees in the workplace.

Max (12)

### 1.6 Conclusion

- Understanding the differences between a grievance and conflict will assist businesses in addressing each appropriately.
- Dealing with conflict immediately will improve the relationship between the conflicting the employees/increase productivity levels of conflicting employees. ✓✓
- Following the conflict resolution steps will ensure an amicable resolution of the conflict. ✓✓
- Dealing with difficult employees immediately will prevent them from demotivating other employees. ✓✓
- Any other relevant conclusion related to grievance and conflict/causes of conflict in the workplace/conflict resolution steps/different ways in which businesses can deal with difficult employees in the workplace.
- Add break down of mark allocation to the essay question provided in attachment 1.

Any ( 1 × 2 ) (2)

[40]

Question 1: Breakdown of mark allocation		
DETAILS	MAXIMUM	TOTAL
1.1 Introduction	2	Max 32
1.2 Differences between grievance and conflict	8	
1.3 Causes of conflict in the workplace	14	
1.4 Conflict resolution steps /procedures	12	
1.5 Ways in which businesses can deal with difficult employees in the workplace	12	
1.6 Conclusion	2	
INSIGHT		
Layout	2	8
Analysis/Interpretation	2	
Synthesis	2	
Originality/Examples	2	
<b>TOTAL MARKS</b>		<b>40</b>

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

## Consolidation

Learner's Book page 272 – 273

### QUESTION 1

#### 1.1 Multiple Choice

- 1.1.1 B ✓✓
- 1.1.2 D ✓✓
- 1.1.3 C ✓✓
- 1.1.4 C ✓✓
- 1.1.5 D ✓✓

(5 × 2) (10)

Breakdown of marks	
Question 1	Marks
1.1	10
<b>TOTAL</b>	<b>10</b>

### QUESTION 2

#### 2.1 Causes of conflict

- Differences in background ✓
- Lack of recognition ✓
- Ignoring procedures/rules ✓
- Unfair workloads ✓
- Lack of co-operation ✓
- Unrealistic deadlines ✓
- Personality differences ✓
- Lack of proper communication ✓
- Any other relevant answer related to causes of conflict in the workplace.

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

Any (4 × 1) (4)

## 2.2 Distinction between grievance and conflict

GRIEVANCE	CONFLICT
Refers to a complaint by an employee against ✓ the employer or a fellow employee. ✓	Refers to a disagreement ✓ between two or more employees workplace. ✓
Grievance is lodged against ✓ a work-related issue. ✓	Conflict arises due to a difference of opinions ✓ expressed by employees.
Examples: Discrimination/Unfair treatment/Poor working conditions. ✓	Examples: Lack of trust/Lack of communication/ Personality clashes/Different values. ✓
Any other relevant answer related to grievance.	Any other relevant answer related to conflict.
<b>Submax (2)</b>	<b>Submax (2)</b>

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

Max (4)

## 2.3 Difficult personalities

### 2.3.1 Types of difficult personalities from the scenario.

	TYPE OF DIFFICULT PERSONALITIES	STRATEGIES
1	Quiet personality ✓✓	Mr. Moodley uses open-ended questions to get meaningful responses from Tandiswa in team meetings. ✓
2	Expert personality ✓✓	Mr. Moodley remind Gaynor that he values her inputs, but that he'll also consider other alternatives before making decisions. ✓
	<b>Submax (4)</b>	<b>Submax (2)</b>

- NOTE:** 1. *Award marks for the types of difficult personalities even if the quote is incomplete.*  
 2. *Do not award marks for the motivation types of difficult personalities were incorrectly identified.*

Max (6)

### 2.3.2 Dealing with difficult personalities

#### Complainer

- Listen to the complaints ✓ but don't acknowledge them by nodding your head. ✓
- Interrupt the complainer ✓ after a while and proceed with strategies to deal with the issues raised. ✓
- Any other relevant answer related to the complainer personality.

Submax (4)

#### Over-agree

- Be firm with the employee ✓ and don't allow him/her to let them make promises that they cannot keep. ✓
- Monitor the progress of duties ✓ assigned to the employee. ✓
- Any other relevant answer related to the over-agree personality.

Submax (4)

Max (8)

## 2.4 Handling conflict in the workplace/conflict resolution techniques

- Acknowledge that conflict exist. ✓✓
- Determine the cause of the conflict. ✓✓
- Invite conflicting employees to state their views separately. ✓✓
- Arrange a time and place for conflicting employees to meet. ✓✓
- Invite conflicting employees to a joint meeting. ✓✓
- Explain the purpose of the meeting to the conflicting employees. ✓✓
- Allow each employee to express his/her views. ✓✓
- Encourage conflicting employees to accept that their views are different. ✓✓

- Evaluate the views expressed and make an objective decision. ✓✓
- Any other relevant answers related to handling of conflict in the workplace.

Max (8)

Breakdown of marks	
Question 2	Marks
2.1	4
2.2	4
2.3.1	6
2.3.2	8
2.4	8
<b>TOTAL</b>	<b>30</b>

### QUESTION 3

#### 3.1 Introduction

- Successful teams are often built around individuals whose joint contribution enables the team to be successful/ achieve its goals. ✓
- Developing a successful team involves a process of going through different stages. ✓
- Correct processes must be followed in dealing with grievances in the workplace. ✓
- Difficult employees should be dealt with using relevant strategies to avoid unnecessary conflict. ✓
- Any other relevant introduction related to characteristics of successful team performance/ stages of team development/ correct procedures to deal with grievances in the workplace/ ways in which businesses can deal with difficult employees in the workplace.

Any (2 × 1) (2)

#### 3.2 Characteristics of successful team performance

- Successful teams share a common goal as team members are part of the process of setting goals for the group. ✓✓
- There is a climate of respect/trust and honesty. ✓✓
- Share a set of team values and implement group decisions. ✓✓
- Successful teams have sound intra-team relations. ✓✓
- Teams value the contributions of individual members and reach consensus on differences. ✓✓
- Team members enjoy open communication and deal with items of conflict immediately. ✓✓
- Teams are accountable and members know the time frame for achieving their goals. ✓✓
- Teams pay attention to the needs of the individual team members. ✓✓
- Any other relevant answer related to characteristics of successful team performance.

Max (10)

#### 3.3 Stages of team development

Forming ✓✓

- This is the first stage of team development ✓ and team members are introduced to each other. ✓
- Team members observe each other's behaviour ✓ and are polite to each other. ✓
- In this stage team members shows mutual respect ✓ and they feel comfortable. ✓
- This stage is characterised by focussing on the routine ✓ and administrative details of the goals of the team. ✓
- Any other relevant answer related to the forming stage.

Submax (4)

Storming ✓✓

- Conflict occurs amongst team members after ✓ the forming stage is concluded. ✓
- There may be power struggles ✓ for the position of team leader. ✓
- Team members with different ideas exchange ✓ these ideas, which leads to conflict. ✓
- Team members opposes the ideas of other team members ✓ that does not correspond with their ideas. ✓
- Power struggles occur within the group, ✓ and the dominant team members takes charge of the team. ✓
- At certain times the storming stage are often resolved quickly, ✓ and if it's not resolved the team won't move further than this stage. ✓
- Any other relevant answer related to the storming stage.

Submax (4)

Norming/settling/reconciliation ✓✓

- It is important that the conflict gets resolved as soon as possible, ✓ to allow the team to move to the norming stage. ✓
- Team members come to an agreement and reach consensus.
- Team members compromise their own ideas ✓ and accept that they need to work in harmony with other team members. ✓
- The duties and responsibilities ✓ of all the team members are clearly set out and agreed to ✓
- The processes involved in achieving the goals are adhered to ✓ and team members appreciate the contributions of fellow team members. ✓
- Individual team members collectively work towards ✓ the goals of the team ✓
- Any conflict that happens during this stage is addressed ✓ in a professional/collegial manner ✓
- Any other relevant answer related to the norming/settling/reconciliation stage.

**Submax (4)**

Performing/Working as a team towards a goal ✓✓

- Team members are aware of strategies ✓ and aims of the team. ✓
- The leader trusts the team and avoids ✓ interfering in the operations of the team. ✓
- Processes and structures are in place ✓ to ensure the smooth execution of the job. ✓
- Leaders delegate ✓ and oversee the processes and procedures. ✓
- All team members demonstrate competence/are able to work ✓ on their own and provide valuable input in decision making. ✓
- Any other relevant answer related to the performing stage.

**Submax (4)**

Adjourning/Mourning ✓✓

- The focus is on the completion of the task/ending the project. ✓
- Some team members adjust poorly to the team breaking up, because they'll find it difficult to work on their own again. ✓
- All tasks must be completed before the team finally breaks up and individual members go their separate ways. ✓
- Any other relevant answer related to the adjourning/mourning stage.

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

**Submax (4)**

**Max (16)**

### **3.4 Correct procedures to deal with grievances in the workplace**

- The complainant must verbally report the grievance ✓ to his/her supervisor. ✓
- The supervisor must resolve the grievance ✓ within 3 – 5 days. ✓
- If the supervisor be unable to resolve the grievance, ✓ the complainant may take the grievance to the manager of the supervisor. ✓
- The grievance forwarded to the manager ✓ of the supervisor must be in writing. ✓
- The manager of the supervisor provides the complainant with a written reply ✓ in response to the written grievance. ✓
- The manager must invite all parties ✓ to the grievance to a meeting. ✓
- A record of the meeting must be recorded in the minutes thereof ✓ and decisions made must be recorded on the formal grievance form. ✓
- Should the employee not be satisfied with the outcome of the meeting, ✓ he/she could refer the matter to the highest level of management. ✓
- Top management should arrange a meeting ✓ with all relevant parties concerned. ✓
- Minutes of this meeting should be recorded ✓ and the outcome must be recorded on the formal grievance form. ✓
- Should the employee still not be satisfied, he/she may refer the matter to the CCMA ✓ who will make a final decision on the matter. ✓
- The matter can be referred to Labour Court on appeal ✓ if the employee is not satisfied with the decision taken by the CCMA. ✓
- Any other relevant answer related to correct procedures to deal with grievances in the workplace.

**Max (10)**

### 3.5 Dealing with difficult employees in the workplace

- Arrange a private meeting with the difficult employee, to avoid being distracted whilst dealing with the issues. ✓✓
- State clearly the purpose of the meeting to ease any fear that the employee may have. ✓✓
- Be specific about the behaviour of the employee that's deemed to be unacceptable. ✓✓
- Provide the difficult employee with an opportunity to explain his side of the unacceptable behaviour. ✓✓
- Determine a deadline by which the behaviour of the difficult employee must improve. ✓✓
- A conversation must be held with the difficult employee regarding the deadline and the monitoring of progress of the behaviour prior to the deadline. ✓✓
- Provide the difficult employee with guidelines for improvement of his/her behaviour. ✓✓
- Assist the difficult employee about being realistic about changes in his behaviour. ✓✓
- Any other relevant answer related to dealing with difficult employees in the workplace.

Max (10)

### 3.6 Conclusion

- Successful team have certain quality traits that sets the apart from others and allows the team to achieve the objectives of the organisation. ✓✓
- The ideas of the individuals must be merged in order to develop a common goal and enhance the performance of the team. ✓✓
- Any other relevant conclusion related to characteristics of successful team performance/ stages of team development/ correct procedures to deal with grievances in the workplace/ ways in which businesses can deal with difficult employees in the workplace.

Any (1 × 2) (2)  
[40]

Question 3: Breakdown of mark allocation		
DETAILS	MAXIMUM	TOTAL
3.1 Introduction	2	Max 32
3.2 Characteristics of successful team performance	10	
3.3 Stages of team development	16	
3.4 Correct procedure to deal with grievances in the workplace	10	
3.5 Dealing with difficult employees in the workplace	10	
3.6 Conclusion	2	
INSIGHT		
Layout	2	8
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.

# TOPIC 12 Human rights, inclusivity and environmental issues

## Teaching tips:

How to introduce the topic	Specific strategies to teach/approach the topic
<ul style="list-style-type: none"> <li>• This topic will focus on human rights, inclusivity and environmental issues in the workplace.</li> <li>• Human rights are enshrined in the Constitution of South Africa.</li> <li>• Refers learners to the clauses in the constitution that relates to human rights.</li> <li>• Have a class discussion on human rights.</li> <li>• Business must promote inclusivity.</li> <li>• Businesses must ensure that they employ people of different races, gender, ages, culture, religion and social backgrounds.</li> <li>• Businesses have a responsibility to protect the environment for future generations.</li> <li>• They must ensure that their actions do not exploit or endanger natural resources.</li> </ul>	<ul style="list-style-type: none"> <li>• The social rights of employees must be explained within a business context as these rights are aimed at taking care of the wellbeing of the employees.</li> <li>• Make use of newspaper articles on businesses that promote social rights in the workplace to enhance understanding.</li> <li>• Give the examples of social rights in the workplace before explaining ways in which businesses can deal with these rights in the workplace.</li> <li>• It should be noted that these recommendations are embedded in the examples of social rights, e.g. the right to protection means to register workers with UIF to provide adequate protection in the event of unemployment or illness.</li> <li>• The strategy of using four columns to indicate the four types of employee rights in the workplace, namely, human, economic, social and cultural rights is effective in addressing this topic.</li> <li>• Commence environmental issues by addressing the responsibilities of employers in protecting the workplace environment before proceeding to the roles of the health and safety representatives in protecting the workplace environment.</li> <li>• Expose learners to various scenarios relating to diversity issues and guide them on how to respond to questions that are based on these scenarios.</li> <li>• In providing regular feedback, learners must be exposed to the marking principles applied to such scenarios.</li> </ul>
Important tips for the topic	Other ways of assessing the topic
<ul style="list-style-type: none"> <li>• Learners should be made aware that the economic rights of employees focus on aspects that deal with fair labour practices.</li> <li>• Learners must be advised that the health and safety representatives serve as ombudsmen for their members; they do not provide safety measures but they ensure that employees are provided with safety.</li> <li>• It should be emphasised that ways in which businesses can protect the environment and human health in the workplace includes measures that can be taken to minimise environmental pollution and human health in the workplace. This topic should not be confused with the responsibilities of employers or the role of health and safety representatives in protecting the workplace environment.</li> <li>• The latter focuses on adherence to safety measures in the workplace in terms of working with equipment.</li> </ul>	<ul style="list-style-type: none"> <li>• Consult the following past NSC Question Papers for Section B and C type questions:             <ul style="list-style-type: none"> <li>– Nov 2020 P 2 Question 6 – Essay on human rights, inclusivity &amp; environmental issues</li> <li>– Nov 2019 Question 4.3 – scenario on diversity issues</li> <li>– May/June 2018 Question 4.3 – identify diversity issues</li> <li>– Feb/March 2018 Question 9 – essay on diversity</li> </ul> </li> </ul>

## Memoranda to activities

### Activity 12.1 Learner's Book page 295

#### QUESTION 1

##### 1.1 Economic rights of employees in the workplace:

- Freedom from forced labour. ✓✓
- The right to accept or choose work. ✓✓
- Fair wages and equal pay for equal work. ✓✓
- The right to leisure and reasonable limitation of working hours. ✓✓
- Safe and healthy working conditions. ✓✓
- Join/Form trade unions. ✓✓
- Right to participate in a legal strike. ✓✓
- Any other relevant answer related to economic rights of employees in the workplace.

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

Any (4 × 2) (8)

##### 1.2.1 Human rights of workers

HUMAN RIGHT	MOTIVATIONS
1. Equity ✓✓	Bono does not offer Fatima and Fabio the same salary scale as they both perform well and have the same experience. ✓
2. Freedom of speech and expression ✓✓	Some of JL's employees are afraid to raise their opinions as they may face discrimination in the workplace. ✓
3. Privacy ✓✓	Bono shared the HIV status of one of his employees with his junior manager. ✓
4. Respect/dignity ✓✓	Hank was hired as a truck driver but he was instructed to remove sewage from leaking pipes. ✓
5. Information ✓✓	JL did not inform their employees of their roles in the CSI projects that will be done for the community. ✓
<b>Submax (10)</b>	<b>Submax (5)</b>

**NOTE:** 1 Award marks for the human rights even if the quotes are incomplete.

2 Do not award marks for the motivation if the human rights were incorrectly identified.

Max (15)

##### 1.3 Implication of equality, respect and dignity on businesses

- Employees must be treated equally, ✓ regardless of their race, colour, age, gender, disability, etc. ✓
- Equal access to opportunities, positions and resources ✓ must be available to all workers. ✓
- Legislation with regard to equal opportunities and human rights in the workplace, ✓ must be implemented by employers and employees. ✓
- Businesses should develop equity programmes which promote strategies ✓ to ensure that all employees are treated equally regardless of status, rank or power. ✓
- The mission statement of the business should include ✓ values of equality and respect. ✓
- Businesses should include issues such as diversity, discrimination and harassment ✓ in their training, information or business policies. ✓
- Incidents of discrimination must be reported and employers should respond swiftly and fairly ✓ to this issue in the workplace. ✓
- Employers must ensure that the workplace environment is safe, fair and free from embarrassment.
- Employers must give orders or tasks respectfully ✓ and if it is appropriate, allow the employees to have a say in the manner in which the task should be performed. ✓
- Workers should be treated with respect and dignity ✓ by recognising work well done. ✓
- Any other relevant answer related to the implication of equity, respect and dignity on businesses.

Max (8)

#### 1.4 Ways businesses could promote social rights of employees in the workplace

- The business must adhere to the right of workers to have access to clean water and social security in the work place. ✓ ✓
- Workers have the right to be respected for their religion and beliefs. ✓ ✓
- Businesses must provide opportunities for skills training or basic education because workers have the right to basic education and they must also encourage workers to participate in skills training. ✓ ✓
- The business must register workers with UIF to provide adequate protection in the event of unemployment or illness. ✓ ✓
- The business can encourage employees to participate in special events ✓, for example, World Aids day. ✓ ✓
- They can provide health care services by establishing site clinics to give employees access to basic medical examinations. ✓ ✓
- Any other relevant answer related to ways in which businesses could promote social rights in the workplace.

Max (6)

Breakdown of marks	
Question 1	Marks
1.1	8
1.2.1	15
1.3	8
1.4	6
<b>TOTAL</b>	<b>37</b>

### Activity 12.2 Learner's Book page 299

#### QUESTION 1

##### 1.1 Meaning of diversity in the workplace

- Diversity means people are different in terms ✓ of race/age/culture/religion/ etc. ✓
- Businesses employ people from different ✓ cultural backgrounds. ✓
- Any other relevant answer related to the meaning of diversity in the workplace.

Max (4)

##### 1.2 Diversity issues from given statements

- 1.2.1 Gender ✓ ✓
- 1.2.2 Culture/religion ✓ ✓
- 1.2.3 Age ✓ ✓
- 1.2.4 Disability ✓ ✓

(8)

##### 1.3 Benefits of diversity in the workplace

- A diverse workforce improves the ability of a business to solve problems ✓, be more innovative and cultivate diverse markets. ✓
- When employees value each other's diversity, they learn to connect and communicate ✓ across lines of difference. ✓
- A diverse workforce can improve morale ✓ and motivation of workers in the business. ✓
- When people feel respected, accepted and understood, ✓ they demonstrate greater loyalty towards the business. ✓
- More ideas and inputs from different perspectives of a diverse workforce can give businesses a competitive advantage ✓, as they can render better services. ✓
- When the workers respect their diversity and accept that it makes good business sense, ✓ it improves profitability of the business. ✓
- When a business ensures that its policies and practices include diversity ✓, it will empower employees to perform at their full potential. ✓
- Investors and other stakeholders increasingly evaluate businesses ✓ on how they manage diversity in the workplace. ✓
- Employees from different backgrounds and indigenous knowledge ✓ can bring different perspectives to the business. ✓
- A debate or brainstorming with a diversified workforce ✓ can stimulate new or improved ways of getting things done. ✓

- A diverse workforce of employees representing various groups✓ will be able to recognise customer needs and satisfy consumers. ✓
- Diversity in the business are more likely to contribute to a good public image✓ and attract more customers. ✓
- Any other relevant answer related to the benefits of diversity in the workplace.

Max (8)

#### 1.4 Ways in which businesses can deal with poverty as a diversity issue in the workplace

- The business should consider people from different socio-economic backgrounds and status with new employments.✓✓
- Previously disadvantaged individuals must also have a chance to be educated by incorporating Adult Basic Education and Training (ABET) into training programmes of the business. ✓✓
- Training will help retrenched employees to deal with their new reality. ✓✓
- The business must reward employees for services well-rendered and provide for their basic needs. ✓✓
- Businesses must ensure that the prices of products are affordable for the identified consumer market. ✓✓
- Businesses must sponsor learnerships for unemployed people or use grants received from SETAs to train more unemployed people from local communities. ✓✓
- Some unemployed people from local communities must be trained as part of a business’s CSI projects. ✓✓
- They should offer subsidised meals or canteen facilities on the premises for their employees. ✓✓
- Free uniforms or personal protective clothing should be supplied to all employees to ensure their safety in the workplace. ✓✓
- Any other relevant answer related to ways in which businesses can deal with poverty as a diversity issue in the workplace.

Max (8)

Breakdown of marks	
Question 1	Marks
1.1	4
1.2	8
1.3	8
1.4	8
<b>TOTAL</b>	<b>28</b>

## Activity 12.3 Learner’s Book page 302

### QUESTION 1

#### 1.1 Introduction

- Business operations may have a negative impact on the environment if there are no preventative measures put in place.✓
- Health and Safety Representatives are elected by co-workers to act on their behalf in solving health and safety issues in the workplace. ✓
- Health and safety representatives act as ‘watch dogs’ in the workplace to ensure that all the safety requirements are in place. ✓
- Employers as well as employees must take responsibility for health and safety in the workplace. ✓
- Any other relevant introduction related to the responsibilities of employers and employees in promoting human health /roles of health and safety representatives/strategies businesses may use to protect the environment and human health.

Any (2 × 1) (2)

#### 1.2 Responsibilities of employers in promoting human health and safety in the workplace

- They must provide and maintain safe equipment that is necessary to perform the work. ✓✓
- Employers must keep the systems in place to ensure that there will be no harmful impact on the health and safety of workers. ✓✓
- They must provide personal protective clothing to workers and also reduce or remove dangers in the workplace. ✓✓

- Employers must carefully monitor production, processing, storage, transportation of materials or equipment to ensure that the workers' health are not damaged by hazards. ✓✓
- Employers must know where potential dangers might be and take measures to eliminate or limit the harm. ✓✓
- Workers must be informed or instructed and supervised to limit potential dangers to them ✓✓
- They must ensure that workers make use of equipment only under the supervision of a designated trained worker. ✓✓
- Comply with safety laws ✓, for example, Health and Safety Work Act, 1974 which seek to promote a healthy working environment. ✓✓
- Any other relevant answer related to the responsibilities of employers in promoting human health and safety in the workplace.

Max (12)

### 1.3 Roles of health and safety representatives in protecting the workplace

- They have to ensure that protective clothing is provided and available ✓ to all workers and that the workers are wearing it all the time. ✓
- They must identify ✓ potential dangers in the workplace. ✓
- To ensure the health and safety of workers, they must initiate, promote, maintain and review ✓ safety measures in the business. ✓
- It is their duty to liaise with management ✓ to check and monitor the effectiveness of health and safety measures. ✓
- They must ensure that the workers receive all the needed equipment ✓ to perform their work and that it is maintained regularly ✓.
- They must ensure that the business give the necessary safety training ✓ to employees to avoid potential dangers. ✓
- They must ensure that dangerous equipment is used ✓ under the supervision of trained and qualified workers. ✓
- They must monitor production, processing, storage, transportation of material and equipment ✓ to ensure that workers' health and safety is not endangered by hazards resulting from it. ✓
- Workers can lodge complaints with them and they must work together with the employer ✓ to investigate any accidents or these complaints from the workers concerning health and safety in the workplace. ✓
- They must ensure that employers comply with COIDA for example, report accidents at the workplace. ✓
- Any other relevant answer related to the roles of health and safety representatives.

Max (12)

### 1.4 Responsibilities of workers/employees in promoting human health and safety in the workplace

- Workers must be aware that they should take care ✓ of their own health and safety in the workplace. ✓
- Workers must always comply ✓ with the rules and procedures from the business. ✓
- If there are unsafe or unhealthy working conditions ✓ they must report it to relevant authorities or management. ✓
- Accidents must be reported immediately ✓ to the relevant authorities and the prescribed paper work must be done. ✓
- Workers must take reasonable care of their own safety ✓ and comply with the rules and restrictions of the workplace. ✓
- If they are aware of any illness that may affect their ability to work ✓, they must inform the employer there of. ✓
- Any other relevant answer related to the responsibility of workers to promote health and safety in the workplace.

Max (12)

### 1.5 Strategies that businesses may use to protect the environment and human health

- Businesses must not generated profit at the expense of the environment, but they must adhere to the relevant laws and regulations. ✓✓
- The business should be aware of their impact on pollution and other environmental issues to minimise its impact for example, safe disposal of waste and dumping of toxic waste, etc. ✓✓
- The business must also take steps to become involved in environmental awareness programmes. ✓✓
- The business must alter its production techniques in favour of cleaner and greener technologies to protect the environment. ✓✓
- According to the social rights of workers the business must test water in the workplace to ensure that it is safe for human consumption. ✓✓
- The business must look after natural resources and promote nature conservation. ✓✓
- The business must have a policy to minimise pollution and actively re-use, recycle and reduce waste. ✓✓
- The business can reduce consumption of goods and services which are environmentally unfriendly for example, invest in appropriate technology like clean solar or wind power. ✓✓
- They must register or engage with recognised institutions or bodies that promote green peace and green energy. ✓✓

- The physical working conditions in the workplace should always be worker friendly, safe and promote occupational health. ✓✓
- The business must evaluate the physical working conditions, to improve human health for example, adequate lighting and ventilation should be available and functional. ✓✓
- To reduce accidents the machines must be serviced and well maintained regularly. ✓✓
- The business must educate people about hygiene issues for example, washing of hands. ✓✓
- To improve the health of their workers, the business must encourage employees to do regular health checks for example, blood pressure and temperature checks. ✓✓
- Any other relevant answer related to strategies businesses may use to protect human health and the environment.

**Max (10)**

### 1.6 Conclusion

- Businesses must ensure that the health and safety representatives have the necessary training and resources to fulfil their duties. ✓✓
- Businesses must control all physical, chemical and biological factors in the workplace. ✓✓
- Any other relevant answer related to the conclusion related to the responsibilities of employers and employees in promoting human health /roles of health and safety representatives/strategies businesses may use to protect the environment and human health.

**Any (1 × 2) (2)**

**[40]**

Question 1: Breakdown of mark allocation		
DETAILS	MAXIMUM	TOTAL
1.1 Introduction	2	Max 32
1.2 Responsibilities of employers to protect human health and safety	12	
1.3 Role of health and safety representatives in protecting human health and safety	12	
1.4 Responsibilities of workers/employees to protect human health and safety	12	
1.5 Strategies to protect the environment and human health	10	
1.6 Conclusion	2	
INSIGHT		
Layout	2	8
Analysis/Interpretation	2	
Synthesis	2	
Originality/Examples	2	
TOTAL MARKS		<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 1**

**1.1 Matching columns**

- 1.1.1 G✓✓
- 1.1.2 F✓✓
- 1.1.3 A✓✓
- 1.1.4 H✓✓
- 1.1.5 B✓✓

(5 × 2) (10)

**1.2 Social rights in the workplace**

- The right to healthcare, food and clean water. ✓
- The right to social security in the work place. ✓
- The right to be respected for their religion and beliefs. ✓
- Everyone have the right to basic education✓
- Any other relevant answer related to the social rights of workers.

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

Any (4 × 1) (4)

**1.3 Responsibilities of employers in promoting human health and safety in the workplace**

- They must provide and maintain safe equipment that is necessary to perform the work. ✓✓
- Employers must keep the systems in place✓ to ensure that there will be no harmful impact on the health and safety of workers. ✓✓
- They must provide personal protective clothing to workers and also reduce or remove dangers in the workplace. ✓✓
- Employers must carefully monitor production, processing, storage, transportation of materials or equipment to ensure that the workers' health are not damaged by hazards. ✓✓
- Employers must know where potential dangers might be and take measures to eliminate or limit the harm. ✓✓
- Workers must be informed or instructed and supervised to limit potential dangers to them. ✓✓
- Businesses must ensure that workers make use of equipment only under the supervision of a designated trained worker. ✓✓
- Any other relevant answer related to the responsibility of employers in promoting human health and safety in the workplace.

Max (6)

Breakdown of marks	
Question 1	Marks
1.1	10
1.2	4
1.3	6
<b>TOTAL</b>	<b>20</b>

**QUESTION 2**

**2.1.1 Roles of health and safety representatives from the scenario**

- They will be responsible for ensuring that dangerous equipment is used under the supervision of trained and qualified workers. ✓
- They must also ensure that the business provides the necessary safety training to employees. ✓

(2)

**2.1.2 Other roles of health and safety representatives**

- They have to ensure that protective clothing is provided and available✓ to all workers and that the workers are wearing it all the time. ✓
- They must identify✓ potential dangers in the workplace✓
- To ensure the health and safety of workers, they must initiate, promote, maintain and review✓ safety measures in the business. ✓
- It is their duty to liaise with management✓ to check and monitor the effectiveness of health and safety measures. ✓

- They must ensure that the workers receive all the needed equipment✓ to perform their work and that it is maintained regularly. ✓
- They must monitor production, processing, storage, transportation of material and equipment✓ to ensure that workers' health and safety is not endangered by hazards resulting from it. ✓
- Workers can lodge complaints with them and they must work together with the employer✓ to investigate any accidents or these complaints from the workers concerning health and safety in the workplace. ✓
- They must ensure that employers comply with COIDA for example, report accidents at the workplace. ✓
- Any other relevant answer related to the roles of health and safety representatives.

**NOTE: No marks must be awarded for answers provided in QUESTION 2.1.1.**

**Max (4)**

## 2.2 Ways in which businesses could deal with human rights in the workplace

### 2.2.1 Ways to deal with freedom of speech

- Businesses should allow open communication channels between management and employees for example, they can implement a box for grievances from the employees. ✓✓
- They should give employees a platform to raise their grievances without any victimisation by implementing workplace representatives in bigger companies. ✓✓
- Everybody has the right to express their opinion and should not be punished or discriminated against for voicing their opinion. ✓✓
- Any other relevant answer related to ways how to deal with freedom of speech.

**Max (4)**

### 2.2.2 Ways to deal with safety, security and protection of life in the workplace

- According to law, employees must work in a safe working environment free from hazardous areas or products. ✓✓
- Businesses should provide workers with protective clothing for example, gloves and footwear. ✓✓
- Consumers have the right to be protected against hidden flaws and dangers in products they buy. ✓✓
- Consumers have the right to an environment that is safe for them for example, a smoke free area in a restaurant. ✓✓
- Businesses must comply with the regulations such as the OHS/COIDA, etc. regarding the safety and health of their employees. ✓✓
- Employers should take precautionary measures to ensure that employees and their belongings are safe in the workplace. ✓✓
- Any other relevant answer related to ways to deal with safety, security and protection of life in the workplace.

**Max (4)**

Breakdown of marks	
Question 2	Marks
2.1.1	2
2.1.2	4
2.2.1	4
2.2.2	4
<b>TOTAL</b>	<b>14</b>

## QUESTION 3

### 3.1 Introduction

- Human rights is the basic rights that everyone has because they are a human beings irrespective of their gender/ race/nationality or any other status✓
- Economic rights form part of human rights that must be observed in the workplace. ✓
- Businesses must include a variety of people from different race, gender, ages, culture, religion and social background in the workforce of the business. ✓
- Any other relevant introduction related to the economic rights of employees in the workplace/the implications of equality, respect, and dignity in the workplace/benefits of diversity in the workplace/ways in which businesses can deal with gender and age as diversity issues.

**Any (2 × 1) (2)**

### 3.2 Economic rights of employees in the workplace

- Workers has the right to freedom from forced labour. ✓✓
- They have the right to decide freely to accept or choose work. ✓✓
- Businesses must give equal pay for equal work to their employees. ✓✓
- Workers have the right to leisure and reasonable limitation of working hours. ✓✓
- Businesses must take care that working conditions are safe and healthy. ✓✓
- According to the LRA act workers has the right to join and form trade unions, and participate in legal strikes. ✓✓
- Any other relevant answer related to the economic rights of employees in the workplace.

Max (10)

### 3.3 Implications of equality, respect and dignity in the workplace

- Employees must be treated equally, ✓ regardless of their race, colour, age, gender, disability. ✓
- Access to opportunities, positions and resources must be equal for all workers. ✓✓
- Legislation with regard to equal opportunities and human rights in the workplace, ✓ must be implemented by employers and employees. ✓
- Businesses should develop equity programmes ✓ which promote strategies to ensure that all employees are treated equally regardless of status, rank or power. ✓
- The mission statement of the business should include ✓ values of equality and respect. ✓
- Businesses should include issues such as diversity, discrimination and harassment ✓ in their training, information or business policies. ✓
- Incidents of discrimination must be reported and employers should respond swiftly and fairly ✓ to this issue in the workplace. ✓
- Employers must ensure that the workplace environment is safe, fair and free ✓ from embarrassment. ✓
- Employers must give orders or tasks respectfully ✓ and if it is appropriate, allow the employees to have a say in the manner in which the task should be performed. ✓
- Workers should be treated with respect and dignity ✓ by recognising work well done. ✓
- Any other relevant answer related to the implications of equality, respect and dignity in the workplace.

Max (12)

### 3.4 Benefits of diversity in the workplace

- A diverse workforce improves the ability of a business to solve problems ✓, be more innovative and cultivate diverse markets. ✓
- When employees value each other's diversity, they learn to connect and communicate ✓ across lines of difference. ✓
- A diverse workforce can improve morale ✓ and motivation of workers in the business. ✓
- When people feel respected, accepted and understood, ✓ they demonstrate greater loyalty towards the business. ✓
- More ideas and inputs from different perspectives of a diverse workforce can give businesses a competitive advantage ✓, as they can render better services. ✓
- When the workers respect their diversity and accept that it makes good business sense, ✓ it improves profitability of the business. ✓
- When a business ensure that its policies and practices includes diversity ✓, it will empower employees to perform at his/her full potential. ✓
- Investors and other stakeholders increasingly evaluate businesses ✓ on how they manage diversity in the workplace. ✓
- Employees from different backgrounds and indigenous knowledge ✓ can bring different perspectives to the business. ✓
- A debate or brainstorming with a diversified workforce ✓ can stimulates new or improved ways of getting things done. ✓
- A diverse workforce of employees representing various groups ✓ will be able to recognise customer needs and satisfy consumers. ✓
- Diversity in the business are more likely to contribute to a good public image ✓ and attract more customers. ✓
- Any other relevant answer related to the benefits of diversity on the workplace.

Max (12)

### 3.5 Ways to deal with diversity issues

#### Gender

- The business should offer equal employment opportunities to males and females. ✓✓
- Both men and women should have the opportunity to be promoted to managerial positions. ✓✓
- According to the EEA Act, women should have equal opportunities to apply for jobs. ✓✓
- The business must set targets for gender equity in the business as well as the implementation thereof. ✓✓
- New appointments should be based on skills and ability despite of the gender of the person. ✓✓
- The business should introduce affirmative action by ensuring that male and female employees are remunerated fairly and equally. ✓✓
- Any other relevant answer related to ways how to deal with gender in the workplace.

**Submax (6)**

#### Age

- The business must do promotions based on a specific set of skills rather than link it to age. ✓✓
- The BCEA prohibit the employment of aged 15 or younger. ✓✓
- The normal ages of permanent workers should vary from 18 to 65 to include all age groups. ✓✓
- If a person is the most suitable candidate a business may employ a person who is older than the normal retirement age. ✓✓
- Older employees can be used as mentors to help young employees to develop their potential. ✓✓
- The business must expect from young employees to respect and learn from older employees. ✓✓
- Everyone in the business must be taught to be sensitive to different perspectives of various age groups. ✓✓
- Any other relevant answer related to ways how to deal with gender in the workplace.

**Submax (6)**

**Max (12)**

### 3.6 Conclusion

- Businesses must respect human rights of their workers in the workplace and include policies on how to deal with it in the workplace. ✓✓
- Businesses can benefit immensely from diversity in the workplace and must make sure to include a variety of people in the workplace. ✓✓
- Businesses must have strategies in place on how to handle diversity issues in the workplace. ✓✓
- Any other relevant conclusion related to the economic rights of employees in the workplace/the implications of equality, respect, and dignity in the workplace/benefits of diversity in the workplace/ways in which businesses can deal with gender and age as diversity issues.

**Any (1 × 2) (2)**

**[40]**

Question 3: Breakdown of mark allocation		
DETAILS	MAXIMUM	TOTAL
3.1 Introduction	2	Max 32
3.2 Economic rights of employees	10	
3.3 Implications of equalities, respect and dignity	12	
3.4 Benefits of diversity in the workplace	12	
3.5 Ways to deal with diversity issues	12	
3.6 Conclusion	2	
INSIGHT		
Layout	2	8
Analysis/Interpretation	2	
Synthesis	2	
Originality/Examples	2	
TOTAL MARKS		<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.

# TOPIC 13 Social responsibility and corporate citizenship: CSR & CSI

## Teaching tips:

How to introduce the topic	Specific strategies to teach/approach the topic
<ul style="list-style-type: none"> <li>Refer learners to content covered in Grade 10:               <ul style="list-style-type: none"> <li>– Meaning of socio-economic issues</li> <li>– Reasons why socio-economic issues pose a challenge to businesses</li> <li>– Impact of socio-economic issues on business operations</li> </ul> </li> <li>Refer learners to content covered in Grade 11:               <ul style="list-style-type: none"> <li>– Impact of socio-economic issues on businesses and productivity</li> <li>– Strategies to deal with socio-economic issues</li> </ul> </li> <li>Compile a baseline assessment to determine content gaps.</li> <li>Revise &amp; consolidate content identified in analysis of the baseline assessment.</li> <li>Unpack the glossary of concepts with learners</li> </ul>	<ul style="list-style-type: none"> <li>A clear distinction must be made between the CSI focus areas and CSR programmes.</li> <li>It should be stressed that CSR programmes inform CSI focus areas which are aimed at rural, employee and community development.</li> <li>Learners must be encouraged to conduct research on businesses CSI focus areas so that they can gain insight in this topic.</li> </ul>
Important tips for the topic	Other ways of assessing the topic
<ul style="list-style-type: none"> <li>Businesses are expected to measure the impact of CSI projects on their operations.</li> <li>Therefore, learners must be able to explain how these projects benefit businesses instead of giving examples of CSI projects</li> <li>Learners must know that CSI projects are aimed at increasing the standard of living of communities rather than the wellbeing of employees in the workplace.</li> <li>Learners must also know that the content of this topic is not the same as the provisions of the BCEA.</li> <li>It should be noted that businesses are not compelled to promote the wellbeing of employees as compared to the provisions of the BCEA that requires business to comply with this Act.</li> </ul>	<ul style="list-style-type: none"> <li>Consult the following past NSC Question Papers for Section B and C:               <ul style="list-style-type: none"> <li>– Nov 2020 P2 Question 3.4 – scenario on triple bottom line</li> <li>– Nov 2019 Question 4.6 – scenario on CSI</li> <li>– June 2019 Question 4.6 – scenario on CSI</li> <li>– Nov 2018 Question 9 – essay on CSR &amp; CSI</li> </ul> </li> </ul>

## Memoranda to activities

### Activity 13.1 Learner's Book page 309

#### QUESTION 1

##### 1.1 Three elements of triple bottom line

- Social/People ✓
- Environment/Planet ✓
- Economic/Profit ✓

(3 × 1) (3)

##### 1.2 Meaning of social responsibility

- It is the responsibility of every citizen individual and organisation to contribute towards ✓ the well-being of the community and the environment in which they live. ✓
- Organisations have the responsibility to balance their operations ✓ between economic development, wellbeing of the community and the looking after the environment. ✓
- This responsibility can take the form of passively avoiding any actions ✓ that could harm the environment ✓ and/or
- Actively taking steps ✓ to benefit society with their initiatives. ✓
- Any other relevant answer related to the meaning of social responsibility.

Max (6)

Breakdown of marks	
Question 1	Marks
1.1	3
1.2	6
<b>TOTAL</b>	<b>9</b>

### Activity 13.2 Learner's Book page 312

#### QUESTION 1

##### 1.1 Socio-economic issues

###### 1.1.1 Socio-economic issues from the scenario

- Poverty ✓
- Unemployment ✓
- HIV/AIDS ✓

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

(3 × 1) (3)

###### 1.1.2 Ways in which the business can deal with each socio-economic issue

###### Poverty

- Donate money and/or food parcels to local NGO. ✓✓
- Invest in infrastructure and housing programmes in the local area. ✓✓
- Offering volunteering programs to identify and attract the best potential employees. ✓✓
- Support poverty alleviation programmes that are offered by the government. ✓✓
- Invest in a young starting businesses who can be a business competitor, buyer or supplier. ✓✓
- Any other relevant answer related to strategies to deal with poverty as a socio-economic issues.

Submax (2)

###### Unemployment

- Provide skills development of the community through learnerships programmes. ✓✓
- Offer bursaries to the community and employees to improve the level of education. ✓✓
- Create jobs for members of the community in the business. ✓✓
- Conduct entrepreneurial programmes that can promote self employment. ✓✓
- Support existing small businesses to grow, with time and money, to create more employment opportunities. ✓✓

- Use members of the community for implementing CSI projects in the community. ✓✓
- Any other relevant answer related to strategies to deal with unemployment as a socio-economic issue.

**Submax (2)**

**HIV/AIDS**

- Participate in the existing HIV/Aids prevention programmes implemented in the community. ✓✓
- Train/Hire counsellors to provide infected and affected persons/employees with counselling. ✓✓
- Develop counselling programmes for infected employees and their relatives. ✓✓
- Conduct workshops on HIV/Aids programmes and support HIV/Aids campaigns. ✓✓
- Roll out anti-retroviral (ARV) treatment programmes (ART) for the infected employees.
- Encourage employees to join HIV/Aids support groups. ✓✓
- Develop and implement strategies to deal with stigma and discrimination. ✓✓
- Support non-governmental organisational and community-based organisations on HIV/Aids initiatives. ✓✓
- Any other relevant answer related to strategies to deal with HIV/AIDS as a socio-economic issue.

*NOTE: The strategy in (1.1.2) must link with the socio-economic issue in (1.1.1)*

**Submax (2)**

**Max (6)**

**1.2 Ways in which businesses can improve the well-being of their employees**

- Pay fair wages/salaries to the workers based on the nature of their work and the prevailing economic conditions in the market. ✓✓
- Pay fair bonuses, based on business earnings, as acknowledgement for hard work and commitment. ✓✓
- Provide recreational facilities for employees and encourage them to stay fit and healthy. ✓✓
- Working conditions should include safety, medical and canteen facilities. ✓✓
- Start a nutritional programme so that employees can enjoy one meal per day to keep them in a healthy condition. ✓✓
- Provide transport for employees who work unusually long hours. ✓✓
- Conduct team-building sessions to improve employees' morale. ✓✓
- Any other relevant answer related to the ways businesses can contribute to the well-being of their employees.

**Max (8)**

Breakdown of marks	
Question 1	Marks
1.1.1	3
1.1.2	6
1.2	8
<b>TOTAL</b>	<b>17</b>

**Activity 13.3**

**Learner's Book page 317**

**QUESTION 1**

**1.1 Introduction**

- Businesses are corporate citizens and therefore have a responsibility towards society. ✓
- Corporate Social Responsibility is the way in which the business manage its processes, including time and effort, to affect all the stakeholders of the business positively. ✓
- CSR programmes and CSI projects should be relevant to the needs of the community. ✓
- Businesses should not only focus on profits but also on the wellbeing of the community in which they operate. ✓
- The triple bottom line suggests that business should commit to measuring their social and environmental impact in addition to their financial performance rather than solely focusing on generating profit. ✓
- Any other relevant introduction related to the purpose of CSI/distinction between CSR and CSI/link between social responsibility and the triple bottom line/positive impact of CSR on the community.

**Any (2 × 1) (2)**

## 1.2 Purpose of CSI

- It aims at contributing towards sustainable development of its immediate communities. ✓✓
- Law and government requires business to make CSI contributions. ✓✓
- CSI projects reveals a positive business's attitude towards the local community and help the community to develop. ✓✓
- The CSI projects are long-term investment and must be sustainable. ✓✓
- CSI is relevant in South Africa because there are a great need to uplift communities all over the country. ✓✓
- Any other relevant answer related to the purpose of CSI.

Max (8)

## 1.3 Distinction between CSR and CSI

CORPORATE SOCIAL RESPONSIBILITY	CORPORATE SOCIAL INVESTMENT
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 the upliftment of community ✓ without return on investment. ✓
Ensure that all internal CSI 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 communities✓ through social development. ✓
Projects are usually linked✓ to the Business. ✓	Projects are external to the business✓ and have a strong developmental approach. ✓
Any other relevant answer related to corporate social responsibility.	Any other relevant answer related to corporate social investment.
<b>Sub max (8)</b>	<b>Sub max (8)</b>

Max (16)

**NOTE: 1** The answer does not have to be in tabular format.

**2** The differences do not have to link, but they must be clear.

**3** If the difference is not clear, award only EIGHT (8) marks./Mark either corporate social responsibility or corporate social investment.

## 1.4 Link between social responsibility and the triple bottom line

People/Social ✓✓

- Businesses/organisations should not harm or exploit ✓ people, their employees, customers, or the community. ✓
- Businesses should engage and invest in sustainable community programmes or projects ✓ that will benefit and/or uplift communities. ✓
- Businesses should contribute to the well-being ✓ of all their stakeholders. ✓
- Any other relevant answer related to people/social as a component of the triple bottom line.

Component	2
Explanation	2
Submax	4

Profit/Economic ✓✓

- The triple bottom line means that businesses should not only focus on their profit and charge high prices ✓ but should also invest in CSI projects. ✓
- Businesses should not make a profit ✓ at the expense of their community. ✓
- Any other relevant answer related to profit/economic as a component of the triple bottom line.

Component	2
Explanation	2
Submax	4

Planet/Environment ✓✓

- Businesses should not exhaust resources or harm the environment ✓ for production or to gain profit for themselves. ✓
- They should support ✓ energy-efficient or eco-friendly products and production methods. ✓

- They must take part in recycling or re-use of waste ✓, for example, making use of recycled material for packaging or in products. ✓
- Any other relevant answer related to planet/environment as a component of the triple bottom line.

Component	2
Explanation	2
Submax	4

Max (12)

### 1.5 Positive impact of CSR for communities

- The welfare of the community will improve because the issue of the community will be attended to. ✓✓
- Skills development take place and it will increase the possibility of appointments of members of the community. ✓✓
- Developmental programmes which the business implements, will improve entrepreneurial skills of communities. ✓✓
- The provision of bursaries increase the level of education and enable the community to apply for jobs. ✓✓
- Better educational and recreational facilities are established in poor communities. ✓✓
- Any other relevant answer related to the positive impact of CSR on communities.

Max (10)

### 1.6 Conclusion

- Corporate Social Responsibility is an obligation required by law and beneficiary to both business and society. ✓✓
- Businesses use CSI programmes to comply with laws and ethical business practices. ✓✓
- Businesses must always consider the impact of their CSI projects on their own stakeholders as well as the community. ✓✓
- Businesses have the responsibility to balance their operations and look after the environment. ✓✓
- Any other relevant conclusion related to related to the purpose of CSI/distinction between CSR and CSI/link between social responsibility and the triple bottom line/positive impact of CSR on the community.

Any (1 × 2) (2)  
(40)

Question 1: Breakdown of mark allocation		
DETAILS	MAXIMUM	TOTAL
1.1 Introduction	2	Max 32
1.2 Purpose of CSI	8	
1.3 Distinction between CSR and CSI	16	
1.4 Link between social responsibility and the triple bottom line	12	
1.5 Positive impact of CSR for communities	10	
1.6 Conclusion	2	
INSIGHT		
Layout	2	8
Analysis/Interpretation	2	
Synthesis	2	
Originality/Examples	2	
<b>TOTAL MARKS</b>		<b>40</b>

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

## Consolidation

Learner's Book page 319

### QUESTION 1

#### 1.1 Multiple choice

1.1.1 B✓✓

1.1.2 C✓✓

(4 × 1) (4)

#### 1.2 CSI focus areas

- Community✓
- Rural development
- Employees✓
- Environment✓
- Any other relevant answer related to CSI focus areas.

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

Any (4 × 1) (4)

Breakdown of marks	
Question 1	Marks
1.1	4
1.2	4
<b>TOTAL</b>	<b>8</b>

### QUESTION 2

#### 2.1 Corporate Social Investment (CSI)

##### 2.1.1 Advantages of CSI for Amile Traders as a business

- "The business has enjoyed more support from the community." ✓
- "They also managed to attract experienced employees." ✓

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

2 Do not award marks for quotes that are incomplete.

(2 × 1) (2)

##### 2.1.2 Disadvantages of CSI on Amile Traders

- CSR programmes could be taken for granted by the community✓ and customers may not buy the business's products. ✓
- It is difficult for small and medium enterprises✓ to implement CSR programmes. ✓
- It is expected from businesses to draw up detailed reports✓ which can be time consuming. ✓
- Social involvement is funded from business profits✓ which could have been used to the benefit of customers and reduce prices. ✓
- CSR activities distract business focus✓ from its core business functions. ✓
- Businesses find it difficult to adhere to legislation✓ governing CSR. ✓
- Any other relevant answer related to the disadvantages of CSI on businesses.

Max (6)

Breakdown of marks	
Question 2	Marks
2.1.1	2
2.1.2	6
<b>TOTAL</b>	<b>8</b>

# TOPIC 14 Presentation and data responses

## Teaching tips:

How to introduce the topic	Specific strategies to teach/approach the topic
<ul style="list-style-type: none"> <li>• Refer learners to content covered in Grade 10:               <ul style="list-style-type: none"> <li>– support materials</li> <li>– factors that must be covered when preparing a verbal presentation</li> <li>– factors that must be considered when designing a presentation</li> <li>– audio-visual aids</li> </ul> </li> <li>• Refer learners to content covered in Grade 11:               <ul style="list-style-type: none"> <li>– verbal and non-verbal presentation</li> <li>– types of visual aids</li> <li>– factors that a presenter must consider when preparing a presentation</li> <li>– critically analysing a business report</li> <li>– recommend areas for improvement of a business report</li> <li>– handling feedback</li> </ul> </li> <li>• Emphasise that this topic in Grade 12 builds on the foundational knowledge of the content covered in Grade 10 &amp; 11.</li> <li>• Compile a baseline assessment to determine content gaps.</li> </ul>	<ul style="list-style-type: none"> <li>• Explain the relationship between factors that must be considered before and during a presentation.</li> <li>• Learners must be taught to identify the relationship between these factors to realise the logic that a presenter must first prepare a presentation before presenting it.</li> <li>• All relevant types of visual aids and their impact on businesses must be taught and discussed at length.</li> <li>• Smartboards and projectors can be used to demonstrate this difference, as well as the impact of a PowerPoint presentation.</li> <li>• The meaning of the types of visual aids must be clearly understood before the impact of this topic is addressed, in lessons.</li> <li>• Pictures of different types of visual aids used in lessons, will be more effective in providing a deeper understanding of this topic.</li> <li>• Use role-play to highlight the factors that must be considered while presenting and handling feedback in a non-aggressive and professional manner.</li> </ul>
Important tips for the topic	Other ways of assessing the topic
<ul style="list-style-type: none"> <li>• Emphasize that the use of visual aids serves to enhance effective presentation of business information.</li> <li>• Learners must be provided with explanations so that they do not confuse a PowerPoint presentation with interactive smartboards.</li> <li>• Learners must be aware that handling feedback after a presentation would require a presenter to have good communication and listening skills.</li> </ul>	<ul style="list-style-type: none"> <li>• Consult the following past NSC Question Papers for Section B and C type questions:               <ul style="list-style-type: none"> <li>– May/June 2021 P2 Question 5 – Essay on presentation</li> <li>– Nov 2020 P2 Question 4.4 – scenario on presentation</li> <li>– Nov 2019 Question 8 – essay on presentation</li> <li>– June 2019 Question 8 – essay on presentation</li> <li>– Nov 2018 Question 3.7 – scenario on visual aids</li> <li>– May/June 2018 Question 3.7 – scenario on presentation</li> <li>– Feb/March 2018 Question 3.1 – identify type of visual aids</li> </ul> </li> </ul>

## Memoranda to activities

### Activity 14.1 Learner's Book page 324

#### QUESTION 1

##### 1.1 Factors to be considered before, during and after a presentation

- 1.1.1 before ✓
- 1.1.2 before ✓
- 1.1.3 during ✓
- 1.1.4 after ✓
- 1.1.5 before ✓
- 1.1.6 during ✓
- 1.1.7 after ✓
- 1.1.8 before ✓
- 1.1.9 after ✓
- 1.1.10 during ✓

(10 × 1) (10)

Breakdown of marks	
Question 1	Marks
1.1	10
<b>TOTAL</b>	<b>10</b>

### Activity 14.2 Learner's Book page 328

#### QUESTION 1

ACROSS		DOWN	
2	Flipchart ✓✓	1	Visual aids ✓✓
5	Illustration ✓✓	3	Slideshows ✓✓
7	Interactive whiteboard ✓✓	4	Written report ✓✓
10	Videoconferencing ✓✓	6	Multimedia ✓✓
14	Bar graph ✓✓	8	Line graph ✓✓
15	Pie chart ✓✓	9	Feedback ✓✓
16	Verbal presentation ✓✓	11	Data response ✓✓
17	Handouts ✓✓	12	Tables ✓✓
18	Presentation ✓✓	13	Histogram ✓✓

(18 × 2) (36)

Breakdown of marks	
Question 1	Marks
	36
<b>TOTAL</b>	<b>36</b>

**QUESTION 1**

**1.1 Examples of non-verbal presentations**

- Tables ✓
- Graphs/bar graph/line graph/histogram/pie chart ✓
- Diagrams ✓
- Illustrations/Pictures/Photographs/Scenarios ✓
- Written business reports ✓
- Flip charts ✓
- Handouts
- Slideshows/Transparencies ✓
- Any other relevant answer related to examples of non-verbal presentation

*NOTE: Mark the first FIVE (5) examples of non-verbal presentations only.*

Any (5 × 1) (5)

**1.2 Visual aids**

**1.2.1 Type of visual aid from the scenario**

Data projector/PowerPoint ✓✓

(2)

**Motivation:**

ZSI requested Thembi, the sales manager, to use slides that were projected on a screen during her presentation. ✓

(1)

*NOTE: Do not award marks for the type of visual aid if the motivation was incorrectly identified.*

Max (3)

**1.2.2 Impact of data projector/PowerPoint**

Positives/Advantages

- The presentation may be enhanced ✓ by the use of visuals/graphics that a data projector/PowerPoint provides. ✓
- Visuals/audio aids like sound/video clips ✓ could easily be included in the PowerPoint presentation. ✓
- The stakeholders/audience interest in the presentation could be increased ✓ if the slides are easy to read and with limited text. ✓
- The interest of the stakeholders/audience may be attracted ✓ by the use of various multimedia in the slides. ✓
- Attracting the attention/keeping the attention of the stakeholders/audience may be achieved ✓ through the use of eye-catching backgrounds/font/colours on the slides. ✓
- The slides used must complement the presentation/summarise the objectives ✓ of the presentation to the stakeholders/audience. ✓
- Any other relevant answer related to the positives/advantages of a data projector/PowerPoint.

AND/OR

Negatives/Disadvantages

- The presenter may not know ✓ how to operate the Data Projector/PowerPoint slides. ✓
- The stakeholders/audience may become annoyed with the interruptions ✓ caused the inability of the presenter to operate the Data Projector/PowerPoint slides. ✓
- The use of data projector/PowerPoint is not recommended ✓ if the stakeholders/audience has visual or sound impediments. ✓
- The stakeholders/audience may be distracted ✓ by the presenter simple repeating what is displayed on the slides. ✓
- The implementation of load shedding may prevent the presenter ✓ from using the Data Projector/PowerPoint slides during his/her presentation. ✓
- Any other relevant answer related to the negatives/disadvantages of a data projector/PowerPoint.

Max (6)

### 1.3 Areas of improvement in the next presentation

- Identify the objectives not achieved and revise the objectives if necessary. ✓✓
- Infuse humour, at the appropriate time in your presentation. ✓✓
- Learn from constructive criticism to improve your next presentation. ✓✓
- Ensure that the information/data at your disposal is updated regularly/is accurate. ✓✓
- Consider the length of the presentation and adjust the presentation to match the allocated time of the presentation. ✓✓
- Reflect whether the use of visual aids enhanced the value of the presentation. ✓✓
- Reflect on the time/length of the presentation and add/remove content if necessary. ✓✓
- Reconsider the logical flow of the of the content presented and determine the effectiveness thereof in its current sequence. ✓✓
- Consider the quality of your feedback to questions from the audience/stakeholders. ✓✓
- Any other relevant answer related to areas of improvement in the next presentation.

Max (6)

Breakdown of marks	
Question 1	Marks
1.1	5
1.2.1	3
1.2.2	6
1.3	6
<b>TOTAL</b>	<b>20</b>

## Consolidation

Learner's Book page 334 – 335

### QUESTION 1

#### 1.1 Multiple choice

- 1.1.1 B ✓✓
- 1.1.2 A ✓✓
- 1.1.3 C ✓✓
- 1.1.4 D ✓✓
- 1.1.5 A ✓✓

(5 × 2) (10)

Breakdown of marks	
Question 1	Marks
1.1	10
<b>TOTAL</b>	<b>10</b>

### QUESTION 2

#### 2.1 Factors to be considered when preparing for a presentation from the scenario

##### 2.1.1 Factors that must considered when preparing for a presentation.

- He prepared handouts to share with the board members. ✓
- He also rehearsed to ensure a confident presentation. ✓

**NOTE: 1 Do not award marks for quotes that are incomplete/incorrect.**

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

(2 × 1) (2)

##### 2.1.2 Other factors that must considered when preparing for a presentation

- Be clear about the purpose of the presentation ✓ and write down an outline of the important information that you want to share with your audience. ✓
- Ensure that the main aim of the presentation is captured ✓ in your opening statement. ✓
- Include in your presentation only information ✓ that is important and reliable. ✓

- Familiarise yourself with the content of the presentation ✓ to ensure a smooth flow of the presentation. ✓
- Be familiar with the background of your audience, ✓ so that your presentation speaks to their area of interest. ✓
- Formulate a rough draft of your presentation, ✓ that includes a logical flow of information from the introduction to the body and finally to the conclusion thereof. ✓
- Summarise the main facts of the body in your conclusion ✓ and link your conclusion to the initial purpose of the presentation. ✓
- Includes visual aids, ✓ that will enhance your presentation. ✓
- Prepare yourself for possible clarity questions ✓ that your audience may ask after the presentation. ✓
- Visit the venue of the presentation ✓ to ensure that the audio-visual equipment is in working order. ✓
- Any other relevant answer related to factors that must be considered when preparing for a presentation

**NOTE: Do not award marks for answers quoted in QUESTION 2.1.1.**

**Max (8)**

### 2.2 Ways in which a presenter can handle feedback in a non-aggressive and professional manner

- Listen to each question carefully and ensure that you interpret the question correctly ✓✓
- Restate the question for your own understanding if you are uncertain about the question. ✓✓
- Respond only to a question when you are certain about the question being asked. ✓✓
- When answering a question, it's important that you address the question and not the person asking the question. ✓✓
- Be prepared to acknowledge good questions by emphasizing the value of the question to the presentation ✓✓
- Don't attempt to answer questions that you do not know the answer to; acknowledge this to your audience. ✓✓
- Don't be afraid to admit mistakes made during the presentation if such mistakes are mentioned by your audience ✓✓
- It is important that you remain polite/courteous/professional when responding to questions ✓
- Refrain from becoming involved in a debate/argument with the person/s posing the questions. ✓
- Any other relevant answer related to ways in which a presenter can handle feedback in a non-aggressive and professional manner.

**Max (8)**

Breakdown of marks	
Question 2	Marks
2.1.1	2
2.1.2	8
2.2	8
<b>TOTAL</b>	<b>18</b>

## QUESTION 3

### 3.1 Introduction

- The success of any presentation depends on the preparation that precedes the presentation. ✓
- Before the presentation the presenter must consider a number of factors that will enhance his/her presentation. ✓
- A multimedia presentation refers to the verbal presentation that is complemented with the use of slides/video and audio. ✓
- The choice of a particular visual aid has a direct impact on the way the information/data is received by the audience/stakeholders.
- Multimedia has the ability to enhance any presentation and captivate the audience. ✓
- It is important that presenters reflect on their presentations in order to improve their practice and future presentations.
- Any relevant introduction related to factors that must be considered before a presentation/ aspects that must be considered when designing a multimedia presentation/ impact of visual aids/ areas of improvement in the next presentation.

**Any (2 × 1) (2)**

### 3.2 Factors that must be considered before a presentation

- Be clear about the purpose of the presentation and write down an outline of the important information that you want to share with your audience. ✓✓
- Ensure that the main aim of the presentation is captured in your opening statement. ✓✓
- Include in your presentation only information that is important and reliable. ✓✓
- Familiarise yourself with the content of the presentation to ensure a smooth flow of the presentation. ✓✓
- Be familiar with the background of your audience, so that your presentation speaks to their area of interest. ✓✓
- Formulate a rough draft of your presentation, that includes a logical flow of information from the introduction to the body and finally to the conclusion thereof. ✓✓
- Summarise the main facts of the body in your conclusion and link your conclusion to the initial purpose of the presentation. ✓✓
- Include visual aids, that will enhance your presentation. ✓✓
- Practice the delivery of your presentation to ensure that you do not exceed the time allocated to you. ✓✓
- Prepare yourself for possible clarity questions that your audience may ask after the presentation. ✓✓
- Visit the venue of the presentation to ensure that the audio-visual equipment is in working order. ✓✓
- Prepare/Print hand-outs that you may wish to share with your audience. ✓✓
- Any relevant answer related to factors that must be considered before a presentation.

Max (10)

### 3.3 Aspects that must be considered when designing a multimedia presentation

- Start your slides ✓with the text and heading. ✓
- Contrast the colour of your text ✓with the colour of the background. ✓
- Avoid using text that are not legible✓ and font that is too small. ✓
- Choose images that will enhance the message/information✓ that you would like to convey. ✓
- Include appropriate graphics✓ to complement text on the slides. ✓
- To captivate your audience, ✓include special effects/sounds/animation in your presentation. ✓
- Quick access to other documents/videos/ pictures/ graphs must be enabled✓ by means of hyperlinks. ✓
- Refrain from including special effects/sounds/animation that will distract ✓from the main message/information that you would like to convey to your audience. ✓
- Do a spell check before the presentation✓ to eliminate any spelling/grammatical errors from your slide presentation. ✓
- Structure the information on your slides in a logical sequence, ✓that will allow your audience/the stakeholders to follow your presentation. ✓
- Limit the information on each slide✓ to retain the attention of your audience/the stakeholders. ✓
- Any relevant answer related to aspects that must be considered when designing a multimedia presentation.

Max (14)

### 3.4 Impact of visual aids

Interactive whiteboard/Smart boards

Positives/Advantages

- Reduces the cost to the organisation of purchasing of additional equipment✓ because the information/text/graphics could be projected directly from a computer. ✓
- The availability of special pens allows the presenter✓to convey his idea/concepts/thoughts directly onto the Interactive whiteboard/Smart boards. ✓
- Interactive whiteboard/Smart boards have the functionality of saving additional information✓that the presenter noted thereon, during his presentation. ✓
- Sound/Visual Aids could effortlessly be used ✓in conjunction with the Interactive whiteboard/Smart boards. ✓
- Effective to record responses✓ and new proposals from the stakeholders/audience. ✓
- Any relevant answer related to positives/advantages of interactive whiteboard/smart boards.

AND/OR

#### Negatives/Disadvantages

- A presenter not skilled in the use of the Interactive whiteboard/Smart boards ✓ may not be able to access all the functionalities it offers. ✓
- Copyrights linked to certain software ✓ prevents the use of Interactive whiteboard/Smart boards in conjunction with other computers. ✓
- The implementation of load shedding could disrupt the presentation ✓, as this requires a stable supply of electricity. ✓
- Any relevant answer related to negatives/disadvantages of interactive whiteboard/smart boards.

**Submax (6)**

#### Impact of hand-outs/flyers/brochures

##### Positives/Advantages

- The presenter may attract the attention of the stakeholders/audience ✓ by providing them with useful hand-outs/flyers/brochures prior to the start of presentation. ✓
- Important information pertaining to the presentation ✓ could be provided to the stakeholders/audience after the presentation ✓
- Any new/additional in the information ✓ could be effortlessly included in subsequent copies of the hand-outs/flyers/brochures ✓
- The information could be verified ✓ by comparing it with the PowerPoint slides. ✓
- Any relevant answer related to positives/advantages of hand-outs/flyers/brochures.

##### AND/OR

##### Negatives/Disadvantages

- The information provided is of a visual/graphic nature ✓ and sound cannot not be infused to attract the interest of the stakeholders/audience. ✓
- The availability of support material prior to the commencement of the presenter ✓ may divert the stakeholders/audience attention from the presentation. ✓
- Issuing handouts at the start of the presentation ✓ may divert the audience attention from your presentation. ✓
- The limited information that is included in the hand-outs/flyers/brochures ✓ may not capture the detailed objectives of the presentation. ✓
- The cost of printing is high ✓ and the hardcopies may easily be misplaced. ✓
- The author has no control over the illegal distribution ✓ of the support material. ✓
- Any relevant answer related to negatives/disadvantages of hand-outs/flyers/brochures.

**Submax (6)**

**Max (12)**

### 3.5 Areas of improvement in the next presentation

- Identify the objectives not achieved and revise the objectives if necessary. ✓✓
- Infuse humour, at the appropriate time in your presentation. ✓✓
- Learn from constructive criticism to improve your next presentation. ✓✓
- Ensure that the information/data at your disposal is updated regularly/is accurate. ✓✓
- Consider the length of the presentation and adjust the presentation to match the allocated time of the presentation. ✓✓
- Reflect whether the use of visual aids enhanced the value of the presentation. ✓✓
- Reflect on the time/length of the presentation and add/remove content if necessary. ✓✓
- Reconsider the logical flow of the of the content presented and determine the effectiveness thereof in its current sequence. ✓✓
- Consider the quality of your feedback to questions from the audience/stakeholders. ✓✓
- Any relevant answer related to areas of improvement in the next presentation.

**Max (10)**

### 3.6 Conclusion

- Planning for the presentation ensures that any challenges that may occur during the presentation are identified and acted upon/corrected timeously. ✓✓
- Presenters need to consult/consider the various aspects for designing multimedia presentations in order to design the most appropriate/suitable/ memorable/effective presentation for the audience. ✓✓
- Various visual aids have different purposes and impact differently on the audience. ✓✓
- Efficient presenters reflect upon the feedback provided by the audience so that they can constantly improve their presentations in the future. ✓
- Any relevant conclusion related to factors that must be considered before a presentation/ aspects that must be considered when designing a multimedia presentation/ impact of visual aids/ areas of improvement in the next presentation.

Any (1 × 2) (2)

[40]

Question 3: Breakdown of mark allocation		
DETAILS	MAXIMUM	TOTAL
3.1 Introduction	2	Max 32
3.2 Factors that must be considered before a presentation	10	
3.3 Aspects that must be considered when designing a multimedia presentation	14	
3.4 Impact of visual aids	12	
3.5 Areas of improvement in the next presentation	10	
3.6 Conclusion	2	
INSIGHT		
Layout	2	8
Analysis/Interpretation	2	
Synthesis	2	
Originality/Examples	2	
<b>TOTAL MARKS</b>		<b>40</b>

LASO – For each component:

Allocate 2 marks if all requirements are met.

Allocate 1 mark if some requirements are met.

Allocate 0 marks where requirements are not met at all.

# TOPIC 15 Forms of ownership: Criteria for success and/or failure

## Teaching tips:

How to introduce the topic	Specific strategies to teach/approach the topic
<ul style="list-style-type: none"> <li>• Refer learners to content covered in Grade 10:               <ul style="list-style-type: none"> <li>– Characteristics</li> <li>– Positives/Advantages</li> <li>– Negatives/Disadvantages</li> </ul> </li> <li>• Refer learners to content covered in Grade 11:               <ul style="list-style-type: none"> <li>– Benefits of companies over other forms of ownership</li> <li>– Formation of companies</li> <li>– Legal requirements of companies</li> </ul> </li> <li>• Recap and revise the characteristics, positives/advantages and negatives/disadvantages before teaching the success and/or failure factors in each form of ownership.</li> <li>• Emphasise that this topic in Grade 12 builds on the foundational knowledge of the content covered in Grade 10 &amp; 11.</li> <li>• Compile a baseline assessment to determine content gaps.</li> <li>• Revise &amp; consolidate content identified in analysis of the baseline assessment.</li> <li>• Unpack the glossary of concepts with learners.</li> </ul>	<ul style="list-style-type: none"> <li>• Make a glossary of the meaning of concepts that will be used when teaching the forms of ownership.</li> <li>• The concepts of limited liability and unlimited liability refers to the extent of loss that will be carried by the owners to pay for the debts of the business.</li> <li>• Limited liability and unlimited liability are also determined by the legal status of the specific form of ownership.</li> <li>• These aspects must be clarified in lessons as well as in class discussions, or short assessment activities.</li> <li>• Teaching and learning should also focus on the impact of non-profit companies with specific reference to key words such as 'income', 'donations', 'tax', 'existence', 'grants', 'directors' and 'legal personality'.</li> <li>• The positives/advantages and negatives/disadvantages of each form of ownership can be used as a point of departure to explain how each criterion contributes to the success and/or failure of the forms of ownership.</li> </ul>
Important tips for the topic	Other ways of assessing the topic
<ul style="list-style-type: none"> <li>• It is important to note that non-profit companies are different from the state-owned companies, even though some NPCs also provide essential services at no cost.</li> <li>• It should be noted that co-operatives form part of profit companies as their main aim is to also make a profit.</li> </ul>	<ul style="list-style-type: none"> <li>• Consult the following past NSC Question Papers for Section B and C type questions:               <ul style="list-style-type: none"> <li>– Nov 2020 P2 Question 5 – essay on forms of ownership</li> <li>– June 2019 Question 6.4 – scenario on forms of ownership</li> <li>– Nov 2018 Question 8 – essay on forms of ownership</li> <li>– May/June 2018 Question 3.5 – scenario on forms of ownership</li> <li>– Feb/March 2018 Question 3.7 – scenario on forms of ownership</li> </ul> </li> </ul>

## Memoranda to activities

### Activity 15.1 | Learner's Book page 340

#### QUESTION 1

##### 1.1 Complete the statements

- 1.1.1 profit ✓✓
- 1.1.2 Continuity ✓✓
- 1.1.3 Legal personality ✓✓

(3 × 2) (6)

##### 1.2 Distinction between limited liability and unlimited liability

LIMITED LIABILITY	UNLIMITED LIABILITY
Losses are limited to the amount✓ that the owner invested in the business.✓	The liability of the owners to pay debts/claims is not limited✓ to the business only. ✓
The owner's personal assets are protected✓ against the debts of the business. ✓	The owner's personal assets may be seized✓ to pay for the debts of the business. ✓
Applicable to forms of ownership/companies ✓ that have a separate legal entity✓	Applicable to a sole proprietorship and partnership✓ as they do not have a separate legal entity/personality. ✓
Any other relevant answer related to limited liability.	Any other answer related to unlimited liability.
<b>Submax (4)</b>	<b>Submax (4)</b>

- NOTE: 1** Differences do not have to be in tabular format.  
**2** The differences do not have to link but they must be clear.  
**3** If the differences are not clear, award only FOUR (4) marks/Mark either limited liability and unlimited liability.

Max (8)

Breakdown of marks	
Question 1	Marks
1.1	6
1.2	8
<b>TOTAL</b>	<b>14</b>

### Activity 15.2 | Learner's Book page 352

#### QUESTION 1

##### 1.1 Forms of ownership from given statements

- 1.1.1 Public company✓✓
- 1.1.2 Partnership✓✓
- 1.1.3 Personal liability company✓✓

(3 × 2) (6)

##### 1.2 Advantages of a public company

- The company has its own legal identity✓ and can close contracts on its own. ✓
- A large amount of capital can be raised✓ because shares can be sold to the public. ✓
- Shareholders will be willing to buy shares✓ because they have limited liability. ✓
- A competent board of directors✓ can be appointed by the shareholders at the AGM. ✓
- Investors are willing to buy shares in a company✓ because shareholders may buy and sell shares freely. ✓
- The public has access to the information of the company✓ which could motivate them to buy shares from the company. ✓
- Additional capital can be raised✓ by issuing more shares or debentures✓.

- Strict regulatory requirements protect the shareholders ✓ and they will be willing to buy more shares. ✓
- Any other relevant answer related to the advantages of a public company.

Max (8)

### 1.3 Differences between a partnership and a private company

ASPECTS	PARTNERSHIP	PRIVATE COMPANY
1.3.1 Management	Partners manage the partnership ✓ according to the partnership agreement. ✓	Managed by a minimum of 1 director ✓ who is elected by the shareholders. ✓ <b>Submax (4)</b>
1.3.2 Taxation	Partners ✓ will be taxed in their private capacity. ✓	Companies are taxed as a legal entity at a set company tax rate ✓ and the dividends are also taxed. ✓ <b>Submax (4)</b>
1.3.3 Capital	Partners contribute capital ✓ according to the partnership agreement. ✓	Capital is raised by selling shares ✓ to shareholders. ✓ <b>Submax (4)</b>

Max (12)

Breakdown of marks	
Question 1	Marks
1.1	6
1.2	8
1.3	12
<b>TOTAL</b>	<b>26</b>

## Activity 15.3 | Learner's Book page 357

### QUESTION 1

#### 1.1 Characteristics of co-operatives

- A minimum of five members ✓ are needed to start a Co-operative. ✓
- The objective of a co-operative is to create mutual benefit ✓ for the members. ✓
- It is a legal entity ✓ and can own land and open bank accounts. ✓
- The members of a co-operative own and run the business together ✓ and share in its profits. ✓
- The decisions are taken democratically, ✓ in other words the members ' vote wins. ✓
- Co-operatives are managed ✓ by a minimum of three directors. ✓
- The Co-operative must register ✓ with the Registrar of Cooperatives Societies ✓
- The word 'Co-operative Limited' ✓ must appear at the end of its name. ✓
- The Co-operative is motivated by service ✓ rather than profit. ✓
- Any other relevant answer related to the characteristics of a co-operatives.

Max (8)

#### 1.2 Criteria that contribute to the success and/or failure of a sole trader

FACTOR	SUCCESS	AND/OR	FAILURE
Capital	Capital will be carefully spent and managed ✓ because the owner contributes all capital. ✓ The owner may be able to secure additional capital ✓ from a financial institution, if he/she is credit worthy ✓		Profits may not be large enough ✓ for expansion. ✓ Cannot always attract suitable qualified people, resulting in less qualified staff. ✓ Owner is responsible ✓ for any capital borrowed. ✓
	Any other relevant answer related to capital as a success and/or failure factor of a sole trader.		
			<b>Submax (4)</b>

FACTOR	SUCCESS	AND/OR	FAILURE
Division of profits	Owner receives all profits from the business✓ which can lead to capital growth. ✓ The owner may use profit✓ to expand the business. ✓		Profits may not cover all business debts, which might hinder the expansion of the business. ✓ If the owner does not make a profit, ✓ the income and livelihood of the owner may be severely affected. ✓
	Any other relevant answer related to division of profits as a success and/or failure factor of a sole trader.		
			<b>Submax (4)</b>
Legislation	It is easy/inexpensive✓ to start. ✓ There are limited regulatory requirements✓ regarding the name of the business. ✓ Unlimited liability of the owner✓ may encourage him/her to work harder to ensure the success of the business. ✓		Must comply with relevant municipal regulations✓ or it could close down. ✓ Business has no legal entity✓ and unlimited liability of the owner may lead to the failure of the business. ✓ Personal debts✓ and business debts are one. ✓ Business has no continuity✓ as it depends on the life of the owner. ✓ Business may only qualify for more loans if they are licenced✓. Loans are not easily obtainable. ✓ The owner is personally liable for the loss of the business✓ and must budget carefully. ✓
	Any other relevant answer related to legislation as a success and/or failure factor of a sole trader.		
			<b>Submax (4)</b>

**Max (12)**

Breakdown of marks	
Question 1	Marks
1.1	8
1.2	12
<b>TOTAL</b>	<b>20</b>

## QUESTION 2

### 2.1 Introduction

- There are more than one possible form of ownership that is suitable for a business, however the owner(s) of the business must consider various criteria to choose the best option. ✓
- They must keep in mind aspects like the capital needed, taxation, management structures, legal aspects, liability, etc. ✓
- The main aim of these companies are to make a profit by providing a product or service. ✓
- Any other relevant introduction related to characteristics of a partnership/differences between limited liability and unlimited liability/differences between a private company and a public company/criteria that contribute to the success and/or failure of a public company.

**Any (2 × 1) (2)**

### 2.2 Characteristics of a partnership

- No legal formalities to start, only a written partnership agreement is required. ✓✓
- There are no legal requirements regarding the name of the business. ✓✓
- Partners combine capital and may also borrow capital from financial institutions. ✓✓
- Partners have unlimited liability and are jointly and severally liable for the debts of the business. ✓✓
- Profit is shared according to the partnership agreement. ✓✓
- Auditing of financial statements is optional. ✓✓
- Partners share responsibilities and they are all involved in decision making. ✓✓

- The partnership does not pay income tax, only the partners in their personal capacities. ✓✓
- Partnership has no legal personality and therefore has no continuity. ✓✓
- Any other relevant answer related to the characteristics of a partnership.

Max (12)

### 2.3 Differences between limited liability and unlimited liability

LIMITED LIABILITY	UNLIMITED LIABILITY
Losses are limited✓ to the amount that the owner invested in the business. ✓	The liability of the owners to pay debts/claims is not limited✓ to the business only. ✓
The owner's personal assets are protected✓ against the debts of the business. ✓	The owner's personal assets may be seized✓ to pay for the debts of the business. ✓
Applicable to forms of ownership/companies ✓ that have a separate legal entity. ✓	Applicable to a sole proprietorship and partnership ✓ as they do not have a separate legal entity/personality. ✓
Any other relevant answer related to limited liability.	Any other relevant answer related to unlimited liability.
<b>Submax (4)</b>	<b>Submax (4)</b>

Max (8)

- NOTE: 1 Differences do not have to be in tabular format.**  
**2 The differences do not have to link but it must be clear.**  
**3 If the differences are not clear, award only FOUR (4) marks/Mark either limited liability and unlimited liability.**

### 2.4 Differences between a private company and public company

PRIVATE COMPANY	PUBLIC COMPANY
May not offer shares✓ to the general public. ✓	Trades its shares publicly ✓ on the Johannesburg Securities Exchange. ✓
Shares are not freely✓ transferable✓	Shares are freely✓ transferable. ✓
Minimum✓ of one director. ✓	Minimum✓ of three directors. ✓
Name must end✓ with Proprietary Limited/(Pty) Ltd. ✓	Name must end✓ with Limited/Ltd. ✓
Annual financial statements✓ need not be audited and published. ✓	Annual financial statements✓ need to be audited and published. ✓
Does not need to publish a prospectus as it cannot trade its shares publicly. ✓	Have to register and publish a prospectus✓ with the Companies and Intellectual Property Commission/ CIPC. ✓
The company is not required ✓ to raise the minimum subscription/ issue minimum shares. ✓	Must raise a minimum subscription✓ prior to commencement of the company. ✓
<b>Submax (6)</b>	<b>Submax (6)</b>
Any other relevant difference between private companies and public companies.	

- NOTE: 1 Differences do not have to be in a tabular format.**  
**2 Differences do not have to link but must be clear.**  
**3 If the differences are not clear, award only SIX (6) marks/Mark either a private company or public company.**

Max (12)

## 2.5 Criteria that contribute to the success and/or failure of a public company

FACTOR	SUCCESS	AND/OR	FAILURE
Legislation	<p>Companies must comply with the Companies Act 71 of 2008. ✓✓</p> <p>The company and its owners (shareholders) are separate entities, which may encourage more people to join the company. ✓✓</p> <p>Limited liability allows for greater risk taking, which may lead to growth of the business. ✓✓</p> <p>Auditing of financial statements, gives shareholders the assurance that the business is being properly managed and supports raising additional finance. ✓✓</p> <p>Any other relevant answer related to legislation as a success factor.</p>		<p>Formation procedures are time consuming, complicated and expensive, as many legal documents need to be prepared/submitted. ✓✓</p> <p>High formation/establishment expenses require large start-up capital. ✓✓</p> <p>Annual audit of financial statements is costly. ✓✓</p> <p>If a public company does not comply with legislation, its licence maybe withdrawn by the Companies and Intellectual Property Commission (CIPC). ✓✓</p> <p>Any other relevant answer related to legislation as a failure factor.</p>
		<b>Submax (4)</b>	<b>Submax (4)</b>
Management	<p>Managed by a board of competent highly skilled directors which result in better decision-making. ✓✓</p> <p>The management of the company can improve since directors are accountable to shareholders. ✓✓</p> <p>Shareholders can vote for directors at the AGM and appoint the most capable directors to manage the company. ✓✓</p> <p>Directors bring creative ideas which encourage efficiency in the company. ✓✓</p> <p>Any other relevant answer related to management as a success factor.</p>		<p>Directors may not have a direct interest in the company, which can hamper growth and profit maximisation. ✓✓</p> <p>Directors may not be motivated to work very hard because share-holders decide on the directors' remuneration. ✓✓</p> <p>Large management structure✓ can result in timeous decision-making. ✓</p> <p>Directors' fees increase the company's expenses which reduces net profit. ✓✓</p> <p>Management may open to legal challenges if their reports do not comply with King Code IV. ✓✓</p> <p>Some shareholders may not exercise their voting rights resulting in choosing the wrong person as a director. ✓✓</p> <p>Any other relevant answer related to management as a failure factor.</p>
		<b>Submax (4)</b>	<b>Submax (4)</b>

**Max (14)**

## 2.6 Conclusion

- Although companies have more requirements to comply with it has the potential to grow larger than other forms of ownership. ✓✓
- One of the greatest advantages for shareholders is that they have limited liability for the debts of the company. ✓✓
- Whenever owners are liable for the debt of the business, it might motivate them to succeed. ✓✓
- Whenever owners are liable for management of the business they will work hard and make sound decisions. ✓✓
- Any other relevant conclusion related to characteristics of a partnership/differences between limited liability and unlimited liability/differences between a private company and a public company/criteria that contribute to the success and/or failure of a public company.

**Any (1 × 2) (2)**

Question 2: Breakdown of mark allocation		
DETAILS	MAXIMUM	TOTAL
2.1 Introduction	2	Max 32
2.2 Characteristics of a partnership	12	
2.3 Differences between limited liability and unlimited liability	8	
2.4 Differences between private companies and public companies	12	
2.5 Criteria contributing to success and/or failure of public company.	14	
2.6 Conclusion	2	
INSIGHT		
Layout	2	8
Analysis/Interpretation	2	
Synthesis	2	
Originality/Examples	2	
<b>TOTAL MARKS</b>		<b>40</b>

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

## Consolidation

Learner's Book page 360 – 361

### QUESTION 1

#### 1.1 Multiple choice

- 1.1.1 B✓✓
- 1.1.2 D✓✓
- 1.1.3 B✓✓
- 1.1.4 A✓✓
- 1.1.5 A✓✓

(5 × 2) (10)

#### 1.2 Forms of ownership

	SOLE TRADER✓	PARTNERSHIP✓	PRIVATE COMPANY	PUBLIC COMPANY	NON-PROFIT COMPANY
Who is responsible for tax?	Owner in own capacity✓	Partners in own capacity✓	Company✓	Company✓	Exempted from tax✓
Who manage the business?	Owner/manager✓	Partners according to partnership agreement✓	Minimum of 1 director✓	Minimum of 3 directors✓	Minimum of 3 directors✓
How is capital raised?	Owner✓	Partners according to partnership agreement✓	Selling of shares to shareholders✓	Selling of shares to public and debentures✓	Donations and grants✓
How is profit shared?	Owner✓	Partners according to partnership agreement✓	Dividends according to number of shares✓	Dividends according to number and type of shares✓	No profit✓

	SOLE TRADER✓	PARTNERSHIP✓	PRIVATE COMPANY	PUBLIC COMPANY	NON-PROFIT COMPANY
Who is liable for debts?	Owner, can lose personal assets✓	Partners are jointly and individually liable for debts✓	Company✓	Company✓	No debts✓
How is business registered?	Minimum requirements✓	Partnership agreement✓	Register MOI with CIPC✓	Register MOI with CIPC✓	Must prepare a MOI✓

(30)

Breakdown of marks	
Question 1	Marks
1.1	10
1.2	30
<b>TOTAL</b>	<b>40</b>

## QUESTION 2

### 2.1 Forms of ownership

#### 2.1.1 New form of ownership

Public company✓✓

(2)

#### 2.1.2 Advantages of a public company

- The business has its own✓ legal identity. ✓✓
- It is easy to raise funds for growth through the sale of shares. ✓✓
- Shareholder is only liable for the amount, which is invested, shareholders have limited liability. ✓✓
- Shareholders can appoint✓ a knowledgeable board of directors. ✓✓
- Companies may buy and sell✓ shares freely. ✓✓
- Shareholders can sell/transfer their shares✓ freely. ✓✓
- The public has access to the information✓ and this could motivate them to buy shares from a company. ✓✓
- Additional shares can be raised✓ by issuing more shares or debentures. ✓✓
- Strict regulatory requirements✓ protect shareholders. ✓✓
- Any other relevant answer related to the advantages of a public company.

Max (6)

#### 2.1.3 Disadvantages of a partnership

- Partners have unlimited liability✓ and which means they can lose personal assets. ✓
- Different personalities and options of partners✓ can lead to conflict in disagreements. ✓
- There is a lack of continuity, ✓ if one partner dies, retires or leave a new partnership must be formed. ✓
- Partners might not all ✓ contribute money, assets, etc. equally. ✓
- There can be lack of capital✓ and cash flow. ✓
- Each business partner is legally responsible✓ for the joint liability of the partnership and can lose personal belongings. ✓
- Any other relevant answer related to the disadvantages of a partnership.

Max (6)

### 2.2 Criteria that contribute to success/failure of a sole trader

FACTOR	SUCCESS	AND/OR	FAILURE
Taxation (2.2.1)	<p>Owner is only taxed on profits in personal capacity. ✓✓</p> <p>Depending on how much income the owner earns, his/her tax rate may be lower than the company tax rate. ✓✓</p> <p>If the owner earns below a certain threshold amount per year, no income tax is payable and the business's profits are thus not taxed. ✓✓</p> <p>Any other relevant answer related to success factors of taxation for sole traders</p>		<p>If profits get too big it may end up paying high tax in personal capacity. ✓✓</p> <p>Failure by the owner to comply with personal income tax regulations could lead to substantial financial penalties imposed by SARS. ✓✓</p> <p>Any other relevant answer related to failure factors of taxation for sole traders</p>

Max (4)

FACTOR	SUCCESS	AND/OR	FAILURE
Division of profits (2.2.2)	<p>Owner receives all profits from the business which can lead to capital growth. ✓✓</p> <p>The owner may use profit to expand the business. ✓✓</p> <p>Any other relevant answer related to success factors of division of profits for sole traders.</p>		<p>Profits may not be large enough for expansion. ✓✓</p> <p>If the owner does not make a profit, the income and livelihood of the owner may be severely affected. ✓✓</p> <p>The owner is personally liable for the loss of the business and must budget carefully. ✓✓</p> <p>Any other relevant answer related to failure factors of division of profits for sole traders.</p>

Max (4)

Breakdown of marks	
Question 2	Marks
2.1.1	2
2.1.2	6
2.1.3	6
2.2.1	4
2.2.2	4
<b>TOTAL</b>	<b>22</b>

# Formal Assessment Tasks

## Assessment guidelines

Assessment drives instruction and learning by providing relevant information on the learners' progress and performance. Its main purpose is to support and improve further learning by incorporating artefacts, illuminating various processes, checking in at multiple waypoints and placing value on multiple ways of knowing.

To make sure that tests and examinations are applicable to all learners, you should use Bloom's taxonomy as described below according to the DBE's SBA tasks booklet.

Teachers who are successful also analyse mistakes made by the learners in tests and examinations to inform teaching and to follow-up through improvement strategies.

## Cognitive levels of learners (Bloom's taxonomy)

The **cognitive demand** of a question refers to the type and level of thinking learners need to successfully engage with and answer a question.

- High cognitive questions are those which demand that the learners manipulate bits of information previously learned to create and support an answer with logically reasoned evidence. This sort of question is generally **interpretive, evaluative, inquiry-based, inferential, synthesis-based** and **open-ended**.
- Lower cognitive questions are more basic. They ask learners to recall material previously presented and learned. These questions are generally direct, closed, recall-related and that measure knowledge only – factual and process.

Bloom's revised taxonomy illustrates the different cognitive levels.

	Cognitive level	Comment	Context
<b>C1</b>	Knowledge Recall of factual or process knowledge in isolation, i.e. one step or set of steps, instructions and processes at a time.	Requires recalling or recognising only. The learner practised or learned the isolatable bit, e.g. fact, skill, process or steps before.	Exactly the same context as a textbook example or a classroom-based exercise. Explicitly part of the teaching and learning material.
<b>C2</b>	Understanding Convert from one form of representation to another.	Requires knowledge and understanding of steps, processes or isolatable bits. Translating 'words', pictures, symbols, diagrams, etc., for example 'words' into spreadsheet formulas.	Familiar context. Includes interpreting, exemplifying, classifying, summarising, inferring, comparing and explaining.
<b>C3</b>	Application Combining known routines, steps and processes to complete a task. All of the information required is immediately available to the learner.	Requires knowledge, understanding and combining steps, routines, processes and isolatable bits. Application of appropriate abstraction without having to be prompted and without having to be shown how to use it in a familiar context.	Familiar context but with new elements or new circumstances. Learners working with the same or similar steps but different data or new circumstances.

	Cognitive level	Comment	Context
<b>C4</b>	Analysis Understand how parts relate to a whole (pinpoint the core or main aspects) or interact with each other and use appropriate methods to complete a task or solve a problem.	Requires reasoning, investigation or developing a plan or determining a sequence of steps; has some complexity. Completing the task could have more than one possible approach. Organising component parts to achieve an overall objective.	New context. Unseen, unfamiliar problems or tasks.
<b>C5</b>	Evaluation Judging or deciding according to some set of criteria, generally without real right or wrong answers.	Requires weighing possibilities, deciding on the most appropriate. Testing to locate errors.	
<b>C6</b>	Create Putting elements together to form a coherent or functional whole or re-organising elements into a new pattern or structure.	Requires familiarisation with the task by exploring different approaches and interpreting and analysing relevant approaches. Generalisation.	Novel situation. The learner has no familiarity with completed functional whole.

In Business Studies, the above cognitive levels are collapsed providing for lower-order, middle-order and higher-order levels.

	Lower Order C1	Middle Order C2 & C3	Higher Order C4, C5 & C6
Theoretical	Recall (Knowledge)	Understand and apply	Analyse, evaluate and create
Practical	Routine procedures (Knowledge/ Remembering)	Multi-step procedures (Understanding/ Applying)	Problem-solving (Analysing/ Evaluating/ Creating)
Weighing	30%	40%	30%

### Did you know

Within each cognitive level, there exists different difficulty levels.

Cognitive demand describes the type of thought process that is required to answer a question and is not necessarily the same as the level of difficulty of a question, such as the difficulty of the content knowledge that is being assessed.

## Difficulty levels

As per the same booklet, the difficulty level of a question refers to *the ease with which a learner is able to answer a question*. It is described as follows:

Level	Description
1	Easy to answer
2	Moderately challenging
3	Difficult to answer
4	Very difficult (It allows high achieving learners to excel above the others)

The difficulty level of a question is influenced by one or more of the following:

- The content (subject, concept, facts, principles or procedures), e.g.
- Content that is learned in Grade 10 and that is repeated and practised in Grade 11 and 12 usually becomes easier by Grade 12.
- The number of steps required, or the length of the answer could influence difficulty.
- Stimulus (item or question)
- The language, text or scenario used could influence difficulty.
- Re-read required or limited time could influence difficulty.
- Task (process)
- Short questions vs paragraph or essays – answers that require extended writing are generally more difficult.
- Steps provided or scaffolding of questions – open-ended questions are generally more difficult than structured questions, i.e. questions that lead or guide learners.
- Expected response.
- Mark scheme, memo, e.g. detail required in memo vs detail expected in question.
- Allocation of marks.

## Assessment in Business Studies

Assessment is a continuous, planned process of identifying, gathering and interpreting information about the performance of learners, using various forms of assessment. It involves four steps: generating and collecting evidence of achievement; evaluating this evidence; recording the findings and using this information to understand and thereby assist the learner's development in order to improve the process of learning and teaching.

Assessment should be both informal (Assessment for Learning) and formal (Assessment of Learning). In both cases regular feedback should be provided to learners to enhance the learning experience.

Assessment in Business Studies focuses on the knowledge, skills and values necessary for informed, ethical, productive and responsible participation in economic sectors. The study and assessment of Business Studies must not only cover essential business knowledge, skills and principles, but should also promote entrepreneurial initiatives, sustainable enterprises and economic growth.

Business Studies covers valuable skills such as leadership, risk taking, problem solving and management skills that prepare learners for success in different business environments. Teachers must take all these skills into account when planning teaching, learning and assessment activities.

## Informal or daily assessment

Assessment for Learning aims to continuously collect information of a learner's achievement that can be used to improve their learning.

Informal assessment is a daily monitoring of learners' progress. This is done through observations, discussions, practical demonstrations, learner-teacher conferences, informal classroom interactions, etc. Informal assessment may be as simple as stopping during the lesson to observe learners or to discuss with learners how learning is progressing. Informal assessment should be used to provide feedback to the learners and to inform planning for teaching, but need not be recorded. It should not be seen as separate from learning activities in the classroom. Learners or teachers can mark these informal assessment tasks.

Self-assessment and peer assessment actively involves learners in assessment. This is important as it allows learners to learn from and reflect on their own performance. The results of the informal daily assessment tasks are not formally recorded unless the teacher wishes to do so. The results of daily assessment tasks are not taken into account for promotion and certification purposes.

## Formal assessment

All assessment tasks that make up a formal programme of assessment for the year are regarded as Formal Assessment or School-Based Assessment (SBA). Formal assessment tasks are marked and formally recorded by the teacher for progression and certification purposes. All Formal Assessment tasks are subject to moderation for the purpose of quality assurance and to ensure that appropriate standards are maintained.

Formal assessment provides teachers with a systematic way of evaluating how well learners are progressing in a grade and in a particular subject. Examples of formal assessments include tests, examinations, practical tasks, projects, oral presentations, demonstrations, performances, etc. Formal assessment tasks form part of a year-long formal Programme of Assessment in each grade and subject.

The Programme of Assessment for Business Studies in Grades 10 and 11 comprises seven tasks which are internally assessed. Of the seven tasks, the six tasks which are completed during the school year make up 25% of the total mark for Business Studies, while the end-of-year examination is the seventh task and makes up the remaining 75%.

In Grade 12, assessment is made up of two components: a Programme of Assessment which makes up 25% of the total mark for Business Studies and an external examination which makes up the remaining 75%. The Programme of Assessment for Business Studies comprises of six tasks which are internally assessed. The external examination is externally set and moderated.

Formal assessment tasks form part of a year-long formal Programme of Assessment in each grade and subject, are school-based and are weighted as follows for the different grades:

Grades	Tasks done during the year	End-of-year examination
R-3	100%	n/a
4-6	75%	25%
7-9	40%	60%
10 and 11	25%	75%
12	25%	External examination: 75%

The forms of assessment used should be appropriate to age and developmental level. The design of these tasks should cover the content of the subject and include a variety of tasks designed to achieve the objectives of the subject. Use the exemplars of formal assessment tasks provided in the learner's book as a guide for setting up formal assessment tasks.

Formal assessments must cater for a range of cognitive levels and abilities of learners as shown below.

**Table 1** The distribution of cognitive levels and Bloom's Taxonomy

Cognitive level			Percentage
Level 1	Knowledge/Remembering	<b>Low order:</b> Define, name, list, identify, give, etc.	30%
Level 2	Comprehension/Understanding	Choose, explain, classify, give etc.	
Level 3	Application/Applying knowledge	<b>Middle order:</b> Analyse, apply, describe, discuss, calculate, etc.	50%
Level 4	Analysis	Analyse, compare, differentiate, distinguish, etc.	
Level 5	Synthesis/Evaluating	<b>Higher order:</b> Analyse, compare, evaluate, etc.	20%
Level 6	Evaluation/Creating	Recommend, suggest, advise, etc.	

## PROGRAMME OF ASSESSMENT GRADE 10-12

The Programme of Assessment is designed to spread formal assessment tasks in all subjects in a school throughout a term. The requirements (number and nature of tasks) for Business Studies are indicated below.

### The Programme of Assessment in Grade 12

Assessment	Term 1		Term 2			Term 3			Term 4		Total	
	Case Study	Controlled Test	Presentation	June Examination		Project	Trial Examination		Year mark	Final Examination		
<b>Total marks</b>	50	100	50	Paper 1	Paper 2	50	Paper 1	Paper 2		Paper 1	Paper 2	300
				150	150		150	150		150	150	
Pert term weighting	25%	75%	25%	37.5%	37.5%	25%	37.5%	37.5%		2 Hours	2 Hours	
Per annum weighting	$50 \div 5 = 10$	$100 \div 5 = 20$	$50 \div 5 = 10$	$150 \div 15 = 10$	$150 \div 15 = 10$	$50 \div 2.5 = 20$	$150 \div 15 = 10$	$150 \div 15 = 10$	100	300		400
<b>Final mark</b>									25	75		100

## Forms of Assessment

In Business Studies, the following forms of assessment are preferred, although they are not the only ones that may be used:

- Projects
- Oral presentations
- Case studies
- Reports
- Tests
- Data responses
- Examinations

## Other forms of Assessment

### PROJECT

A project is mandatory in all the grades. Only one project per annum is recommended per grade. When preparing a project, consider the following minimum requirements:

- Learners should be given the necessary guidance prior to commencement of the project and progress must be monitored throughout the project.
- All criteria used to assess the project must be discussed with the learners prior to them commencing with the project.
- Generally, projects are given a longer period of time to complete as they involve some form of research, consolidating and choosing relevant information and preparing a written document as evidence.
- Projects generally work well if they are structured around some form of problem.
- The purpose of a research assignment/project is to develop the research, critical thinking and problem-solving skills of learners.
- Research will form part of the project - the project is the evidence of the research conducted.
- Projects should ideally be given to learners towards the end of a particular term, e.g. the first term for submission during the next (second) term.

### PRESENTATION

- Presentations can be written or oral, but there must be evidence of the presentation.
- All criteria used to assess the presentation must be discussed with the learners prior to the commencement of the presentation.
- Where the resources are available, use of electronic presentation might be encouraged and where resources are not available, posters and handout presentations should be encouraged.

### CASE STUDY

- Case studies are a very good way of keeping the subject up to date and relevant.
- Learners are presented with a real-life situation, a problem or an incident related to the topic.
- They are expected to assume a particular role in articulating the position.
- They would draw on their own experience, the experience of peers or prior learning to interpret, analyse and solve the problem or set of problems.
- Newspaper articles, magazine articles, TV or radio presentations form excellent case studies.
- Learners have to read and/or listen, digest the information and then make informed decisions.
- Questions can be from lower order - direct quotes from the article - to higher order when they are asked to analyse comments and possibly make suggestions.

### REPORT

A report is generally the written evidence of a survey, analysis or investigation. Generally, this will be shorter than a project and more specific to the topic, e.g. the business has come to you for advice on their liquidity. Often this implies consulting with an expert for advice on some problem - therefore it links very well with problem solving.

### TESTS

Two tests, written under controlled conditions, are prescribed for Grades 10 – 11, and one test for Grade 12 in term 1 only. These tests should adhere to the following:

- They should be completed by all classes in the same grade on the same day.
- All learners write the same test under examination conditions.
- Questions must comply with year-end examination standards.
- Where there is more than one teacher, agreement must be reached on the scope, as well as the date and time of the test.
- The duration of each of these tests should be at least one hour for 100 marks.
- Tests should cover the different cognitive levels as in examinations. See table on cognitive levels under 'Examinations' in the following section.

- Tests should also include problem-solving questions.
- Tests should cover a range of integrated topics, as determined by the work schedule and assessment plan.
- The two tests should be written in Terms 1 and 3 for Grade 10 – 11, and in Term 1 for Grade 12 only.

## EXAMINATIONS

The following guidelines should be considered when constructing examinations:

- **Content**

Content stipulated specifically for the grade	<b>100%</b>
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- **Cognitive levels**

Basic thinking skills (e.g. factual recall, low-level application and low-level comprehension)	<b>30%</b>
Moderately high thinking skills (e.g. more advanced application, interpretation and low-level analysis)	<b>50%</b>
Higher-order thinking skills (e.g. advanced analytical skills, synthesis and evaluation)	<b>20%</b>

- **Problem solving**

Approximately 10% of all examinations should address problem-solving questions using critical and creative thinking. These include the solving of real-life problems within the context of the Business Studies curriculum.

These problem-solving questions must also cover a range of cognitive skills (lower, middle and higher order) to cater for all learners, but within the context of the learners.

While ratio and analysis can form very interesting problem-solving questions, the topic goes a lot further and should be integrated into all aspects of the curriculum so that the learners develop the skills to apply the knowledge acquired.

### Mid-year examinations

Below is an outline of the structure of the mid-year examination in each of the grades:

Grades	Paper	Time	Marks	Topics
Grade 10	2	1½ hours	100 each	As per Annual Teaching Plan per grade
Grade 11	2	2 hours	150 each	
Grade 12	2	2 hours	150 each	

Exam Paper	Section A	Section B	Section C	Total
Grade 10	20 marks	40 marks	40 marks	100 marks each

### Trial examination (Grade 12 only)

A trial examination is one of the seven tasks of the Programme of Assessment for Grade 12. Ideally, the trial examination should cover the full scope of the Grade 12 curriculum and should model the final Grade 12 examination.

Below is an outline of the structure of the trial examination:

	Paper	Time	Marks	Content
Grade 12	1	2 hours	150	Business Environments and Business Operations Business Ventures and Business Roles
	2	2 hours	150	

## End-of-year examinations

Grade 10-12 should write a separate Paper 1 and Paper 2 consisting of 150 marks each as a final examination.

	Papers	Time	Marks	Paper 1		Paper 2	
				Business Environments	Business Operations	Business Ventures	Business Roles
Grade 10-12	2	2 hours	150 × 2	25%	25%	25%	25%

## NOTES TO MARKERS

### PREAMBLE

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

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



### Note

The notes to markers below should be used as a guide when marking/assessing any formal assessment task including examinations.

1. Candidates' responses must be in full sentences for SECTIONS B and C. However, this would depend on the nature of the question.
2. A comprehensive marking guideline has been provided but this is by no means exhaustive. Due consideration should be given to an answer that is correct but:
 

**NOTE: There is only ONE correct answer in SECTION A.**
3. Take note of other relevant answers provided by candidates and allocate marks accordingly. (In cases where the answer is unclear or indicates some understanding, part-marks should be awarded, for example, one mark instead of the maximum of two marks.)
4. The word 'Submax' is used to facilitate the allocation of marks within a question or sub-question.
5. The purpose of circling marks (guided by 'max' in the breakdown of marks) on the right-hand side is to ensure consistency and accuracy in the marking of scripts as well as for calculation and moderation purposes.
6. Subtotals to questions must be written in the right-hand margin. Circle the subtotals as indicated by the allocation of marks. This must be guided by 'max' in the marking guidelines. Only the total for each question should appear in the left-hand margin next to the appropriate question number.
7. In an indirect question, the theory as well as the response must be relevant and related to the question.
8. Correct numbering of answers to questions or sub-questions is recommended in SECTIONS A and B. However, if the numbering is incorrect, follow the sequence of the candidates' responses. Candidates will be penalised if the latter is not clear.
9. No additional credit must be given for repetition of facts. Indicate with an 'R'.
10. The allocation of marks must be informed by the nature of the question, cognitive verb used, mark allocation in the marking guideline and the context of each question.
 

Cognitive verbs, such as:

  - 10.1 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.
  - 10.2 Define, describe, explain, discuss, elaborate, distinguish, differentiate, compare tabulate, justify, 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.
11. Mark only the FIRST answer where candidates offer more than one answer for SECTION B and C questions that require one answer.

## 12. SECTION B

**12.1** 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.**

**12.2** If two facts are written in one sentence, award the candidate FULL credit. Point 12.1 above still applies.

**12.3** Use of the cognitive verbs and allocation of marks

- If the number of facts is 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 (two marks will be allocated in Section C)

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

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

## 13. SECTION C

**13.1** 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>

**13.2** Insight consists of the following components:

<b>Layout/Structure</b>	<b>Is there an introduction, a body, and a conclusion</b>	<b>2</b>
<b>Analysis and interpretation</b>	<p><b>Is the candidate able to break down the question into</b> headings subheadings/interpret it correctly to show understanding of what is being asked</p> <p>Marks to be allocated using this guide:</p> <ul style="list-style-type: none"> <li>– All headings addressed: 1 (One 'A')</li> <li>– Interpretation (16 to 32 marks): 1 (One 'A')</li> </ul>	<b>2</b>
<b>Synthesis</b>	<p><b>Are there relevant decisions/facts/responses made base</b> on the questions</p> <p>Marks to be allocated using this guide:</p> <p>Option 1: <b>Only relevant facts:</b> 2 marks (No '-S')</p> <p>Where a candidate answers 50% or more (two to four sub-questions) of the question. With only relevant facts: no '-S-' appears in the left margin. Award the maximum of TWO (2) marks for synthesis.</p> <p>Option 2: <b>Some relevant facts:</b> 1 marked (One '-S')</p> <p>Where a candidate answers less than 50% (only one sub-question) 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. Award a maximum of ONE (1) mark for synthesis.</p> <p>Option 3: <b>Some relevant facts:</b> 1 marked (One '-S')</p> <p>Where a candidate writes FOUR questions, but one sub-question of the questions with no relevant facts; one '-S-' appears in the left margin. Award a maximum of ONE (1) mark for synthesis.</p> <p>Option 4: <b>No relevant facts:</b> 0 marks (Two '-S')</p> <p>Where a candidate answers less than 50% (only one sub-question) of the question with no relevant facts; two '-S-' appears in the left margin. Award a ZERO mark for synthesis.</p>	<b>2</b>

Originality	Is there evidence of examples based on recent information, current trends and developments	2
<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 awarded for layout, if the headings INTRODUCTION and CONCLUSION are not supported by an explanation.**

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

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

- 13.7** When awarding marks for facts, take note of the sub-maximum indicated, especially if candidates do not use 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.)  
**13.8** If the candidate identifies/interprets the question INCORRECTLY, then he/she may still obtain marks for layout.  
**13.9** If a different approach is used by candidates, ensure that the answers are assessed according to the mark allocation/subheadings as indicated in the marking guideline.  
**13.10** Award TWO marks for complete sentences. Award ONE mark for phrases, incomplete sentences and vague answers.

## RECORDING AND REPORTING

Recording is a process in which the teacher documents the level of a learner's performance in a specific assessment task. It indicates learner progress towards the achievement of the knowledge as prescribed in the Curriculum and Assessment Policy Statements. Records of learner performance should provide evidence of the learner's conceptual progression within a grade and her/his readiness to progress or promote to the next grade. Records of learner performance should also be used to verify the progress made by teachers and learners in the teaching and learning process.

Reporting is a process of communicating learner performance to learners, parents, schools, and other stakeholders. Learner performance can be reported in a number of ways. These include report cards, parents' meetings, school visitation days, parent-teacher conferences, phone calls, letters, class or school newsletters, etc. Teachers in all grades report in percentages against the subject. Seven levels of competence have been described for each subject listed for Grades R - 12.

The various achievement levels and their corresponding percentage bands are as shown in the Table below.

### CODES AND PERCENTAGES FOR RECORDING AND REPORTING

Rating code	Description of competence	Percentage
7	Outstanding achievement	80 - 100
6	Meritorious achievement	70 - 79
5	Substantial achievement	60 - 69
4	Adequate achievement	50 - 59
3	Moderate achievement	40 - 49
2	Elementary achievement	30 - 39
1	Not achieved	0 - 29



#### Take note

The seven-point scale should have clear descriptors that give detailed information for each level.

Teachers will record actual marks against the task by using a record sheet, and report percentages against the subject on the learners' report cards.

### MODERATION OF ASSESSMENT

Moderation refers to the process that ensures that the assessment tasks are fair, valid and reliable. Moderation should be implemented at school, district, provincial and national levels. Comprehensive and appropriate moderation practices must be in place for the quality assurance of all subject assessments.

#### Formal assessment (SBA)

All Grade 10 and 11 tasks are internally moderated, while Grade 12 tasks should be externally moderated. The subject head for Business Studies or Head of Department for the Business, Commerce and Management subjects at the school will generally manage this process. Moderation at the school will be carried out at least once per school term.

# School-based assessment (SBA)

Term 1  
Exemplar

GRADE 12

Business Studies

MARCH 202\_

## CASE STUDY: MARKING GUIDELINES

Marks: 50 Time: 1 Hour

### QUESTION 1

#### 1.1.1 BBBEE pillars from the case study

	BBBEE pillars	Motivations
1.	Skills development ✓✓	Learnerships and learning programmes are provided to black employees. ✓
2.	Ownership ✓✓	KL also afforded more opportunities for black people to become shareholders in the business. ✓
	Submax (4)	Submax (2)

**NOTE: 1. The answer does not have to be in tabular format.**

**2. Award marks for the BBBEE pillars even if the quote is incomplete.**

**3. Do not award marks for the motivation if the BBBEE pillars were incorrectly identified.**

Max (6)

#### 1.1.2 Meaning of learnerships

- Theoretical/Practical training opportunities ✓ that leads to a recognised occupational qualification. ✓
- They provide structured learning programmes ✓ that are completed during work hours for a specified period of time. ✓
- It includes a training course with learning material ✓ as well as practical work experience. ✓
- Agreement between a learner/trainee ✓, employer and a training provider. ✓
- It may sometimes include employment for a specified period ✓ after the learnership is completed. ✓
- Any other relevant answer related to the meaning of learnerships.

Max (4)

### 1.1.3 Actions regarded as non-compliance according to the NCA

- Refusing to grant consumers credit based on any form of discrimination such as race, gender, age, religion, language, culture, sexual orientation etc. ✓✓
- Charging different interest rates to different consumers based on discriminatory grounds such as race, gender, age, religion, language, culture, sexual orientation etc. ✓✓
- Granting credit recklessly to consumers and fail to explain the credit contract to consumers. ✓✓
- Failing to conduct affordability assessments to determine whether the customer actually can afford the credit being offered. ✓✓
- Blacklisting customers without exhausting all efforts to recover the debt from the consumer. ✓✓
- Any other relevant answer related to actions regarded as non-compliance according to the NCA.

Max (4)

### 1.1.4 Human resources activities from the case study

human resources activities	Motivations
1. Recruitment ✓✓	KL identified certain vacancies in the business and started the process of finding and hiring suitable candidates in line with the Labour Relations Act (LRA), 1995 (Act 66 of 1995). ✓
2. Induction ✓✓	Newly appointed employees were introduced to KL so that they could familiarise themselves with their new physical work environment. ✓
<b>Submax (4)</b>	<b>Submax (2)</b>

- NOTE: 1. The answer does not have to be in tabular format.**  
**2. Award marks for the human resources activities even if the quote is incomplete.**  
**3. Do not award marks for the motivation if the human resources activities were incorrectly identified.**

Max (6)

### 1.1.5 Implication of the LRA on the human resources function

- Allows for the establishment of trade unions/collecting bargaining/bargaining councils✓ which may directly influence operations within human resources/the business. ✓
- Employees cannot be easily dismissed✓ as bargaining council/Commission for Conciliation, Mediation and Arbitration (CCMA) processes need to be correctly followed. ✓
- Provides a framework for bilateral meetings/collecting bargaining/bargaining councils✓ where employees, trade unions and employers discuss matters relating to employment. ✓
- Promotes orderly negotiations and employee participation✓ in decision making in the workplace. ✓
- Protects the rights of employees/employers✓ as outlined in the Constitution. ✓
- Advances✓ economic development/social justice/labour peace. ✓
- Any other relevant answer related to the implication of the LRA on the human resources function.

Max (4)

### 1.1.6 King Code principles from the case study

King code principles	Motivations
1. Transparency ✓✓	KL ensures that auditing and other reports are accurately done and made available to shareholders and employees. ✓
2. Accountability ✓✓	The board also ensures that the business ethics are effectively implemented in the workplace. ✓
<b>Submax (4)</b>	<b>Submax (2)</b>

- NOTE: 1. The answer does not have to be in tabular format.**  
**2. Award marks for the King Code principles even if the quote is incomplete.**  
**3. Do not award marks for the motivation if the King Code principles were incorrectly identified.**

Max (6)

### 1.1.7 Other King Code principle

#### Responsibility ✓✓

- The business/board should develop and implement programmes that should be aimed at protecting the communities in which they operate. ✓
- The business/board should develop remedial programmes to protect the environment, for example, reduce air and water pollution. ✓
- Any other relevant answer related to responsibility as a King Code principle.

Max (3)

### 1.1.8 Ways in which professional, responsible, ethical and effective business practices should be conducted

- Business decisions and actions must be clear/transparent to all stakeholders. ✓✓
- KL should be accountable /responsible for their decisions and actions/ patent rights. ✓✓
- KL should hire honest/trustworthy accountants/financial officers with good credentials to ensure transparent recording and financial statements. ✓✓
- The payment of taxes must be regular/timeous and the business must disclose all needed information to SARS and not finding loopholes to avoid paying taxes. ✓✓
- KL should draw up a code of ethics/conduct. ✓✓ This document must state acceptable behaviour in the business. ✓✓
- There must be on-going development and training for all employees of KL. ✓✓
- Performance management systems/Appraisals should be in place to motivate employees of KL. ✓✓
- There must be adequate internal controls/monitoring/evaluation to ensure accountability of KL. ✓✓
- KL's salaries and wages must be fair and in line with the requirements of the BCEA. ✓✓
- KL must also remunerate employees for all work done and for working overtime. ✓✓
- KL must take care of the environment and use green policies in the workplace such as recycling paper, responsible disposal of waste material and safe energy. ✓✓
- KL must not start a business venture at someone else's expense with the ideas of other businesses/individuals and respect intellectual property of other businesses. ✓✓
- KL should treat all their employees equally, regardless of their race/colour/age/ gender/disability etc. KL must also adhere to the requirement of EEA act. ✓✓
- KL must provide good quality goods and services to customers and pay attention to the safety of customers as well as give clear information to the customers to make informed decisions. ✓✓
- Any other relevant answer related to ways in which professional, responsible, ethical and effective business practices should be conducted by KL.

Max (4)

### 1.1.9 Problem-solving techniques

- Delphi technique ✓
- Force field analysis ✓
- Brainstorming ✓
- Nominal group technique ✓
- SCAMPER ✓
- Empty chair technique ✓
- Forced-combinations
- Mind mapping ✓
- Any other relevant answer related to problem-solving techniques.

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

Max (3)

### 1.1.10 Distinction between problem-solving and decision making

Problem-solving	Decision making
Problems can be solved by a group/ team or an individual team member ✓ which makes it more inclusive. ✓	It is often done by one person/or senior management ✓ who makes it authoritarian. ✓
They will generate/identify alternative solutions ✓ and evaluate it critically. ✓	Various alternatives are considered ✓ before deciding on the best one. ✓
This process of analysing a situation ✓ will identify strategies to bring about change. ✓	This process is part of the problem-solving cycle ✓ as decisions need to be taken in each step. ✓
Any other relevant answer related to the description of problem-solving.	Any other relevant answer related to the description of decision making.
<b>Submax (2)</b>	<b>Submax (2)</b>

**Max (4)**

### 1.1.11 Advantages of creative thinking in the workplace

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

**Max (6)**

**[50]**

# School-based assessment (SBA)

Term 1  
Exemplar

GRADE 12

Business Studies

MARCH 202\_

## CONTROLLED TEST: MARKING GUIDELINES

Marks: 100 Time: 1½ Hours

### Section A

#### QUESTION 1

##### 1.1 Multiple choice

- 1.1.1 D ✓✓
- 1.1.2 B ✓✓
- 1.1.3 D ✓✓
- 1.1.4 C ✓✓
- 1.1.5 A ✓✓

(5 × 2) (10)

##### 1.2 Matching columns

- 1.2.1 F ✓✓
- 1.2.2 E ✓✓
- 1.2.3 I ✓✓
- 1.2.4 A ✓✓
- 1.2.5 B ✓✓

(5 × 2) (10)

**TOTAL SECTION A: 20**

Breakdown of marks	
Question 1	Marks
1.1	10
1.2	10
<b>TOTAL</b>	<b>20</b>

## SECTION B

Mark the FIRST TWO answers only.

### QUESTION 2: BUSINESS ENVIRONMENTS

#### 2.1 Industrial analysis tools from given statements

2.1.1 Porter's Five Forces model ✓✓

2.1.2 PESTLE Analysis ✓✓

(4)

#### 2.2 Diversification strategies

diversification strategies		Motivations
1.	Concentric diversification ✓✓	Tranquil Lifestyle Services has added a new range of body massage therapy services that will appeal to new customers. ✓
2.	Horizontal diversification ✓✓	TLS decided to introduce car wash services based on the needs of their clients. ✓
Submax (4)		Submax (2)

**NOTE: 1. The answer does not have to be in tabular format.**

**2. Award marks for the correct diversification strategies even if the quote is incomplete.**

**3. Do not award marks for the motivation, if the diversification strategies were incorrectly identified.**

**4. Do not award marks for they also offer lower prices for their services to attract more customers, because this is an example of market penetration as a type of intensive strategy.**

Max (6)

#### 2.3 Impact of COIDA on businesses

##### Positives/advantages

- Promotes health and safety ✓ in the workplace. ✓
- Creates an enabling framework ✓ for acceptable employment practices/safety regulations. ✓
- Covers all employees in the workplace, if both parties/employers and employees ✓ meet all the necessary safety provisions as outlined by COIDA. ✓
- Supplies administrative guidelines/mechanisms ✓ for dealing with and processing claims. ✓
- Provides employees with financial/monetary compensation ✓ for any injury/disability/illness that results from performing workplace duties. ✓
- Protects employees from financial burden should an accident occur in the workplace ✓, provided that the employer is not guilty of negligence and have made contributions to the Compensation Fund. ✓
- COIDA does provide compensation ✓ for domestic workers. ✓
- Any other relevant answer related to the positives/advantages of COIDA on businesses.

AND/OR

##### Negatives/disadvantages

- The implementation of COIDA is time-consuming, expensive, prescriptive and administratively burdensome ✓, especially the lengthy claiming processes/procedures. ✓
- Employers have to register all their employees in order to make annual contributions to COIDA ✓, which may result in cash flow problems for the business. ✓
- Implementation processes/procedures required by the Act may be expensive ✓ and place additional financial burden on struggling businesses. ✓
- Employers may be forced to pay heavy penalties ✓ if they are found guilty of negligence, or for not enforcing safety measures. ✓
- South Africans who are temporarily/permanently employed in foreign countries ✓ are not covered by COIDA. ✓
- COIDA does not cover ✓ military workers. ✓
- Any other relevant answer related to the negatives/disadvantages of COIDA on businesses.

Max (6)

## 2.4 Ways in which businesses can comply with the Labour Relations Act, 1995 (Act 66 of 1995)

- Employees should not be unfairly/illegally dismissed. ✓✓
- Allow/Support the establishment of workplace forums. ✓✓
- Employers should not breach/ignore any collective agreement. ✓✓
- Businesses must allow employees to form trade unions/participate in union activities/legal strikes. ✓✓
- Disclose all relevant information required by trade union representatives to do their jobs effectively. ✓✓
- Any other relevant answer related to ways in which businesses can comply with the LRA.

Max (4)

[20]

Breakdown of marks	
Question 2	Marks
2.1.1	2
2.1.2	2
2.2.1	6
2.2.2	6
2.3	4
<b>TOTAL</b>	<b>20</b>

## QUESTION 3: BUSINESS OPERATIONS

### 3.1 Aspects that should be included in an employment contract

- Personal details of the employee. ✓
- Details of the business/employer e.g. name/address, etc. ✓
- Job title/Position ✓
- Job description e.g. duties/working conditions/responsibilities. ✓
- Job specification e.g. formal qualifications/experience/willingness to travel. ✓
- Date of employment/commencement of employment. ✓
- Place where employee will spend most of his/her working time/conduct work activities. ✓
- Hours of work, e.g. normal time/overtime. ✓
- Remuneration, e.g. weekly/biweekly/fortnightly/monthly pay. ✓
- Benefits/Fringe benefits/Perks/Allowances. ✓
- Leave, e.g. sick/maternity/annual/adoption leave/family responsibility 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. ✓

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

(3 × 1) (3)

### 3.2.1 THREE aspects included in the induction programme from the scenario

- Overview of RR ✓
- Information on the RR's products ✓
- Various personnel policies ✓

(3 × 1) (3)

### 3.2.2 TWO other aspects that must be included in the induction programme

- Tour of the premises/business. ✓✓
- Meeting with senior management who will explain the company's vision/mission/values/job analysis/daily tasks. ✓✓
- Introduction to key people and immediate colleagues. ✓✓
- Conditions of employment, e.g. working hours/leave application process/perks/disciplinary procedures, etc. ✓✓
- Discussion of the employment contract and conditions of service. ✓✓
- Any other relevant answer related to other aspects that must be included in the induction programme of RR.

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

**2. Do not award marks for the aspects named in QUESTION 3.2.1.**

(2 × 2) (4)

### 3.3 Implication of the Employment Equity Act (EEA) on the human resources function

- The HRM must promote/provide ✓ equal opportunities/promote equality in the workplace. ✓
- The HRM must report to the Department of Labour on the progress ✓ regarding the implementation of the employment equity plan. ✓
- Compile employment equity plans ✓ that indicate how they will implement affirmative action ✓. /Ensures that the human resources function promotes ✓ affirmative action/establishes/achieves employment equity plans. ✓
- Assign a manager to ensure that the employment equity plan ✓ will be implemented/regularly monitored. ✓
- Ensure that affirmative action ✓ promotes diversity in the workplace. ✓
- Any other relevant answer related to the implications of the Employment Equity Act (EEA) on the human resources function.

Max (4)

### 3.4 Recruitment procedure

- The human resources manager (HRM) should evaluate the job/prepare a job analysis, that includes the job specification/job description/in order to identify recruitment needs. ✓✓
- The HRM should indicate the job specification/key performance areas to attract suitable candidates. ✓✓
- Choose the method of recruitment, e.g. internal/external recruitment, to reach/target the suitable applicants/candidates. ✓✓
- If the external recruitment is chosen, the relevant recruitment sources should be selected, e.g. recruitment agencies/ tertiary institutions/ newspapers/electronic media, etc. ✓✓
- Vacancies can be internally advertised via internal email/word of mouth/posters/staff notices etc. ✓✓
- External recruitment should be considered if internal recruitment was unsuccessful. ✓✓
- The advertisement should be prepared with the relevant information, e.g. the name of the company, contact details, contact person, etc. ✓✓
- Place the advertisement in the selected media that will ensure that the best candidates apply. ✓✓
- Any other relevant answer related to the recruitment procedure that businesses should follow as a human resources activity.

Max (6)

[20]

Breakdown of marks	
Question 3	Marks
3.1	3
3.2.1	3
3.2.2	4
3.3	4
3.4	6
<b>TOTAL</b>	<b>20</b>

## QUESTION 4: BUSINESS ROLES

### 4.1 King Code principles for good corporate governance from given statements

- 4.1.1 Accountability ✓✓
- 4.1.2 Responsibility ✓✓
- 4.1.3 Transparency ✓✓

(6)

### 4.2 Distinction between ethical behaviour and professional behaviour

Ethical behaviour	Professional behaviour
Refers to the principles ✓ of right and wrong/ acceptable in society. ✓	Refers to what is right/wrong/acceptable ✓ in a business. ✓
Conforms to a set of values ✓ that are morally acceptable. ✓	Set of standards ✓ of expected behaviour. ✓
Forms part of a code of conduct ✓ to guide employees to act ethically. ✓	Applying a code of conduct ✓ of a profession or business. ✓

Ethical behaviour	Professional behaviour
Focuses on developing ✓ a moral compass for decision making. ✓	Focuses on upholding ✓ the reputation of a business/ profession. ✓
Involves following the principles ✓ of right and wrong in business activities/practices/ dealings. ✓	Includes guidelines ✓ on employees' appearance/ communication/attitude/ responsibility, etc. ✓
Any other relevant answer related to the description of ethical behaviour.	Any other relevant answer related to the description of professional behaviour.
<b>Submax (2)</b>	<b>Submax (2)</b>

- NOTE: 1. The answer does not have to be in tabular format.**  
**2. The distinction does not have to link but must be clear.**  
**3. Award a maximum of TWO (2) marks if the distinction is not clear/Mark either ethical or professional behaviour only.**

Max (4)

#### 4.3.1 Unprofessional business practices from the scenario

UNPROFESSIONAL BUSINESS PRACTICES		MOTIVATIONS
1.	Unauthorised use of workplace funds ✓✓	The administrative clerk at OF uses money from the cheque account without prior authorisation from senior management. ✓
2.	Abuse of worktime ✓✓	The employees of OF often take extended lunch breaks which is affecting their sales. ✓
<b>Submax (4)</b>		<b>Submax (2)</b>

- NOTE: 1. The answer does not have to be in tabular format.**  
**2. Award marks for the correct unprofessional business practices even if the quote is incomplete.**  
**3. Do not award marks for the motivation, if the unprofessional business practices were incorrectly identified.**  
**4. Do not penalise learners for writing the full unprofessional business practice: Unauthorised use of workplace funds and resources.**

Max (6)

#### 4.3.2 Ways in which the business could deal with ONE of the unprofessional business practices

##### Unauthorised of workplace funds and recourses

- OF must conduct regular audits. ✓✓
- OF must identify risk areas/ vulnerable areas. ✓✓
- OF must limit the number of employees having access to business funds/assets. ✓✓
- OF must implement/Introduce fraud prevention strategies. ✓✓
- OF must educate employees about the impact of fraud. ✓✓
- Fraud prevention should be a collective responsibility of OF and the workers. ✓✓
- Clear policies should be in place so that employees are aware of what is considered to be fraud. ✓✓
- OF should set up systems in the organisation for the reporting of fraud and corruption. ✓✓
- Any other relevant answer related to ways in which OF could deal with unauthorised use of workplace funds and recourses as an unprofessional business practice.

Submax (4)

OR

##### Abuse of worktime

- Speak directly to those employees who abuse work time. ✓✓
- The Code of conduct/ethics should contain clear rules about abuse of work time. ✓✓
- There must be conduct training on the contents of the code of conduct/ethics. ✓✓
- Code of conduct/ethics should be signed by all employees so that they are aware of its contents. ✓✓
- OF should monitor employees to ensure that tasks are completed. ✓✓
- OF should structure working hours in such a way that employees have free/flexible time for personal matters. ✓✓

- OF must create a culture of responsibility/strengthen team spirit in order for all employees to feel responsible for what has to be achieved. ✓✓
- Any other relevant answer related to ways in which OF could deal with abuse of worktime as an unprofessional business practice.

Submax (4)

Max (4)

[20]

Breakdown of marks	
Question 4	Marks
4.1.1	2
4.1.2	2
4.1.3	2
4.2	4
4.3.1	6
4.3.2	4
<b>TOTAL</b>	<b>20</b>

TOTAL SECTION B: 40

## SECTION C

*Marks the FIRST question only.*

### QUESTION 5: BUSINESS ENVIRONMENTS (LEGISLATION)

#### 5.1 Introduction

- BBBEE is a recent legislation that aim to ensure a path of equality and fairness for all South Africans. ✓
- BBBEE has been developed in response to the demands for redress and equity in South Africa. ✓
- BBBEE was promulgated/established to bring the majority of South Africans into the mainstream of the economy, to significantly accelerate economic opportunities for previously disadvantaged people and to spread wealth more broadly across all population groups. ✓
- A BBBEE scorecard is used to determine the BBBEE statuses of businesses. ✓
- BBBEE aims to integrate all citizens of South Africa meaningfully into the economy. ✓
- Actions regarded as non-compliance refers to actions that are unjust, unfair, illegal and show prejudice towards employees in the context of violating BBBEE. ✓
- Any other relevant introduction related to the purpose/revised pillars/impact/actions regarded as non-compliance according to BBBEE.

Any (2 × 1) (2)

#### 5.2 Purpose of the BBBEE

- Enables wealth to be spread more broadly across all population groups. ✓✓
- Aims at targeting inequality in the South African economy. ✓✓
- Outlines areas that would give the government a platform for bringing equitable spread of wealth amongst all population groups. ✓✓
- Allows for the development of Codes of Good Practice. ✓✓
- Increases the number of black people that manage/control South African businesses. ✓✓
- Any other relevant answer related to the purpose of the BBBEE.

Max (10)

#### 5.3 Implications of the revised pillars of BBBEE

##### Ownership

- Business should include black people ✓ in shareholding/partnerships/franchises. ✓
- Encourage small black investors to invest ✓ in big companies and share ownership. ✓
- 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. ✓
- 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 ownership as a revised BBBEE pillar.

**Submax (4)**

#### **Enterprise and supplier development (ESD)**

- Business must create jobs✓ as ESD promotes local manufacturing.✓
- Identify black owned suppliers✓ that are able to supply goods and services.✓
- Outsource services✓ to suppliers that are BBBEE compliant.✓
- Businesses are encouraged to invest/support✓ black owned SMMEs.✓
- 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.✓
- Contribution can be monetary✓, e.g. loans/investments/donations.✓
- Contribution can be non-monetary✓, e.g. consulting services/advice/entrepreneurial programmes, etc.✓
- 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 enterprise and supplier development (ESD) as a revised BBBEE pillar.

**Submax (4)**

#### **Socio-economic development/Social responsibility**

- Businesses should contribute towards✓ social investment projects and community development. ✓
- Businesses should focus on critical areas of CSI✓ such as development in the country e.g. environmental awareness/ education/ housing/poverty/ unemployment etc. ✓
- Businesses should distribute scarce CSI resources✓ to selected beneficiaries in the community. ✓
- Businesses should promote sustainable use of natural resources✓ and support businesses that make use of sustainable production techniques and sustainable energy utilisation practices. ✓
- Businesses often are not knowledgeable or experts✓ at societal issues and social responsibility, and may result in wastage of financial resources if not investigated correctly. ✓
- Any other relevant answer related to socio-economic development/social responsibility as a revised BBBEE pillar.

**Submax (4)**

**Max (12)**

### **5.4 Impact of BBBEE**

#### **Positives/Advantages**

- Businesses who are BBBEE compliant regarding the five pillars ✓ will be rated high on the BBBEE scorecard/may get government tenders/may attract other BBBEE business partners/suppliers. ✓
- Encourages businesses to address the demands ✓ for redress/equity directly in the workplace. ✓
- Provides for enhanced human resources development ✓ through effective training and development. ✓
- Promotes enterprise development, by developing entrepreneurial skills ✓ of designated people to establish their own businesses. ✓
- Businesses that focus on BBBEE shows commitment towards ✓ the social/education/economic developments in the community/country. ✓
- Improves the image of the business ✓ because a good BBBEE rating, attracts more investors to the business. ✓
- Any other relevant answer related to the positive impact/advantages of BBBEE on businesses.

**AND/OR**

#### **Negative/Disadvantages**

- The implementation of BBBEE is time-consuming, expensive, prescriptive ✓ and administratively burdensome, especially attaining BBBEE Scorecard ratings and training of employees. ✓
- Businesses have to endure rigid processes of having their BBBEE compliance measured/verified ✓ by an independent BBBEE verification agency. ✓
- Some processes associated with BBBEE, if not monitored properly, ✓ may lead to corruption/nepotism/ cronyism. ✓
- BBBEE advocates Enterprise and Supplier Development (ESD) which means certain businesses that are not approved ✓ BBBEE vendors may be excluded from supplying goods and services. ✓

- Businesses that wish to acquire government tenders and conduct business with state, ✓ must have their BBBEE status assessed annually, which increases the administrative burden of businesses. ✓
- Costs increases as businesses have to spend money on the correct compliance with the five BBBEE pillars ✓ in order to obtain a good BBBEE rating. ✓
- Any other relevant answer related to the negative impact/disadvantages of BBBEE on businesses.

Max (12)

### 5.5 Actions regarded as non-compliance according to BBBEE

- Employers who incorrectly implement the means to achieve the requirements of the five BBBEE pillars. ✓✓
- Employers who fail to correctly implement affirmative action to meet BBBEE responsibilities, in the context of employment equity. ✓✓
- Employers who promote unsuitable people into management positions at the expense of qualified previously disadvantaged people. ✓✓
- Employers who are deliberately involved in fronting, corruption, nepotism and cronyism, and because of this, certain parties (individuals) benefit at the expense of other parties (individuals). ✓✓
- Refusing to award government tenders by the state to BBBEE compliant vendors. ✓✓
- Any other relevant answer related to actions regarded as non-compliance according to BBBEE.

Max (12)

### 5.6 Conclusion

- The implementation of BBBEE has resulted in an increase in the number of black people that manage/own/control businesses in the South African economy. ✓✓
- To obtain a good rating, businesses will have to spend money in the areas covered by the BBBEE pillars. ✓✓
- Any other relevant conclusion related to the purpose/revised pillars/impact/actions regarded as non-compliance according to BBBEE.

Any (1 × 2) (2)

[40]

Question 5: Breakdown of mark allocation		
DETAILS	MAXIMUM	TOTAL
5.1 Introduction	2	Max 32
5.2 Purpose of BBBEE	10	
5.3 Implications of the revised pillars of BBBEE Ownership Enterprise and supplier development (ESD) Socio-economic development/Social responsibility	12	
5.4 Impact of BBBEE	12	
5.5 Actions regarded as non-compliance according to BBBEE	12	
5.6 Conclusion	2	
<b>INSIGHT</b>		
<b>Layout</b>	<b>2</b>	<b>8</b>
<b>Analysis/Interpretation</b>	<b>2</b>	
<b>Synthesis</b>	<b>2</b>	
<b>Originality/Examples</b>	<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.

## QUESTION 6

### 6.1 Introduction

- Solving problems requires businesses to apply creative and critical thinking skills. ✓
- Due to many challenges in complex business environments, the business must exactly know how to apply the problem-solving steps to solve the problem. ✓
- Creative thinking is the ability to look at the same scenario/challenge and came up with original, new innovative ideas/solutions. ✓
- The Delphi technique is a process used to arrive at a group opinion or decision by surveying a panel of experts. ✓
- Any other relevant introduction related to problem-solving steps/ways in which the business can create an environment that promotes creative thinking/impact of Delphi technique/application of Delphi technique.

Any (2 × 1) (2)

### 6.2 Problems-solving steps

- Identify the problem. ✓✓
- Define the problem. ✓✓
- Identify possible solutions to the problem. ✓✓
- Select the most appropriate alternative. ✓✓
- Formulate/Develop an action plan/strategy. ✓✓
- Implement the action plan. ✓✓
- Monitor the implementation of the solution/action plan. ✓✓
- Evaluate the solution/action plan. ✓✓
- Any other relevant answer related to the problem-solving steps.

Max (10)

### 6.3 Ways in which the business can create an environment that promotes creative thinking

- Management must always be willing to listen and respond enthusiastically ✓ to new ideas of staff members. ✓
- The management must encourage all staff members ✓ to develop new or unique ideas. ✓
- Management must make time for creating new ideas ✓ e.g. workshops where staff members can brainstorm new ideas/solutions. ✓
- Make it easy for suggesting new ideas ✓ with suggestions boxes in the business. ✓
- Train staff members on innovative techniques ✓ like mind-mapping. ✓
- Organise job swapping with other businesses ✓ to learn from other more creative ways to handle situations. ✓
- Introduce incentives for staff members ✓ who came up with useful creative ideas. ✓
- Make sure that the working environment is free from distractions ✓ like high noise levels. ✓
- Any other relevant answer related to ways in which the business can create an environment that promotes creative thinking.

Max (12)

### 6.4 Impact of Delphi technique

#### Positives/Advantages

- Businesses may use a group of experts ✓ without bringing them together. ✓
- The experts will give the business clear ideas or solutions ✓ on how to improve on productivity and/or profitability. ✓
- Information received from experts can be used ✓ to solve complex business problems. ✓
- Experts may give honest, credible opinions ✓ as they do not have a direct or personal interest in the business. ✓
- Conflict may be avoided ✓ especially if all employees are knowledgeable and well qualified. ✓
- Dominating employees may not take over the process ✓ as they do not form part of the problem-solving process. ✓
- It reduces noise levels in an office environment ✓ since there is no group discussion. ✓
- Any other relevant answer related to the positives/advantages of the Delphi Technique.

#### AND/OR

#### Negatives/Disadvantages

- It is an expensive technique ✓ to use due to high administrative costs. ✓
- This method may be time consuming and complicated ✓ to analyse data received from experts and set new questionnaires. ✓
- Not all experts are willing or interested to give feedback ✓ or to complete questionnaires. ✓
- If the experts are not well chosen ✓ some might not have an in-depth knowledge of certain topics. ✓

- Experts’ suggestions may not be valued by some employees✓, so consensus may not be reached.✓
- Any other relevant answer related to the negatives/disadvantages of the Delphi technique.

Max (12)

### 6.5 Application of the Delphi technique to solve complex problems

- The business must invite a panel of experts to research the challenge of the business.✓
- Experts do not have to be in one place and will be contacted individually.✓
- Design a questionnaire consisting of questions to get information from the experts regarding the challenge of the business.✓
- Request the panel to individually respond to the questionnaire.✓
- Summarise the responses from the experts in a feedback report.✓
- Send the feedback report and if necessary develop a second set of questions/questionnaire based on the feedback report to the panel members.✓
- Request panel members to provide further input/ideas on how to solve the challenge of the business.✓
- If necessary, send a third questionnaire based on previous feedback from the second round.✓
- Finally, the business will summarise all the feedback from the experts in a report.✓
- Based on the report, the business should choose the best solution/proposal after reaching consensus.✓
- Any other relevant answer related to how the business can apply the Delphi Technique to solve complex business problems.

Max (12)

### 6.6 Conclusion

- Constant changes in the various business environments impact on business operations and so they need to adapt to it quickly and make quick/creative decisions.✓✓
- The problem-solving steps is a systematic approach to solve/address business problems.
- Creative thinking can help to solve business problems successfully.✓✓
- Businesses must know how to deal with problems that arise.✓✓
- The Delphi technique is a popular problem-solving technique that can be used to gain expert insight into complex problems by businesses who can afford to apply this technique. ✓✓
- Any other relevant conclusion related to problem-solving steps/ways in which the business can create an environment that promotes creative thinking/impact of Delphi technique/application of Delphi technique.

(Any 1 × 2) (2)  
[40]

Question 6: Breakdown of mark allocation		
DETAILS	MAXIMUM	TOTAL
6.1 Introduction	2	Max 32
6.2 Problem-solving steps	10	
6.3 Ways in which the business can create an environment that promotes creative thinking	12	
6.4 Impact of Delphi technique	12	
6.5 Application of the Delphi technique to solve complex problems	12	
6.6 Conclusion	2	
<b>INSIGHT</b>		
Layout	2	8
Analysis/Interpretation	2	
Synthesis	2	
Originality/Examples	2	
<b>TOTAL MARKS</b>		<b>40</b>

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

**TOTAL SECTION C: 40**  
**GRAND TOTAL: 100**

# School-based assessment (SBA)

Term 2  
Exemplar

GRADE 12

Business Studies

MAY 202\_

## PRESENTATION: MARKING GUIDELINES

Marks: 50

### NOTE TO TEACHERS

1. This is an individual activity and it is your responsibility to explain the task and the rubric to the learners before giving it to them.
2. The task must be marked on the written task of the learner and marks must be indicated on the rubric.
3. Use the suggested marking guidelines, but also consider answers given to them by business owners/managers.
4. Explain to learners the expectations for the visual part of the task, e.g. handling of notes, eye contact with the class, confidence; etc.
5. Learners' presentation in class must be marked according to the requirements of the rubric.
6. There must be strict adherence of the dates of administering the tasks, this is non-negotiable.

## PART 1

### 1.1 Examples of short-term insurance and long-term insurance

#### Short-term insurance

- Property insurance
- Money in transit
- Theft
- Burglary
- Fire
- Storms/Wind/Hail/Rain
- Any other relevant answer related to short term insurance.

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

#### Long-term insurance

- Endowment policy
- Life cover policy/Life insurance
- Retirement annuity/Pension fund/Provident fund
- Funeral insurance

- Health insurance/Medical aid
- Trauma insurance
- Disability policy
- Any other relevant answer related to long term insurance

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

Max (5)

### 1.2 Advantages of insurance for the business

- The insured do not have to bear the risk of losses/damages to assets/possessions.
- Taking over the risk by the insurer from the insured is linked to certain terms and conditions stipulated in the insurance contract.
- The businesses are protected from damages/losses incurred due to natural disasters.
- The businesses are protected from damages/losses incurred due to theft/burglary of assets/possessions.
- The businesses will be compensated for insurable losses of assets/possessions caused by fire.
- Businesses are protected against the loss of earnings, due to strikes by employees
- Businesses are protected against deceitful/dishonest employees.
- A businessman may insure the life of a business partner and receive compensation on his/her death to prevent the loss of capital.
- Businesses may insure the lives of debtors to protect the businesses against losses due to death of a debtor.
- Any other relevant answer related to advantages of insurance for the business.

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

Max (5)

### 1.3 The role of personal attitude in successful leadership

- Exceptional leaders will ensure that the environment at work is filled with a positive attitude coming from him/her.
- A positive attitude from the leader may have a positive effect on the employees, resulting in increased motivation levels.
- A negative attitude from the leader may have the converse effect on employees.
- It is important that employees see within the leader, the type of behaviour they're required to adopt and display at the work place.
- Successful leaders allocate task/responsibilities to employees based on their knowledge of the employees' skills/abilities.
- Leader should be enthusiastic in his engagement with employees because it develops confidence within the leader.
- Successful leaders have a continuing desire to work towards and achieve more professional success.
- Leaders with a positive attitude constantly seek better/improved techniques to enhance performances.
- Any other relevant answer related to the role of personal attitude in successful leadership.

**NOTE: Take other wording which the manager/owner used also into consideration.**

Max (5)

### 1.4 Ways in which the owner/manager deals with difficult people/personalities

Type of Personality	Strategy to deal with a Personality
Complainer	Listen to the complaints but don't acknowledge them by nodding your head. Interrupt the complainer after a while and proceed with strategies to deal with the issues raised.
Indecisiveness	Suggest alternative approaches and guide the employee through the alternatives Highlight the importance of decision making and the consequences of delaying thereof. Assist the employee with the decisions and affirm the employee.
Over-agree	Be firm with the employee and don't allow him/her to let them make promises that they cannot keep. Monitor the progress of duties assigned to the employee.
Negativity	Listen to the employee, but do not agree with him/her. Allow the employee to express his/her views, but do not own their negativity.

Type of Personality	Strategy to deal with a Personality
Expert	<p>Listen to the employee, but let him/her know that you are in control of the situation.</p> <p>Let him/her know that you value their inputs, but that you'll also consider other alternatives.</p> <p>Refrain from attacking their views, which will draw you into a confrontation with him/her.</p>
Quiet	<p>Give the employee sufficient time to express his/her views on the issues.</p> <p>Do not use the delay in responding by the employee to express your views.</p> <p>Use open ended questions to get a meaningful response from the employee.</p> <p>Affirm the employee, but acknowledging the inputs provided.</p>
Aggressive	<p>Provide the employee with sufficient time to express himself/herself.</p> <p>Refrain from attacking their views, that will draw you into a confrontation with him/her.</p> <p>Protect other employees from being intimidated by the employee.</p>

### 1.5 Leadership style and positive impact of style

**NOTE: 1. The learner can state here the leadership style which he/she identified. Use the impact of the identified leadership style.**

**2. The chosen leadership style must link with the advantages explained by the learner.**

#### Impact of the democratic leadership style

##### Positives/Advantages

- The leaders do not have to rely on their own knowledge/skills to solve complex problems.
- Leaders may invite employees to participate in the decision-making process and benefit from their experiences/expertise.
- Employees contribute various/innovative ideas that may benefit the organisation and lead to improved production techniques.
- Employees feel empowered/motivated, resulting in increased productivity levels.
- Regular communication between leaders and employees, leads to improved decision making.

#### Impact of the autocratic leadership style

##### Positives/Advantages

- The leader is in a position to take quick decisions, without consulting employees.
- The leader has certainty that decisions will be made timeously, without delays/work gets done on schedule.
- There is no uncertainty regarding the source of instructions, which comes directly from the leader.
- Strict monitoring/control of production processes by the leader ensures quality products and services.
- Clear/Consistent direction from the leader, provides certainty to new employees.
- The large workforce in certain business makes it impractical to meet/consult with employees.
- Concise/Clear guidance could be given to newly appointed/inexperienced staff.

#### Impact of the laissez-faire/free reign leadership style

##### Positives/Advantages

- Employees are trusted and given the responsibility of making decisions in areas of their own expertise
- Employees don't need to consult the leader, when making decisions which may benefit the organisation.
- Motivation levels of employees increases, because the leader recognises their abilities/ skills to make decisions.
- Productivity levels of the organisation could increase significantly because employees feel valued/appreciated.
- Employees experience personal growth/development as they are allowed to make decisions on their own.
- The leadership skills of individual employees may develop as they interact with other employees in decision making.

#### The impact of the charismatic leadership style

##### Positives/Advantages

- Leader communicates the vision/goals of the organisation in a concise/clear manner, that inspire confidence amongst employees.
- Employees are inspired by the energy/passion of the charismatic leader.
- Employees are motivated to exceed their own expectations and overcome their own fears.
- Employees are made to feel valued/appreciated, which encourage them to worker harder and improve productivity levels.

### The impact of the transactional leadership style

#### Positives/Advantages

- Linking rewards to targets encourages workers to work effectively/efficiently
- Incentives offered to employees who exceed targets increases the productivity levels of workers.
- Other employees are encouraged to work harder if they see fellow employees getting incentives for meeting/exceeding targets
- Achieving the organisations goals become easier because workers feel valued/appreciated.
- Employees are given targets and that they know the targets they need to work towards.
- Employees are aware of the punishment, should targets not be met.

## PART 2

### 2.1 Challenges in the three business environments

Business Sector (2.1.1)	Challenges (2.1.2)	Business Environment (2.1.3)
Primary sector	1. The employees of Moo Cattle Farm often arrive late to work and do not meet daily targets.	1. Micro
	2. MCF buys their ingredients from Bathang Lucerne who is sometimes out of stock.	2. Market

- NOTE: 1. Award marks for the challenge, even if the business environment is incorrect.  
 2. The business environment must link with the challenge.  
 3. Only challenges from the scenario must be marked.**

Max (5)

### 2.2 Characteristics for successful team performance

- Team members share a common goal that every team member works towards achieving.
- A group of values are shared by team members and group decisions are implemented as a collective.
- Teams value the contributions of individual members and consensus are reached should differences exist.
- The team environment is characterised by mutual trust/respect for each other.
- Conflict is addressed immediately and team members feel free to communicate with one another.
- Meeting deadlines are important for team to achieve its goals and team member's takes responsibility for such deadlines.
- The needs of individual team members are not neglected by the team.
- The relationships between individual teams members are nurtured/encouraged.
- Any other relevant answer related to the characteristics of successful team performance.

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

Max (5)

### 2.3 Correct procedure to deal with grievances in the workplace

- The complainant must verbally report the grievance to his/her supervisor.
- The supervisor must resolve the grievance within 3 – 5 days.
- If the supervisor be unable to resolve the grievance, the complainant may take the grievance to the manager of the supervisor.
- The grievance forwarded to the manager of the supervisor must be in writing.
- The manager of the supervisor provides the complainant with a written reply in response to the written grievance.
- The manager must invite all parties to the grievance to a meeting.
- A record of the meeting must be recorded in the minutes thereof and decisions made must be recorded on the formal grievance form.
- Should the employee not be satisfied with the outcome of the meeting, he/she could refer the matter to the highest level of management.
- Top management should arrange a meeting with all relevant parties concerned.
- Minutes of this meeting should be recorded, and the outcome must be recorded on the formal grievance form.
- Should the employee still not be satisfied, he/she may refer the matter to the CCMA who will make a final decision on the matter.
- The matter can be referred to Labour Court on appeal if the employee is not satisfied with the decision taken by the CCMA.

**NOTE: The sequence of the procedure do not have to be given in order.**

Max (5)

# School-based assessment (SBA)

Term 2  
Exemplar

GRADE 12

Business Studies

JUNE 202\_

## JUNE EXAMINATION PAPER 1: MARKING GUIDELINES

Marks: 150 Time: 2 Hours

### SECTION A (COMPULSORY)

#### QUESTION 1

1.1 Multiple choice

- 1.1.1 A✓✓
- 1.1.2 A✓✓
- 1.1.3 C✓✓
- 1.1.4 B✓✓
- 1.1.5 A✓✓

(5 × 2) (10)

1.2 Complete the statement

- 1.2.1 placement✓✓
- 1.2.2 double✓✓
- 1.2.3 Consumer Protection✓✓
- 1.2.4 piecemeal✓✓
- 1.2.5 substitute✓✓

(5 × 2) (10)

1.3 Matching Columns

- 1.3.1 E✓✓
- 1.3.2 I✓✓
- 1.3.3 B✓✓
- 1.3.4 H✓✓
- 1.3.5 G✓✓

(5 × 2) (10)

**TOTAL SECTION A: 30**

Breakdown of marks	
Question 1	Marks
1.1	10
1.2	10
1.3	10
<b>TOTAL</b>	<b>30</b>

## SECTION B

### QUESTION 2: BUSINESS ENVIRONMENTS

#### 2.1 BBBEE pillars

- Management control ✓
- Ownership ✓
- Enterprise and supplier development (ESD) ✓
- Skills Development ✓
- Social responsibility/Socio economic development ✓

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

(4 × 1) (4)

#### 2.2 Consumer rights

- 2.2.1 Right to choose ✓✓
- 2.2.2 Right to fair and honest dealings ✓✓
- 2.2.3 Right to fair/responsible marketing/promotion ✓✓

(3 × 2) (6)

#### 2.3

BUSINESS ENVIRONMENTS	EXTENT OF CONTROL
1. Micro environment ✓	Full control ✓
2. Market environment ✓	Limited/Partial/Less/Some control ✓
3. Macro environment ✓	No control ✓
<b>Submax (3)</b>	<b>Submax (3)</b>

**NOTE: 1. The extent of control must be linked to the environment.**

**2. Do not award marks for the extent of control if the business environment is not mentioned.**

**3. Order may be different.**

Max (6)

#### 2.4 Role of SETAs in supporting the SDA

- Registers ✓ various learnerships and learning programmes. ✓
- Promotes and establishes ✓ various learnerships. ✓
- Approves the workplace skills plans ✓ and annual training reports submitted by businesses. ✓
- Develops skills plans ✓ that are in line with the aims of the National Skills Development Strategy (NSDS). ✓
- Develops/builds skills development plans for the various economic sectors. ✓
- Promotes learnerships and learning programmes ✓ by correctly identifying the best workplaces for practical work experience. ✓
- Any other relevant answer related to the role of SETAs in supporting the SDA.

Max (6)

#### 2.5 SWOT ANALYSIS FOR BMI

##### 2.5.1 SWOT Analysis from the scenario

STRENGTHS	WEAKNESSES
Brendon Musical Instruments specialises in selling good quality musical instruments. ✓ The owners is a highly qualified musician with knowledge of all instruments. ✓ <b>(Any 1 x1) (1)</b>	However, the business did not have sufficient capital to invest in stock. ✓ <b>(1)</b>
OPPORTUNITIES	THREATS
John Sabena is willing to invest venture capital in the music industry. ✓ <b>(1)</b>	The crime rate in the area is very high. ✓ <b>(1)</b>

(4 × 1) (4)

**2.5.2 Strategies for high crime rate in the area.**

- Install security systems/hire more security to safeguard the business. ✓✓
- Engage in CSR/CSI programmes that are aimed at reducing crime in the community. ✓✓
- Provide employment opportunities for local people /the community. ✓✓
- Relocate the business to other areas where the crime rate is minimal. ✓✓
- Work together with the Community Policing Forums (CPF). ✓✓
- Any other relevant strategy on how BMI may address the threat of the high crime area in which it operates.

(Any 1 × 2) (2)

**NOTE: 1. Do not award marks for strategies that are not linked to the identified threats in QUESTIONS 2.5.1.**

**2. Mark the FIRST strategy for the threat only.**

**2.6 Steps in strategy evaluation**

- Examine/Assess ✓ the underlying basis of a business strategy. ✓
- Look forward and backwards ✓ into the implementation process. ✓
- Compare the expected performance ✓ with the actual performance. ✓
- Measure the business performance ✓ in order to determine the reasons for deviations and analyse these reasons. ✓
- Take corrective action ✓ so that deviations may be corrected. ✓
- Set specific dates ✓ for control and follow up. ✓
- Draw up a table/list of the advantages and disadvantages ✓ of a strategy. ✓
- Decide ✓ on the desired outcome. ✓
- Consider the impact of the strategic implementation ✓ in the internal and external environments of the business. ✓
- Any other relevant answer related to the steps in strategy evaluation.

**NOTE: Mark steps in any order.**

Max (6)

**2.7 Ways to comply with Employment Equity Act**

- Display a summary of the EEA in the business where it is visible to all employees. ✓✓
- Provide equal opportunities to all employees in the workplace. ✓✓
- Businesses should ensure that employees are paid equally for work of equal value. ✓✓
- Implement affirmative action measures in order to promote diversity in the workplace. ✓✓
- Compile employment equity plans that specifies how affirmative action will be implemented in the workplace. ✓✓
- The workplace must be representative of the demographics of the country at all levels. ✓✓
- Current employment policies/practices/ procedures must be restructured and evaluated to accommodate the various designated groups. ✓✓
- Any other relevant answer related to the compliance of EEA.

Max (6)

[40]

Breakdown of marks	
Question 2	Marks
2.1	4
2.2	6
2.3	6
2.4	6
2.5.1	4
2.5.2	2
2.6	6
2.7	6
<b>TOTAL</b>	<b>40</b>

## QUESTION 3: BUSINESS OPERATIONS

### 3.1 Sources of internal recruitment

- Internal e-mails/Intranet/websites to staff ✓
- Word of mouth ✓
- Business newsletters/circulars ✓
- Internal/management referrals ✓
- Office notice boards ✓
- Internal bulletins ✓
- Recommendation of current employees ✓
- Head hunting within the business/organisational database ✓
- Any other relevant answer related to sources of internal recruitment.

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

(6 × 1) (6)

### 3.2.1 Job analysis components of RRH

COMPONENTS	MOTIVATIONS
1. Job description ✓✓	The receptionist will have to make bookings for the guests and do placements in the different rooms. ✓
2. Job specification ✓✓	Applicants must have a diploma in administration management. ✓
<b>Submax (4)</b>	<b>Submax (4)</b>

**NOTE: 1. The answer does not have to be in tabular format.**

**2. Award marks for the correct job analysis components even if the quotes are incomplete.**

**3. Do not award award marks for the motivation, if the job analysis components were incorrectly identified.**

Max (6)

### 3.3 Role of the interviewee during an interview

- Greet the interviewer by name ✓ with a solid handshake and a friendly smile. ✓
- Listen carefully to the questions ✓ before responding. ✓
- Make eye contact ✓ and have good posture/body language. ✓
- Show confidence ✓ and have a positive attitude/be 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. ✓
- Thank the interviewer ✓ for the opportunity given to be part of the interviews. ✓
- Any other relevant answer related to the role of the interviewee.

Max (8)

### 3.4 Business functions

3.4.1 Purchases function ✓✓

3.4.2 Public relations function ✓✓

(2 × 2) (4)

### 3.5 Impact if TQM is poorly implemented

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

- Decline in sales, ✓ as product returns from unhappy customers' increase. ✓
- High staff turnover, ✓ because of poor skills development/training. ✓
- Any other relevant answer related to the impact if TQM is poorly implemented.

Max (8)

### 3.6 How to apply PDCA model/cycle

- Plan – The business should identify the problem and develop a plan for improvement to processes and systems. ✓✓
- Do – The business should implement the change on a small scale and implement the processes and systems as planned. ✓✓
- Check/Analyse – Determine whether it made a difference and what needs to be improved. ✓✓
- Act as needed – Devise strategies and implement the improvement to meet the needs of the business. ✓✓
- Any other relevant answer related to the application of the PDCA model.

(4 × 2) (8)

[40]

Breakdown of marks	
Question 3	Marks
3.1	6
3.2	6
3.3	8
3.4	4
3.5	8
3.6	8
<b>TOTAL</b>	<b>40</b>

## QUESTION 4: MISCELLANEOUS TOPICS

### BUSINESS ENVIRONMENTS

#### 4.1 Leave provisions in the Basic Conditions of Employment Act

- Annual leave ✓
- Sick leave ✓
- Maternity leave ✓
- Family responsibility leave ✓
- Parental leave ✓

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

(Any 3 × 1) (3)

#### 4.2 Legislation

##### 4.2.1 Compensation for Occupational Injuries and Diseases Amendment Act /COIDA ✓✓

Submax (2)

**Motivation:** AT requested Carol not to report the accident as they were not registered with the Compensation Fund. ✓

Submax (1)

**NOTE: 1. Award full marks for the identification of COIDA even if the quote is incomplete.**

**2. Do not award marks for the quote if the Act was incorrectly identified.**

Max (3)

##### 4.2.2 Penalties for non-compliance with COIDA

- Businesses that do not comply with COIDA may receive a compliance order from the Labour Court, ✓ that forces the business to comply with the COIDA. ✓
- Businesses who neglect to comply with COIDA may receive large fines for refusing to lodge claims ✓ and may be even provided with a jail sentence/imprisonment, that is dependent on the severity of the non-compliance. ✓
- Businesses can be forced to make large payments ✓ if they did not implement the necessary precautions to reduce accidents/fatalities and to promote health and safety in the workplace. ✓
- Businesses may be forced to pay any recovery costs ✓ required by the compensation fund. ✓
- Employees may take the businesses to court ✓ for not registering with Commissioner of the Compensation Fund. ✓
- Any other relevant answer related to the penalties for not complying COIDA.

Max (6)

### 4.3 Application of Porter's Five Forces model

#### 4.3.1 Power of buyers

- A few powerful buyers are often able to dictate their terms/prices to the business. ✓✓
- Assess how easy it is for buyers/customers to drive prices down/decrease prices. ✓✓
- Determine the number of buyers/the importance of each buyer to the business and the cost of switching to other products. ✓✓
- Buyers buying in bulk can bargain/negotiate for prices in their favour. ✓✓
- Conduct market research to gather more information about its buyers/customers. ✓✓
- Any other relevant answer related to the application of Power of buyers.

Submax (4)

## BUSINESS OPERATIONS

### 4.4 Examples of fringe benefits

- Medical Aid Fund/Health Insurance Fund ✓
- Pension Fund ✓
- Provident Fund ✓
- Funeral benefits ✓
- Car/Travel/Housing/Cell phone/Clothing allowance ✓
- Performance based incentives ✓
- Issuing of bonus shares ✓
- Staff discount/Free or low-cost meal/Canteen facilities ✓
- Any other relevant answer related to examples of fringe benefits.

(Any 4 × 1) (4)

### 4.5 Link between salary determination and BCEA

- The BCEA sets out conditions that ensure fair labour and human resources practices takes place within the business. ✓✓
- According to the BCEA, businesses may use different remuneration methods to pay their employees. ✓✓
- Payment of salaries should be based on whether the employee is permanent or employed on a fixed contract. ✓✓
- Businesses are supposed to deduct income tax (PAYE) and other salary deductions from the employees' taxable salaries. ✓✓
- The BCEA outlines legalities of the employment contract, such as work hours/overtime, which may affect salary determination. ✓✓
- The BCEA also regulates the minimum wage rates per sector and the business must therefore ensure that remuneration reflected in the employment contract is not below minimum wages. ✓✓
- Any other relevant answer related to the link between salary determination and BCEA.

Max (6)

### 4.6 Meaning of TQM

- TQM is an integrated system/methodology/process applied throughout the organisation, ✓ which helps to design/produce/provide quality products/services to customers. ✓
- It is a thought revolution in management, ✓ where the entire business is operated with customer orientation in all business activities. ✓
- TQM enables businesses to continuously improve ✓ on the delivery of products/services in order to satisfy the needs of customers.
- Management ensures that each employee is responsible/accountable ✓ for the quality of his/her work/actions. ✓
- Any other relevant answer related to the meaning of TQM.

Max (4)

### 4.7 Roles of quality circles

#### 4.7.1 Role of quality circles from the scenario

- They requested quality circles to suggest solutions to management. ✓
- They were also requested to make recommendations for improving systems and processes in the workplace. ✓

(2)

#### 4.7.2 Other roles of quality circles

- Ensure that there is no duplication✓ of activities/tasks 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. ✓
- Quality circles discuss ways of improving✓ the quality of work/workmanship. ✓
- Contribute towards the improvement✓ and development of the organisation. ✓
- Improve employees' loyalty and commitment✓ to the business and its goals. ✓
- Any other relevant answer related to the role of quality circles.

**NOTE: Do not accept responses provided in QUESTION 4.7.1.**

Max (4)  
[40]

Breakdown of marks	
Question 4	Marks
4.1	3
4.2.1	3
4.2.2	6
4.3.1	4
4.3.2	4
4.4	4
4.5	6
4.6	4
4.7.1	2
4.7.2	4
<b>TOTAL</b>	<b>40</b>

**TOTAL: SECTION B: 80**

## SECTION C

### QUESTION 5: BUSINESS ENVIRONMENTS

#### 5.1 Introduction

- Businesses need to identify, develop and implement business strategies to improve performance. ✓
- Integration strategies enable businesses to solve challenges posed by the market environment. ✓
- The aim of strategy evaluation is to determine whether the chosen strategy will resolve the identified challenges. ✓
- PESTLE analysis helps the business to enhance its strength in the macro environment. ✓
- Any other relevant introduction related to the strategic management process/types of integration strategies/ advantages of diversification strategies/how businesses can deal with social and economic PESTLE factors.

(Any 2 × 1) (2)

#### 5.2 Strategic management process

##### Option 1

The business must:

- Have a clear vision, mission statement and measurable/realistic/achievable objectives in place. ✓✓
- Identify strengths/weaknesses/opportunities/threats by conducting environmental scanning/situational analysis. ✓✓
- Use available tools/methods for environmental scanning, which may include a SWOT analysis/Porter's Five Forces model/PESTLE analysis/industrial analysis tools. ✓✓
- Formulate alternative strategies to respond to business challenges. ✓✓
- Develop/create (an) action plan(s), including the tasks to be completed/deadlines to be met/resources to be procured, etc. ✓✓
- Organise the business resources and motivate staff. ✓✓
- Implement selected strategies by communicating it effectively/efficiently/correctly to all stakeholders. ✓✓
- Continuously evaluate/monitor/assess/measure strategies to take corrective action. ✓✓
- Any other relevant answer related to the strategic management.

Max (10)

OR

**Option 2**

The business must:

- Review/Analyse/Re-examine the vision/mission statement. ✓✓
- Conduct (an) environmental analysis/environmental scanning using models such as SWOT analysis/Porter's Five Forces model/PESTLE analysis. ✓✓
- Formulate a strategy such as a(n) integration/intensive/diversification/defensive strategy. ✓✓
- Implement a strategy, using a template such as an action plan. ✓✓
- Control/Evaluate/Monitor the implemented strategy to identify gaps/deviations/differences in implementation. ✓✓
- Take corrective action to ensure goals/objectives/aims are met. ✓✓
- Any other relevant answer related to strategic management.

**Max (10)**

**5.3 Types of integration strategies**

Forward vertical integration ✓✓	<ul style="list-style-type: none"> <li>• The business combines/merges✓ with/takes over its distributors down the supply chain/production chain. ✓</li> <li>• It involves the expansion of business activities✓ to gain control over the distribution of products/services. ✓</li> <li>• The business takes over the distribution system and sells products/services directly to consumers/customers. ✓</li> <li>• The business merges with businesses✓ that were once their customers, while still maintaining control of the initial/primary business activities. ✓</li> <li>• Any other relevant answer related to the explanation of forward vertical integration.</li> </ul>	<b>Submax (2)</b>
Backward vertical integration ✓✓	<ul style="list-style-type: none"> <li>• The business combines with/merges/takes over✓ its suppliers up the supply chain/production chain. ✓</li> <li>• This is done to decrease✓ the business's dependency on suppliers. ✓</li> <li>• The business expands its role✓ to fulfil activities/tasks that were formerly/ previously completed by suppliers. ✓</li> <li>• It involves buying over/merging with another business✓ that supplies products/ services to the business. ✓</li> <li>• Any other relevant answer related to the explanation of backward vertical integration.</li> </ul>	<b>Submax (2)</b>
Horizontal integration ✓✓	<ul style="list-style-type: none"> <li>• The business takes control of/incorporates/merges ✓with other businesses in the same/related industry which produce/sell the same/similar products. ✓</li> <li>• The aim is to reduce✓ the threat of competition/substitute products/services. ✓</li> <li>• The business is able to strengthen/expand their market share/position ✓and enhance production/ distribution. ✓</li> <li>• It is the acquisition/takeover of a related business ✓that operates at the same level of the supply chain in the industry. ✓</li> <li>• Any other relevant answer related to the explanation of horizontal integration.</li> </ul>	<b>Submax (2)</b>
<b>Submax (6)</b>		<b>Submax (6)</b>

**Max (12)**

**NOTE: 1. The answer does not have to be in tabular format.**

**2. The order may be different.**

**5.4 Advantages of diversification strategies**

- Increase in sales/revenue/income✓ and business growth. ✓
- Sustained profitability from different product lines✓ during times of fluctuating economic activity. ✓
- Increase in the number of products being sold✓ to existing/new customers/consumers ✓
- Establish additional new markets✓ in unrelated markets/industries. ✓

- Gain more technological capabilities✓ through product modification. ✓
- Improve brand/image/brand awareness✓ of the business. ✓
- Reduce the risk✓ of relying only on one product for sales/revenue/income. ✓
- Retain its competitive advantage✓ by meeting the needs of current/new customers/expanding into new unexplored markets. ✓
- Remain relevant/functional/operational✓ in the context of ever changing business environments. ✓
- Any other relevant answer related to the effectiveness of diversification strategies.

Max (12)

## 5.5 Ways to apply PESTLE factors

### Technological

- Conduct continuous research on the latest available technology/equipment in the market.✓✓
- Train existing/appoint new employees to maintain/use new equipment/technology. ✓✓
- Compare prices/Select suitable suppliers for new equipment/machinery/technology at reasonable prices. ✓✓
- Businesses must be geared for online trading/e-commerce. ✓✓
- Any other relevant answer related to ways in which the business can deal with challenges posed by technological PESTLE factors.

Max (6)

### Economic

- Consider decreasing profit margins rather than increasing product prices. ✓✓
- Borrow money from financial institutions when interest rates are favourable✓✓
- Consider exchange rates when trading with other countries/Trade with countries with a favourable exchange rate. ✓✓
- Provide shares at competitive/lower prices to attract more foreign direct investment. ✓✓
- Any other relevant answer related to ways in which the business can deal with challenges posed by economic PESTLE factors.

Max (6)

## 5.6 Conclusion

- When the business implements the integration and diversification strategies correctly, it usually results in growth and continuous improvement. ✓✓
- The application of strategies for PESTLE factors will strengthen the position of the business in the macro environment. ✓✓
- Businesses must continuously evaluate strategies in order to change/adapt to the demands of their markets. ✓✓
- Any other relevant conclusion related to the strategic management process/types of integration strategies/advantages of diversification strategies/how businesses can deal with social and economic PESTLE factors.

(Any 1 × 2) (2)

Question 5: Breakdown of mark allocation		
DETAILS	MAXIMUM	TOTAL
5.1 Introduction	2	Max 32
5.2 Strategic management process	10	
5.3 Integration strategies	12	
5.4 Advantages of diversification strategies	12	
5.5 Ways to deal with PESTLE factors	12	
5.6 Conclusion	2	
INSIGHT		
Layout	2	8
Analysis/Interpretation	2	
Synthesis	2	
Originality/Examples	2	
<b>TOTAL MARKS</b>		<b>40</b>

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

## QUESTION 6: BUSINESS OPERATIONS

### 6.1 Introduction

- Quality is the ability of a product/service to satisfy specific needs of consumers. ✓
- Total quality relates to products that totally satisfy consumers' needs and expectations in every respect on a continuous basis. ✓
- Quality management should not just be an inspection process, but become part of the culture of the business. ✓
- TQM helps to design, produce/provide quality products at a lower cost. ✓
- Any other relevant introduction related to the advantages of a good quality management system/quality indicators of the production function/impact of continuous skills development on large businesses/ways in which TQM can reduce the cost of quality.

(Any 2 × 1) (2)

### 6.2 Advantages of a good quality management system

- Effective customer services are rendered, resulting in increased customer satisfaction. ✓✓
- Time and organisational resources such as finance/raw materials/labour are used efficiently. ✓✓
- Productivity increases through proper/effective time management/using high quality resources. ✓✓
- Products/Services are constantly improved resulting in increased levels of customer satisfaction. ✓✓
- Enhances the ability of the business to achieve its vision/mission/goals. ✓✓
- Business has a/improves its competitive advantage over its competitors. ✓✓
- Regular training will continuously improve the quality of employees' skills/knowledge/competencies. ✓✓
- Improves the employee morale/productivity within the businesses. ✓✓
- Increased market share/more customers improve profitability. ✓✓
- Improves business image as there are less defects/returns. ✓✓
- Improves the financial sustainability of the business as customers are retained. ✓✓
- Any other relevant answer related to the advantages of a good quality management system.

Max (12)

### 6.3 Quality indicators for production function

- The production manager should provide/ensure ✓ high quality products/services according to specifications. ✓
- The production/operating processes of a business ✓ is done through proper/effective production planning/control. ✓
- The production manager should aim to produce products ✓ at the lowest possible cost to ensure profit maximisation. ✓
- The production manager should communicate ✓ the roles and responsibilities to the production workers. ✓
- Products meet customers' requirements ✓ by being safe/reliable/durable. ✓
- Monitor processes and find/determine the root ✓ causes of production problems. ✓
- Implement quality control systems ✓ to ensure that quality products are consistently being produced. ✓
- Any other relevant answer related to quality indicators for production function.

Max (12)

### 6.4 Impact of continuous skills development on large businesses

#### Positives/Advantages

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

#### AND/OR

#### Negatives/Disadvantages

- Poor communication systems in large businesses ✓ may prevent effective training from taking place. ✓
- Trained employees may leave for better jobs ✓ after they gained more skills. ✓
- Demotivates employees ✓ if they do not receive recognition/acknowledgement for training. ✓✓
- Employees may not be aware of the level of competency ✓ they should meet to achieve their targets. ✓
- It may be difficult to monitor/evaluate ✓ the effectiveness of training. ✓
- Any other relevant answer related to the disadvantages of continuous skills development.

Max (12)

### 6.5 Ways that TQM can reduce the cost of quality

- Introduce quality circles to discuss ways of improving the quality of work/workmanship. ✓✓
- Schedule activities to eliminate duplication of tasks. ✓✓
- Share responsibility for quality output amongst management and workers. ✓✓
- Train employees at all levels, so that everyone understands their role in quality management. ✓✓
- Develop work systems that empower employees to find new ways of improving quality. ✓✓
- Work closely with suppliers to improve the quality of raw materials/inputs. ✓✓
- Improve communication about quality challenges/deviations, so that everyone can learn from experience. ✓✓
- Reduce investment on expensive, but ineffective inspection procedures in the production process. ✓✓
- Implement pro-active maintenance programmes for equipment/machinery to reduce/eliminate breakdowns. ✓✓
- Any other relevant answer related to ways TQM can reduce cost of quality.

Max (10)

### 6.6 Conclusion

- Quality is important for a business to be sustainable. ✓✓
- All business functions contribute to the success or failure of a business and should therefore have quality control. ✓✓
- It is important that businesses have proper systems for managing quality e.g. TQM which reduces cost and increases profits. ✓✓
- Any other relevant conclusion related to the advantages of a good quality management system/quality indicators of the production function/impact of continuous skills development on large businesses/ways in which TQM can reduce the cost of quality.

(Any 1 × 2) (2)

Question 6: Breakdown of mark allocation		
DETAILS	MAXIMUM	TOTAL
6.1 Introduction	2	Max 32
6.2 Advantages of a good quality management system.	12	
6.3 Quality indicators for the production function.	12	
6.4 Impact of continuous skills development	12	
6.5 Ways TQM can reduce cost of quality	10	
6.6 Conclusion	2	
INSIGHT		
Layout	2	8
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.

# School-based assessment (SBA)

Term 2  
Exemplar

GRADE 12

Business Studies

JUNE 202\_

## JUNE EXAMINATION PAPER 2: MARKING GUIDELINES

Marks: 150 Time: 2 Hours

### SECTION A

#### QUESTION 1

##### 1.1 Multiple choice

- 1.1.1 C✓✓
- 1.1.2 B✓✓
- 1.1.3 C✓✓
- 1.1.4 C✓✓
- 1.1.5 B✓✓

(5 × 2) (10)

##### 1.2 Complete the statement.

- 1.2.1 nominal group✓✓
- 1.2.2 transformational✓✓
- 1.2.3 indemnify✓✓
- 1.2.4 unfair advertising✓✓
- 1.2.5 debentures✓✓

(5 × 2) (10)

##### 1.3 Matching columns

- 1.3.1 H✓✓
- 1.3.2 F✓✓
- 1.3.3 G✓✓
- 1.3.4 E✓✓
- 1.3.5 B✓✓

(5 × 2) (10)

**TOTAL: SECTION A: 30**

Breakdown of marks	
Question 1	Marks
1.1	10
1.2	10
1.3	10
<b>TOTAL</b>	<b>30</b>

## SECTION B

### QUESTION 2: BUSINESS VENTURES

#### 2.1 Examples of short term insurance

- Property insurance✓
- Money in transit✓
- Theft✓
- Burglary✓
- Fire✓
- Storms/Wind/Hail/Rain✓
- Any other relevant answer related to short term insurance.

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

(2 × 1) (2)

#### 2.2 Principles of insurance

2.2.1 Insurable interest✓✓

2.2.2 Utmost good faith✓✓

(2 × 2) (4)

#### 2.3 Differences between insurance and assurance

Insurance	Assurance
The principle of indemnity is applicable✓ in the event of a loss/damage occurring. ✓	The principle of security/certainty is applicable✓ in the event of an occurrence of an insured event. ✓
Provides cover for a risk✓ that may occur. ✓	Provides cover for a risk✓ that will occur. ✓
Applicable✓ to short-term insurance✓	Applicable✓ to long-term insurance✓
The insured pays a premium to the insurer✓ and the insurer agrees to compensate the insured in the event of damage/loss occurring. ✓ Any other relevant answer related to the explanation of insurance.	The insured pays a premium to the insurer✓ and the insurer agrees to pay a specified amount of money after a fixed period has elapsed or on the death of the insured. ✓ Any other relevant answer related to the explanation of assurance.
<b>Submax (2)</b>	<b>Submax (2)</b>

**NOTE:1. The answer does not have to be in tabular format.**

**2. The distinctions do not have to link but must be clear.**

**3. Award a maximum of TWO (2) marks if the distinction is not clear.**

Max (4)

#### 2.4 Leadership styles

2.4.1 Leadership style from the scenario

Democratic leadership style✓✓

(2)

2.4.2 Situations in which BP can apply the democratic leadership style

- The leader knows his/her limitations and is open to new ideas/innovative thinking. ✓✓
- The leader requires a different perspective on an issue in which experienced employees could provide valuable information. ✓✓
- Employees are experienced/experts in their chosen fields of occupation. ✓✓
- Teamwork is promoted and the inputs of employees are valued/appreciated. ✓✓
- Any other relevant answer related to application of democratic leadership style.

Max (6)

#### 2.5 The 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 (8)

## 2.6 Description and calculation of interest

### 2.6.1 The meaning of compound interest

- Interest is calculated in every period✓ on original/principal amount plus interest. ✓
- Interest is added to the original/principal amount✓ and interest is earned on interest for each defined period. ✓
- As interest is added to the investment, ✓ the capital increases. ✓
- Any other relevant answer related to the meaning of compound interest.

Max (4)

### 2.6.2 Calculation of interest

#### Option 1:

Year 1:  $R\ 100\ 000 \times 0.12 \times 1 = R\ 12\ 000$  ✓

Year 2:  $(R\ 100\ 000 + 12\ 000) \times 0.12 \times 1 = R\ 13\ 440$  ✓

Year 3:  $(112\ 000 + 13440) \times 0.12 = R\ 15\ 052.80$  ✓

Total interest =  $R\ 12\ 000 + R\ 13\ 440 + R\ 15\ 052.80 = R\ 40\ 492.80$  ✓

OR

#### Option 2:

Interest =  $P \times (1 + i)^n - P$  ✓ =  $R\ 100\ 000 \times (1 + 0.12)^3 - R\ 100\ 000$  ✓

=  $R\ 100\ 000 \times (1.12)^3 - R\ 100\ 000$  ✓

=  $R\ 40\ 492.80$  ✓

**NOTE: 1. Allocate the full FOUR (4) marks if the answer is correct and no workings are shown.**

**2. If workings were shown correctly, but final answer is wrong, award a maximum of THREE (3) marks.**

**3. If answer is incorrect, award a maximum of ONE mark for the understanding of concept/formulae and method.**

**4. If there are no workings shown and the answer is incorrect, allocate a ZERO mark.**

Max (4)

## 2.7 Factors to consider when making an investment decision

### 2.7.1 Return on investment

- Refers to the amount of money the investor gets in addition to the original investment amount. ✓✓
- The additional amount after tax expressed as a percentage of the original investment amount. ✓✓
- Will be higher if the risks involved in the investment is high. ✓✓
- Will be lower if the risk involved in the investment is low. ✓✓
- The return on investment after deduction of tax, should be higher than the general increase. ✓✓
- The net after-tax return should be higher than the rate of the general increases in prices. ✓✓
- Any other relevant answer related to the return on investment as a factor to consider when making an investment decision.

Max (4)

### 2.7.2 Risk

- The risk linked to investment opportunities refers to the doubt that exist regarding the extent of any gains/ losses that the investor could make. ✓✓
- Different investment opportunities have different risks linked to them. ✓✓
- Certain shares do have a low risk over an extended investment period. ✓✓
- Higher return on investment could be made with other shares that may be subjected higher risks. ✓✓
- The investor in ordinary shares have a higher risk linked to the investment because he/she will lose his/her full investment / portion of his investment should the company be declared bankrupt. ✓✓

- The investment in preference shares have a lower risk linked to his investment, because the investor will have rights to the company's assets should it be declared insolvent. ✓✓
- Any other relevant answer related to the risk as a factor to consider when making an investment decision.

Max (4)

Breakdown of marks	
Question 2	Marks
2.1	2
2.2	4
2.3	4
2.4.1	2
2.4.2	6
2.5	6
2.6.1	4
2.6.2	4
2.7.1	4
2.7.2	4
<b>TOTAL</b>	<b>40</b>

### QUESTION 3: BUSINESS ROLES

#### 3.1 Examples of ethical behaviour

- The business is telling the truth during a public relation crisis to overcome the business's issue. ✓✓
- Companies keep promises to their employees, partners, and customers. ✓✓
- The business shows loyalty when they make decisions that will also benefit their staff, partners, investors, and customers. ✓✓
- The business shows fairness when it exercises its power justly to all its stakeholders. ✓✓
- The business operates within the law and other restrictions. ✓✓
- They ensure that the environment is not polluted in their production process. ✓✓
- Not engaging in illegal business practices like price fixing. ✓✓
- They do not make use of child labour. ✓✓
- Any other relevant answer related to examples of ethical behaviour.

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

(2 × 2) (4)

#### 3.2 Differences between decision-making and problem-solving

DECISION-MAKING	PROBLEM-SOLVING
It is often done by one person/ or senior management✓ who makes it authoritarian. ✓	Problems can be solved by a group/ team or an individual team member✓ which make it more inclusive✓
Considers various alternatives✓ before deciding on the best one. ✓	They will generate/identify alternative solutions✓ and evaluate it critically. ✓
This process is part of the problem-solving cycle✓ as decisions need to be taken in each step. ✓	This process of analysing a situation will identify strategies✓ to bring about change. ✓
Any other relevant answer related to the explanation of decision-making	Any other relevant answer related to the explanation of problem-solving
<b>Submax (2)</b>	<b>Submax (2)</b>

**NOTE: 1. Differences do not have to be in tabular form.**

**2. The differences do not have to link but they must be clear.**

**3. Award a maximum of TWO (2) marks if the distinction is not clear. /Mark either decision-making or problem-solving.**

Max (4)

### 3.3 Problem-solving techniques

#### 3.3.1 Problem-solving technique from the scenario

Delphi technique ✓✓

(2)

#### 3.3.2 Application of Delphi technique

- The business must invite a panel of experts ✓ to research the challenge of the business. ✓
- Experts do not have to be in one place ✓ and will be contacted individually. ✓
- The business will design a questionnaire ✓ consisting of questions to get information from the experts regarding the challenge of the business. ✓
- They will request the panel to individually respond to the questionnaire ✓
- The business will summarise ✓ the responses from the experts in a feedback report. ✓
- The business will send the feedback report ✓ and if necessary, develop a second set of questions/questionnaire based on the feedback report to the panel members. ✓
- They will request panel members to provide further input/ideas ✓ on how to solve the challenge of the business. ✓
- If necessary, send a third questionnaire ✓ based on previous feedback from the second round. ✓
- Finally, the business will summarise ✓ all the feedback from the experts in a report. ✓
- Based on the report the business should choose the best solution/proposal ✓ after reaching consensus. ✓
- Any other relevant answer related to the application of the Delphi technique.

Max (6)

### 3.4 Application of King Code principles

#### 3.4.1 Transparency

- Decisions/Actions must be clear ✓ to all stakeholders. ✓
- Staffing and other processes ✓ should be open and transparent. ✓
- Employees/Shareholders/Directors should be aware ✓ of the employment policies of the business. ✓
- Auditing and other reports must be accurate/ available to shareholders/employees.
- Regular audits should be done ✓ to determine the effectiveness of the business. ✓
- Business deals should be conducted openly ✓ so that there is no hint/sign of dishonesty/corruption. ✓
- Businesses should give details of shareholders' voting rights to them ✓ before/at the Annual General Meeting (AGM). ✓
- The board of directors must report on both the negative and positive impact ✓ of the business on the community/environment. ✓
- The board should ensure that the company's ethics ✓ are effectively implemented. ✓
- Any other relevant answer related to the application of transparency as a King Code principle.

Max (4)

#### 3.4.2 Responsibility

- The business/ board should develop and implement programmes ✓ that should be aimed at protecting the communities in which they operate. ✓
- The business/ board should develop remedial programmes ✓ to protect the environment for example, reduce air and water pollution. ✓
- Any other relevant answer related to the application of responsibility as a King Code principle.

Max (4)

### 3.5 Positive impact of brainstorming

- Better or unique solutions and/or ideas ✓ are developed through collective contributions and will give the business a competitive advantage. ✓
- This process enables the business to solve ✓ complex business problems. ✓
- Productivity increases ✓ if the business generates ideas which utilises time and money more effectively. ✓
- Employees are motivated ✓ as they are allowed to contribute to problem solving. ✓
- Managers will be better leaders ✓ as they will be able to manage change creatively. ✓
- Creativity may lead to new inventions ✓ which improves the general standard of living. ✓
- Any other relevant answer related to the positive impact of brainstorming.

Max (6)

### 3.6 Correct procedure to deal with grievances in the workplace.

- The complainant must verbally report the grievance to his/her supervisor. ✓✓
- The supervisor must resolve the grievance within 3 – 5 days. ✓✓
- If the supervisor be unable to resolve the grievance, the complainant may take the grievance to the manager of the supervisor. ✓✓
- The grievance forwarded to the manager of the supervisor must be in writing. ✓✓
- The manager of the supervisor provides the complainant with a written reply in response to the written grievance. ✓✓
- The manager must invite all parties to the grievance to a meeting. ✓✓
- A record of the meeting must be recorded in the minutes thereof and decisions made must be recorded on the formal grievance form. ✓✓
- Should the employee not be satisfied with the outcome of the meeting, he/she could refer the matter to the highest level of management. ✓✓
- Top management should arrange a meeting with all relevant parties concerned. ✓✓
- Minutes of this meeting should be recorded, and the outcome must be recorded on the formal grievance form. ✓✓
- Should the employee still not be satisfied, he/she may refer the matter to the CCMA who will make a final decision on the matter. ✓✓
- The matter can be referred to Labour Court on appeal if the employee is not satisfied with the decision taken by the CCMA. ✓✓
- Any other relevant answer related to the correct procedure to deal with grievances.

Max (6)

### 3.7 Ways to deal with pricing of goods in rural areas

- A business may lobby with other businesses in the area to convince government to improve infrastructure in the rural area. ✓✓
- Charge fair/market related prices for goods and services. ✓✓
- Avoid unethical business practices to attract customer loyalty. ✓✓
- Investigate cost-effective ways of transporting products/Hire a large truck to combine deliveries to shop-owners in the same area. ✓✓
- Work together with suppliers to share delivery costs to remote rural areas. ✓✓
- Any other relevant answer related to ways to deal with pricing in rural areas.

Max (4)

Breakdown of marks	
Question 3	Marks
3.1	4
3.2	4
3.3.1	2
3.3.2	6
3.4.1	4
3.4.2	4
3.5	6
3.6	6
3.7	4
<b>TOTAL</b>	<b>40</b>

## QUESTION 4: MISCELLANEOUS TOPICS

### BUSINESS VENTURES

#### 4.1 Identify insurance concepts from statements

- 4.1.1 Reinstatement ✓✓ (2)  
 4.1.2 Excess ✓✓ (2)  
 4.1.3 Average clause ✓✓ (2)

#### 4.2 Leadership theories

LEADERSHIP THEORIES	MOTIVATIONS
1. Situational leadership theory ✓✓	The management of BBB uses different leadership styles to manage different circumstances. ✓
2. Transformational theory ✓✓	The passion and personality of their supervisors inspire employees to adjust appropriately during times of drastic change. ✓
3. Leaders and followers ✓✓	BBB realises the importance of leading by example and fosters strong work relationships with subordinates. ✓
Submax (6)	Submax (3)

- NOTE: 1. Correct terminology must be used to identify leadership theory.**  
**2. Do not award marks for motivation if the leadership theories were incorrectly identified.**  
**3. Order may be different.**

Max (9)

#### 4.3 Meaning of liquidity as factor to consider when making an investment

- Liquidity refers to the speed ✓ with which an investment can be converted into cash. ✓
- The easier it is to convert an investment into cash, ✓ the more liquid the investment. ✓
- The more difficult it is for an investment to be converted into cash ✓, the less liquid the investment ✓
- An amount should be invested in a type of investment ✓ that can easily be converted to cash. ✓
- Example: an investment in a savings account will be easier to convert into cash ✓ than an investment in a fixed property. ✓
- Any other relevant answer related to the meaning of liquidity as a factor to consider when making an investment.

Max (4)

### BUSINESS ROLES

#### 4.4. Causes of conflict in the workplace

- Differences in background ✓
- Ignoring procedures/rules ✓
- Lack of cooperation ✓
- Personality differences ✓
- Lack of recognition ✓
- Unfair workloads ✓
- Unrealistic deadlines ✓
- Lack of proper communication ✓
- Any other relevant answer related to the causes of conflict in the workplace.

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

(3 × 1) (3)

#### 4.5.1 Identification of unprofessional business practices

UNPROFESSIONAL BUSINESS PRACTICES	MOTIVATIONS
1. Sexual harassment. ✓✓	Roberto promised to appoint Jamila as the new secretary if she agrees to have a relationship with him ✓
2. Unauthorised of workplace recourses. ✓✓	Andrew the truck driver frequently uses the business truck for private trips. ✓
3. Unauthorised of workplace funds. ✓✓	Adie often uses the credit card of the business for personal expenses without consent of Roberto. ✓
<b>Submax (6)</b>	<b>Submax (3)</b>

- NOTE: 1. Correct terminology must be used to identify unprofessional business practice.**  
**2. Do not award marks for motivation if the practice was not correctly identified.**  
**3. Order may be different.**

Max (9)

#### 4.6 Application of Force field analysis

- Describe the current situation or problem and the desired situation and write it in the middle or on top for everyone to see. ✓✓
- List all driving/pros and restraining/cons forces that will support and resist change. ✓✓
- Allocate a score to each force using a numerical scale, where 1 is weak and 5 is strong. ✓✓
- Weigh up the positives and negatives then decide if the project is viable. ✓✓
- Choose the force with the highest score as the solution. ✓✓
- If the project is viable, find ways to increase the forces for change. ✓✓
- Identify priorities and develop an action plan. ✓✓
- Any other relevant answer related to the application of Force field analysis.

Max (8)

Breakdown of marks	
Question 4	Marks
4.1	6
4.2	9
4.3	4
4.4	4
4.5	9
4.6	8
<b>TOTAL</b>	<b>40</b>

**TOTAL SECTION B: 80**

## SECTION C

### QUESTION 5: BUSINESS VENTURES

#### 5.1 Introduction

- Shares represent a portion of the company that a person/group of people own. ✓
- Investors have a range of investment opportunities to choose from. ✓
- Investment opportunities are measured against criteria for good investment. ✓
- Investors set financial goals and make an informed decision after considering various factors. ✓
- Any other relevant introduction related to the functions of the JSE/investment period/debentures and venture capital as types of investment/shares as a form of investment.

(Any 2 × 1) (2)

#### 5.2 Functions of Johannesburg Securities Exchange (JSE)

- Surplus funds accrued by financial institutions may be invested in shares. ✓✓
- Economic conditions in South Africa gets highlighted by activities on the JSE. ✓✓
- Shareholders/Prospective shareholders are kept informed ✓ about the prices of shares on a daily basis. ✓✓
- Bridge the gap between the public/investors and public companies that requires funding. ✓✓

- The market price of shares on the JSE is determined by the demand for and supply of the shares after the initial listing price. ✓✓
- Provides investors with small amounts of capital with the opportunity to invest in the economy of the country. ✓✓
- South Africa economy is given boost by new investments that the JSE promotes. ✓✓
- JSE provides investors and public companies with facilities to trade shares electronically. ✓✓
- Any other relevant answer related to the functions of the JSE.

Max (12)

### 5.3 Investment period as a factor to consider when making an investment decision

- The Investment period refers to the duration of the investment ✓from the initial date of investment until its termination. ✓
- The duration of investment may vary from short, middle or long-term nature ✓depending on the individual needs of the investor. ✓
- The investor will be able to access his/her investment within a short period ✓if the investment is of a short-term nature. ✓
- Higher returns accrue to the investor ✓ with long-term investments. ✓
- The choice of the investment period will depend on the personal circumstances of the investor. ✓
- Any other relevant answer related to period as a factor to consider when making an investment decision.

Max (10)

### 5.4 Types of investment opportunities

#### Debentures

- A business acquiring funds may issue debentures✓ to raise funds from the public/investors. ✓
- Debentures are long-term borrowings✓ made by companies to meet certain financial obligations. ✓
- The investment is made by the investor to companies for a certain period of time ✓ linked to a certain interest rate. ✓
- The risk link to this type of investment is low✓, as the investor will be first in line should the business be declared insolvent. ✓
- Interest payments are made annually to the investor, depending on the number of debentures held by the investor. ✓
- Any other relevant answer related to debentures.

Submax (6)

#### Venture capital

- Investors make funds available to prospective entrepreneur✓ to start a business and becomes a co-owner of the business. ✓
- It's important that the investor familiarise himself with the market in which the entrepreneur will be operating✓ before making his/her investment. ✓
- Investing in an existing business may be rewarding to an investor, ✓ provided the investor did some research on the prevailing market conditions. ✓
- Any other relevant answer related to venture capital.

Submax (6)

Max (12)

### 5.5 Impact of shares as form of investment

#### Positives/ Advantages

- The shareholder will be entitled to higher dividend payments, based on a high number of shares purchased. ✓✓
- The shares may be freely sold and purchased on the JSE. ✓✓
- The investors have voting rights at the Annual General Meeting of the public company. ✓✓
- The investors return on investment is based on the financial performance of the company. ✓✓
- Investors invest in shares as hedging against increases in the general price levels of goods and services. ✓✓
- The growth in the value of shares may provide the investors with good return of investments over a longer period. ✓✓
- Any other relevant answer related to the advantages of shares as form of investment.

AND/OR

#### Negatives/ Disadvantages

- Dividends payable to shareholders are reliant on the company declaring a dividend based on the profit it made, if any. ✓✓
- Investors must rely on the goodwill of the company to declare a dividend. ✓✓
- Shareholders could lose their investment, should the company be declared insolvent, making the risk high. ✓✓

- The value of the dividends declared by the company are determined by the directors of the company. ✓✓
- Any other relevant answer related to the disadvantages of shares as form of investment.

Max (10)

### 5.6 Conclusion

- Shares can be sold to others for a higher price than it was purchased for. ✓✓
- A business that is managed successfully will make a number of investments over a period of time. ✓✓
- The public can buy shares of listed public companies at the JSE. ✓✓
- Any other relevant conclusion related to the functions of the JSE/investment period/debentures and venture capital as types of investment/shares as a form of investment.

(Any 1 × 2) (2)

Question 5: Breakdown of mark allocation		
DETAILS	MAXIMUM	TOTAL
6.1 Introduction	2	Max 32
6.2 Functions of the JSE.	12	
6.3 Investment period as a factor to consider when making an investment decision	10	
6.4 Investment opportunities	12	
6.5 Impact of shares as form of investment	12	
6.6 Conclusion	2	
INSIGHT		
Layout	2	8
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.

## QUESTION 6: BUSINESS ROLES

### 6.1 Introduction

- Teamwork refers to several people collaborating/working together effectively to reach a common goal. ✓
- Each team member should contribute towards the success of the team. ✓
- Successful teams go through different stages of team development to become successful/effective. ✓
- Any other relevant introduction related to the characteristics of successful teams/importance of team dynamic theories/stages of team development/dealing with the complainer and expert as difficult personalities.

Any (2 × 1)(2)

### 6.2 Characteristics of successful team performance

- Team members share a common goal, that every team member works towards achieving. ✓✓
- A group of values are shared by team members and group decisions are implemented as a collective. ✓✓
- Teams value the contributions of individual members and consensus are reached should differences exist. ✓✓
- The team environment is characterised by mutual trust/respect for each other. ✓✓
- Conflict is addressed immediately, and team members feel free to communicate with one another. ✓✓
- Meeting deadlines are important for team to achieve its goals and team members takes responsibility for such deadlines. ✓✓
- The needs of individual team members are not neglected by the team. ✓✓
- The relationships between individual team members are nurtured/encouraged. ✓✓
- Any other relevant answer related to the characteristics of successful team performance.

Max (14)

### 6.3 Importance of team dynamic theories in improving team performance

- Team dynamic theories are used to explain✓ the effectiveness and importance of teamwork. ✓
- Tasks are allocated to team members consistent ✓with the role the team member performs within the team. ✓
- The skills/experiences/talent of the team member determines✓ the role which will be allocated to him/her. ✓

- Individuals are given the chance to perform optimally within the team, ✓ given the roles allocated to them. ✓
- Individuals within the team with similar skills/talents/experience ✓ may compete for certain responsibilities/duties. ✓
- Team dynamic theories allows team leaders to know the personality type of individuals✓ and enable them to allocate tasks more effectively. ✓
- Disagreements amongst team members may be reduced✓ when team members specialise in their own roles/tasks. ✓
- Any other relevant answer related to the importance of team dynamic theories improving team performance.

Max (12)

#### 6.4 Stages of team development

##### Forming ✓✓

- This is the first stage of team development✓ and team members are introduced to each other . ✓
- Team members observe each other’s behaviour✓ and are polite to each other. ✓
- In this stage team members shows mutual respect✓ and they feel comfortable. ✓
- This stage is characterised by focussing on the routine and administrative details✓ of the goals of the team.✓
- Any other relevant answer related to the forming stage.

Name	2
Explanation	2
Submax	4

##### Storming✓✓

- Conflict occurs amongst team members✓ after the forming stage is concluded. ✓
- Team members with different ideas exchange these ideas, ✓ which leads to conflict. ✓
- Team members opposes the ideas of other team members✓ that does not correspond with their ideas. ✓
- Power struggles occur within the group, ✓ and the dominant team members takes charge of the team. ✓
- At certain times the storming stage are often resolved quickly✓, and if it’s not resolved the team won’t move further than this stage. ✓
- Any other relevant answer related to the storming stage.

Name	2
Explanation	2
Submax	4

##### Norming/Settling/reconciliation✓✓

- It is important that the conflict gets resolved as soon as possible, ✓ to allow the team to move to the norming stage. ✓
- Team members compromise their own ideas✓ and accept that they need to work in harmony with other team members. ✓
- The duties and responsibilities of all the team members✓ are clearly set out and agreed to
- The processes involved in achieving the goals are adhered to✓ and team members appreciate the contributions of fellow team members. ✓
- Individual team members collectively✓ work towards the goals of the team. ✓
- Any conflict that happens during this stage✓ is addressed in a professional/collegial manner. ✓
- Any other relevant answer related to the norming stage.

Name	2
Explanation	2
Submax	4

##### Performing/Working as a team towards a goal✓✓

- The team is functioning optimally towards achieving the organisations goals. ✓
- The leader trust the team✓ and avoids interfering in the operations of the team. ✓
- Processes and structures are in place✓ to ensure the smooth execution of the job. ✓
- Leaders delegate✓ and oversee the processes and procedures. ✓
- All team members demonstrate competence✓ are able to work on their own and provide valuable input in decision making. ✓
- Any other relevant answer related to the performing stage.

Name	2
Explanation	2
Submax	4

**Adjourning/Mourning** ✓✓

- This stage of team development is characterised by the ending of the project✓, because the goals were achieved. ✓
- Some team members adjust poorly to the team breaking up, ✓ because they'll find it difficult to work on their own again. ✓
- All tasks must be completed before the team finally breaks up✓ and individual members go their separate ways. ✓
- Any other relevant answer related to the adjourning/mourning stage.

Name	2
Explanation	2
Submax	4

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

**Max (12)**

**6.5 Ways to deal with difficult people in the workplace**

**Complainer**

- Listen to the complaints but don't acknowledge them by nodding your head. ✓✓
- Interrupt the complainer after a while and proceed with strategies to deal with the issues raised. ✓✓
- Any other relevant answer related on ways how to deal with a complainer.

**Submax (4)**

**Expert**

- Listen to the employee, but let him/her know that you are in control of the situation. ✓✓
- Let him/her know that you value their inputs, but that you'll also consider other alternatives. ✓✓
- Refrain from attacking their views, which will draw you into a confrontation with him/her. ✓✓
- Any other relevant answer related to ways how to deal with an expert.

**Submax (4)**

**Max (8)**

**6.6 Conclusion**

- Effective team work will contribute to achieving goals and improve productivity.
- Teams generally take longer to arrive at a decision. ✓✓
- If managers deal effective with difficult people in the workplace, productivity will increase in the business. ✓✓
- Managers must take team dynamic theories into account to improve results in the business. ✓✓
- Any other relevant conclusion related to the characteristics of successful teams/importance of team dynamic theories/stages of team development/dealing with the complainer and expert as difficult personalities.

**(Any 1 × 2) (2)**

Question 6: Breakdown of mark allocation		
DETAILS	MAXIMUM	TOTAL
6.1 Introduction	2	Max 32
6.2 Characteristics of successful team performance	14	
6.3 Importance of team dynamic theories	12	
6.4 Stages of team development	12	
6.5 Ways to deal with difficult people in the workplace	8	
6.6 Conclusion	2	
INSIGHT		
Layout	2	8
Analysis/Interpretation	2	
Synthesis	2	
Originality/Examples	2	
<b>TOTAL MARKS</b>		<b>40</b>

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

**TOTAL: SECTION C 40**

# School-based assessment (SBA)

Term 3  
Exemplar

GRADE 12

Business Studies

AUGUST 202\_

## PROJECT: MARKING GUIDELINES

Marks: 50

### NOTE TO TEACHERS

1. This is an individual activity and it is your responsibility to explain the task and the rubric to the learners before giving it to them.
2. The task must be marked on the written task of the learner and marks must be indicated on the rubric.
3. Use the suggested marking guidelines, but also consider answers given to them by business owners/managers or from their own research in books, magazines, newspapers, interviews or the internet.
4. There must be strict adherence of the dates of administering the tasks, this is non-negotiable.

### QUESTION 1

#### 1.1 Socio-economic issues and SCI projects

SOCIO-ECONOMIC ISSUES (1.1.1)	CSI PROJECTS (1.1.2)
1 Poverty	<ul style="list-style-type: none"><li>• Donations of resources and funds for the poor.</li><li>• Any contributions to workers like food, clothes, housing, etc.</li><li>• Helping and training of people to supply in their own needs.</li><li>• Deliver services that government is unable/slow to deliver.</li></ul>
2 Unemployment	<ul style="list-style-type: none"><li>• Any projects to create jobs.</li><li>• New ways of thinking to keep their own workers in their jobs.</li><li>• Offer entrepreneurial skills.</li><li>• Create mechanisms that rely on Mentorship and Education.</li></ul>
3 Crime	<ul style="list-style-type: none"><li>• Start a neighbourhood watch in their area.</li><li>• Enforce their own security precautionary measure e.g. security guards.</li></ul>

SOCIO-ECONOMIC ISSUES (1.1.1)	CSI PROJECTS (1.1.2)
4 Inequality	<ul style="list-style-type: none"> <li>• Providing adult basic education.</li> <li>• Invest in education.</li> <li>• Offer employment opportunities for both women and men.</li> <li>• Empower women and create opportunities for youth and disadvantaged communities.</li> </ul>
Any other relevant socio-economic issue applicable to the widespread looting.	Any other relevant example of a CSI project used to address the socio-economic issue.

- NOTE: 1. Mark the first THREE (3) reasons for looting only.**  
**2. Award marks for reasons for looting even if CSI projects were incorrectly classified.**  
**3. Do not award marks for the politics as a reason for looting.**

Max (5)

**1.2 Ways in which businesses can contribute time and effort to improve the well-being of their employees**

- Pay fair wages/salaries to the workers based on the nature of their work/the prevailing economic conditions in the market.
- Working conditions should include safety/medical/canteen facilities/benefits like housing/leave/retirement, etc.
- Pay fair bonuses, based on business earnings, as acknowledgement for hard work and commitment.
- Provide for employees' participation in decision making that affects them.
- Provide recreational facilities for employees.
- Offer annual physical/medical assessments to workers.
- Make trauma debriefing/counselling/assistance available to any employee who requires these services.
- Offer financial assistance in the case of any hardship caused by unexpected medical costs.
- Allow flexible working hours to enhance productivity.
- Offer support programmes for employees infected and affected by HIV/Aids.
- Any other relevant answer related to the ways in which businesses can contribute time and effort to improve the well-being of their employees.

Max (5)

**QUESTION 2**

**2.1.1 Human rights**

TYPES OF HUMAN RIGHTS	MOTIVATIONS
1. Information	DCL ensures that all employees received a copy of their employment contract.
2. Privacy	Personal information about their employees are kept confidential.
3. Equity	DCL always ensures that workers receive equal pay for work of equal value.

- NOTE: 1. Do not award marks for incorrect wording of human rights.**  
**2. The motivation must link with the human right identified from the scenario.**

Max (5)

**2.1.2 Ways in which the business can promote the right to safety/security and protection of life in the workplace**

- Employees should work in a safe working environment free from hazardous products/unsafe areas.
- Provide workers with protective clothing, e.g. gloves and footwear, etc.
- Comply with safety legislation such as OHS/COIDA, etc.
- Take precautionary measures to ensure employees and their belongings are safe in the workplace.
- Any other relevant answer related to ways in which the business can promote the right to safety/security and protection of life in the workplace.

Max (5)

## QUESTION 3

### 3.1.1 Ways in which businesses can deal with the language as a diversity issue in the workplace

- Business may specify that all communications should 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 an 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 the ways in which businesses can deal with language as a diversity issue in the workplace.

Max (5)

### 3.1.2 Ways in which businesses can deal with cultural differences as a diversity issue in the workplace

- The business must respect the right of workers to participate in cultural life of their choice.
- The business must provide the environment in which employees are free to use their own language when interacting with others during their free time.
- The business can encourage employees to participate in cultural activities.
- Businesses will benefit from indigenous knowledge, that is why they can allow employees to provide solutions to business challenges from their own cultural perspective.
- To help employees to respect each other, the business can hold regular cultural information sessions in the workplace.
- Different cultures can be accommodated by providing different food in the canteen as well as staff functions.
- According to the EEA Act the business must employ people from various cultural backgrounds.
- The business must train employees to tolerate other cultures in the workplace.
- Any other relevant answer related to the ways in which businesses can deal with cultural differences as a diversity issue in the workplace.

Max (5)

## QUESTION 4

### 4.1.1 Roles of health and safety representative from the scenario

- The health and safety representatives at Hansen Steel Construction ensure that that protective clothing is provided to all workers.
- They also identify potential dangers in the workplace.
- The health and safety representatives review measures to ensure the health and safety of workers.

**NOTE: 1. Mark the first THREE (3) only.**

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

(3 × 1) (3)

### 4.1.2 Other roles of health and safety representatives

- It is their duty to liaise with management to check and monitor the effectiveness of health and safety measures.
- They must ensure that the workers receive all the needed equipment to perform their work and that it is maintained regularly.
- They must ensure that dangerous equipment is used under the supervision of trained and qualified workers.
- They must monitor production, processing, storage, transportation of material and equipment to ensure that workers' health and safety is not endangered by hazards resulting from it.
- Workers can lodge complaints with them and they must work together with the employer to investigate any accidents or these complaints from the workers concerning health and safety in the workplace.
- They must ensure that employers comply with COIDA e.g. report accidents at the workplace.
- Any other relevant answer related to the roles of health and safety representatives.

**NOTE: Do not award marks for the responses that were quoted in QUESTION 4.1.1.**

(2)

### 4.2 Responsibilities of employees in promoting human health and safety in the workplace

- They have to ensure that protective clothing is provided and available to all workers and that the workers are wearing it all the time.
- They must identify potential dangers in the workplace e.g. a loose railing at a stair case.

- To ensure the health and safety of workers, they must initiate, promote, maintain and review safety measures in the business.
- It is their duty to liaise with management to check and monitor the effectiveness of health and safety measures.
- They must ensure that the workers receive all the needed equipment to perform their work and that it is maintained regularly.
- They must ensure that the business give the necessary safety training to employees to avoid potential dangers.
- They must ensure that dangerous equipment is used under the supervision of trained and qualified workers.
- They must monitor production, processing, storage, transportation of material and equipment to ensure that workers' health and safety is not endangered by hazards resulting from it.
- Workers can lodge complaints with them and they must work together with the employer to investigate any accidents or these complaints from the workers concerning health and safety in the workplace.
- They must ensure that employers comply with COIDA e.g. report accidents at the workplace.
- Any other relevant answer related to the responsibilities of employees in protecting human health and safety in the workplace.

Max (5)

## QUESTION 5

### 5.1.1 Impact of PowerPoint slides

#### Positives/Advantages

- The presentation may be enhanced by the use of visuals/graphics that a data projector/PowerPoint provides.
- Visuals/audio aids like sound/video clips could easily be included in the PowerPoint presentation.
- The stakeholders/audience interest in the presentation could be increased if the slides are easy to read and with limited text.
- The interest of the stakeholders/audience may be attracted by the use of various multimedia in the slides.
- Attracting the attention/keeping the attention of the stakeholders/audience may be achieved through the use of eye-catching backgrounds/font/colours on the slides.
- The slides used must complement the presentation/summarise the objectives of the presentation to the stakeholders/audience.
- Any other relevant answer related to the positive impact of PowerPoint slides.

#### Negatives/Disadvantages

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

Max (5)

### 5.1.2 Advise on aspects that must be included when designing a multimedia presentation.

#### How to design a multimedia presentation

- Start your slides with the text and heading – there are no heading.
- Avoid using text that is not legible and font that is too small – font is difficult to read.
- Choose images that will enhance the message/information that you would like to convey – image is totally inappropriate.
- Refrain from including special effects/sounds/animation that will distract the audience from the main message/information you would like to convey to your audience.
- Do a spell check before the presentation to eliminate any spelling/grammatical errors from your slide presentation – spelling error “bonusses” instead of “bonuses”
- Structure the information on your slides in a logical sequence that will allow your audience/the stakeholders to follow your presentation – no logical sequence and order with bullets.
- Limit the information on each slide to retain the attention of your audience/the stakeholders – too much information on the slide.
- Any other relevant answer related to designing of a multimedia presentation.

Max (5)

# School-based assessment (SBA)

Term 3  
Exemplar

GRADE 12

Business Studies

September 202\_

## PRELIMINARY EXAMINATION PAPER 1: MARKING GUIDELINES

Marks: 150 Time: 2 Hours

### SECTION A

#### QUESTION 1

##### 1.1 Multiple choice

- 1.1.1 A✓✓
- 1.1.2 D✓✓
- 1.1.3 A✓✓
- 1.1.4 C✓✓
- 1.1.5 D✓✓

(5 × 2) (10)

##### 1.2 Complete the statement

- 1.2.1 Compensation for Occupational injuries and Diseases✓✓
- 1.2.2 screening✓✓
- 1.2.3 fronting✓✓
- 1.2.4 backward✓✓
- 1.2.5 PESTLE✓✓

(5 × 2) (10)

##### 1.3 Matching columns

- 1.3.1 F✓✓
- 1.3.2 I✓✓
- 1.3.3 H✓✓
- 1.3.4 G✓✓
- 1.3.5 A✓✓

(5 × 2) (10)

**TOTAL SECTION A: 30**

Breakdown of marks	
Question 1	Marks
1.1	10
1.2	10
1.3	10
<b>TOTAL</b>	<b>30</b>

## SECTION B

### QUESTION 2: BUSINESS ENVIRONMENTS

#### 2.1 Factors of PESTLE factors

- Political ✓
- Economic ✓
- Social ✓
- Technological ✓
- Legal ✓
- Environmental ✓

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

(5 × 1) (5)

#### 2.2 Types of Integration strategies

<p><b>Forward vertical integration</b> ✓✓</p>	<p>The business combines/merges with/takes over its distributors down the supply chain/production chain. ✓</p> <p>It involves the expansion of business activities to gain control over the distribution of products/services. ✓</p> <p>The business takes over the distribution system and sells products/services directly to consumers/customers. ✓</p> <p>The business merges with businesses that were once their customers, while still maintaining control of the initial/primary business activities. ✓</p> <p>Any other relevant answer related to forward vertical integration.</p> <p style="text-align: right;"><b>Submax (3)</b></p>
<p><b>Backward vertical integration</b> ✓✓</p>	<p>The business combines with/merges/takes over its suppliers up the supply chain/production chain. ✓</p> <p>This is done to decrease the business's dependency on suppliers. ✓</p> <p>The business expands its role to fulfil activities/tasks that were formerly/previously completed by suppliers. ✓</p> <p>It involves buying over/merging with another business that supplies products/services to the business. ✓</p> <p>Any other relevant answer related to backward vertical integration.</p> <p style="text-align: right;"><b>Submax (3)</b></p>
<p><b>Horizontal integration</b> ✓✓</p>	<p>The business takes control of/incorporates/merges with other businesses in the same/related industry which produce/sell the same/similar products. ✓</p> <p>The aim is to reduce the threat of competition/substitute products/services. ✓</p> <p>The business is able to strengthen/expand their market share/position and enhance production/ distribution. ✓</p> <p>It is the acquisition/takeover of a related business that operates at the same level of the supply chain in the industry. ✓</p> <p>Any other relevant answer related to horizontal integration.</p> <p style="text-align: right;"><b>Submax (3)</b></p>

**NOTE: 1. The answer does not have to be in tabular format.**

**2. The order may be different.**

**3. Mark the first TWO (2) answers only.**

Max (6)

#### 2.3 Leave provisions

- 2.3.1 Annual leave ✓✓
- 2.3.2 Sick leave ✓✓
- 2.3.3 Family responsibility leave ✓✓

(6)

## 2.4 The meaning of market penetration

- The business focus on selling existing/current products✓ into the existing/current market to increase their market share. ✓
- Market research on existing/current consumers/customers is used✓ to decide how to improve the marketing mix of the business. ✓
- Aggressive marketing campaigns such as lowering/reducing prices✓ to attract potential/existing clients are used by the business. ✓
- The business does not modify existing/current products✓ or launch new products during market penetration. ✓
- Any other relevant answer related to the meaning of market penetration as a type of intensive strategy.

Max (4)

## 2.5 Business environments and extent of control

CHALLENGES 2.5.1	BUSINESS ENVIRONMENTS 2.5.2	EXTENT OF CONTROL 2.5.3
The employees of Helena Bakeries embarked on a legal strike due to a dispute on a salary increase. ✓	Micro environment✓	Full control
HB buys their raw material from Abdulla's Mills who does not deliver their products on time. ✓	Market environment✓	No control but can influence/ Partial/Limited✓
The government has increased the interest rate making it difficult for HB to borrow money from the bank. ✓	Macro environment. ✓	No control✓
<b>Submax (3)</b>	<b>Submax (3)</b>	<b>Submax (3)</b>

- NOTE: 1. Do not award marks for challenges that are not fully quoted from the scenario.**  
**2. Do not award marks for business environments if it is not linked to the challenges.**  
**3. Award marks for the business environments even if the quote is incomplete.**  
**4. The extent of control must be linked to the business environment.**  
**5. Do not award marks for the extent of control if the business environment is not mentioned.**  
**6. The order may be different.**

Max (9)

## 2.6 Differences between BEE and BBBEE

BEE	BBBEE
A government policy✓ that may not always be enforced✓	An Act that is enforced/must be complied ✓with by businesses. ✓
Benefitted only a few✓ previous disadvantaged people in the economy✓	Encouraged a wider group✓ of previously disadvantaged people. ✓
This resulted in a few previously disadvantaged individuals✓ sharing in the wealth of the economy✓	Aims to distribute the country's wealth✓ across a broader spectrum of society✓
Focused only on three pillars✓ that did not include all previously disadvantaged people✓	Focus on five pillars✓ which include all sectors of society. ✓
Any other relevant answer related to BEE	Any other relevant answer related to BBBEE
<b>Submax (2)</b>	<b>Submax (2)</b>

- NOTE: 1. The answer does not have to be in tabular format.**  
**2. The difference does not have to link but must be clear.**  
**3. Award a maximum of TWO (2) marks if the difference is not clear/Mark either BEE or BBBEE.**

Max (4)

## 2.7 Ways to comply with the COIDA

- Display a summary of COIDA in the business where it is visible to all employees. ✓✓
- Organise training on COIDA with all relevant stakeholders so that employees know their rights in the context of COIDA, but also to protect and promote health and safety in the workplace. ✓✓
- Provide and enhance the capacity to promote health and safe working environment. ✓✓
- Register with Compensation Board and Compensation Commissioner. ✓✓
- Pay the required levies to the Compensation fund. ✓✓
- Report all accidents, injuries, illnesses and fatalities to the Compensation Commissioner as they occur. ✓✓
- Any other relevant answer related to ways in which businesses could comply with COIDA.

Max (6)

Breakdown of marks	
Question 2	Marks
2.1	5
2.2	6
2.3	6
2.4	4
2.5.1	3
2.5.2	3
2.5.3	3
2.6	4
2.7	6
<b>TOTAL</b>	<b>40</b>

## QUESTION 3: BUSINESS OPERATIONS

### 3.1 Aspects to be include in employment contract

- Personal details of the employee. ✓
- Details of the business/employer e.g. name/address, etc. ✓
- Job title/Position ✓
- Job description e.g. duties/working conditions/responsibilities. ✓
- Job specification e.g. formal qualifications/experience/willingness to travel. ✓
- Date of employment/commencement of employment. ✓
- Place where employee will spend most of his/her working time/conduct work activities.
- Hours of work, e.g. normal time/overtime. ✓
- Remuneration, e.g. weekly/biweekly/fortnightly/monthly pay. ✓
- Benefits/Fringe benefits/Perks/Allowances. ✓
- Leave, e.g. sick/maternity/annual/adoption leave/family responsibility 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 aspects to include in employment contract

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

(6 × 1) (6)

### 3.2 Legislation from given statements

- 3.2.1 Labour Relations Act/LRA ✓✓ (2)
- 3.2.2 Employment Equity Act/EEA ✓✓ (2)
- 3.2.3 Basic Conditions of Employment Act/ BCEA ✓✓ (2)

### 3.3 Role of the interviewer during the interview

- 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 responses of interviewees ✓ for future reference. ✓
- Do not wilfully/deliberately/intentionally ✓ misinform/mislead the interviewee. ✓
- Avoid discriminatory/controversial types of questions ✓, e.g. asking a female candidate about family planning/having children/religious questions etc. ✓
- 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.

Max (8)

### 3.4 Distinction between quality control and quality assurance

QUALITY CONTROL	QUALITY ASSURANCE
System that ensures the desired quality is met ✓ by inspecting the final product. ✓	Checks carried out during ✓ and after the production process. ✓
Ensure that finished products ✓ meets the required standards. ✓ Ensure that required standards ✓ have been met at every stage of the process. ✓	Ensure that finished products ✓ meets the required standards. ✓ Ensure that required standards ✓ have been met at every stage of the process. ✓
Process of ensuring that products are consistently manufactured ✓ to high standards. ✓	Processes put in place to ensure that the quality of products/services/systems adhere to pre-set standards ✓ with minimal defects/delays/shortcomings. ✓
Checking raw materials/employees/ machinery/ workmanship/products ✓ to ensure that high standards are maintained. ✓	Ensuring that every process is aimed to get the product "right for the first time" ✓ and prevent mistakes from happening. ✓
Any other relevant answer to quality control.	Any other relevant answer related to quality assurance.
<b>Submax (4)</b>	<b>Submax (4)</b>

- NOTE: 1. The answer does not have to be in tabular format.**  
**2. The distinction does not have to link but must be clear.**  
**3. Award a maximum of TWO (2) marks if the distinction is not clear/Mark either quality control or quality assurance only.**

Max (8)

### 3.5 TQM elements from the scenario

TQM ELEMENT	MOTIVATIONS
1. Total client/customer satisfaction ✓✓	BCF always conducts surveys to find out about the experience of the buyers using their products ✓
2. Adequate financing and capacity ✓✓	BFC is able to purchase quality raw materials and equipment required for expansion. ✓
<b>Submax (4)</b>	<b>Submax (2)</b>

- NOTE: 1. Correct terminology must be used to identify TQM element.**  
**2. Do not award marks for motivation if the TQM elements were incorrectly identified.**  
**3. Award marks for TQM elements even if the motivation was incomplete.**  
**4. The order may be different.**

Max (6)

### 3.6 Ways in which TQM can reduce cost of quality

- Introduce quality circles to discuss ways of improving the quality of work/workmanship. ✓✓
- Schedule activities to eliminate duplication of tasks. ✓✓
- Share responsibility for quality output amongst management and workers. ✓✓
- Train employees at all levels, so that everyone understands their role in quality management. ✓✓
- Develop work systems that empower employees to find new ways of improving quality. ✓✓

- Work closely with suppliers to improve the quality of raw materials/inputs. ✓✓
- Improve communication about quality challenges/deviations, so that everyone can learn from experience. ✓✓
- Reduce investment on expensive, but ineffective inspection procedures in the production process. ✓✓
- Implement pro-active maintenance programmes for equipment/machinery to reduce/eliminate breakdowns. ✓✓
- Any other relevant answer related to ways in which TQM can reduce the cost of quality.

Max (6)

Breakdown of marks	
Question 3	Marks
3.1	6
3.2	6
3.3	8
3.4	8
3.5	6
3.6	6
<b>TOTAL</b>	<b>40</b>

## QUESTION 4: MISCELLANEOUS TOPICS

### BUSINESS ENVIRONMENTS

#### 4.1 Pillars of BBBEE

- Management control✓
- Ownership✓
- Enterprise and Supplier Development (ESD) ✓
- Skills Development✓
- Social responsibility/Socio-economic development✓

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

(Any 4 × 1) (4)

#### 4.2 Legislation

##### 4.2.1 National Credit Act✓✓

(2)

##### 4.2.2 Penalties for non-compliance with NCA

- The National Credit Regulator (NCR) may impose a fine/penalty✓ on the business for non-compliance. ✓
- Businesses (credit providers) may not charge any fee/interest/other charges✓ under that specific credit agreement. ✓
- The court may declare the granting of credit by the business reckless✓ and may order consumers not to repay the credit/or part thereof to the business. ✓
- Businesses may not demand payment, ✓ sue or attach the clients/consumers salaries/assets to repay debt. ✓
- The business bears all costs of removing the negative information of clients/ consumers ✓ who were blacklisted as a result of granting credit recklessly. ✓
- The business licence may be revoked for reckless granting of credit✓ and for gross violations contravening the NCA. ✓
- Any other relevant answer related to the penalties AQC/businesses may face not complying with the NCA.

Max (4)

#### 4.3 Porters FIVE forces from given statements

##### 4.3.1 Power of supplier/Bargaining power of suppliers✓✓

(2)

##### 4.3.2 Power of competitors/Competative rivalry✓✓

(2)

##### 4.3.3 Threat of substitution/Substitutes✓✓

(2)

#### 4.4 Advantages of diversification strategies

- Increase in sales/revenue/income✓ and business growth. ✓
- Sustained profitability from different product lines during times of fluctuating economic activity. ✓
- Increase in the number of products being sold✓ to existing/new customers/consumers ✓
- Establish additional new markets✓ in unrelated markets/industries. ✓
- Gain more technological capabilities✓ through product modification. ✓

- Improve brand/image/brand awareness✓ of the business. ✓
- Reduce the risk of relying only on one product✓ for sales/revenue/income. ✓
- Retain its competitive advantage✓ by meeting the needs of current/new customers/expanding into new unexplored markets. ✓
- Remain relevant/functional/operational✓ in the context of ever changing business environments. ✓
- Any other relevant answer related to the advantages of diversification strategies.

Max (4)

## BUSINESS OPERATIONS

### 4.5 Sources of external recruitment

- Printed media, e.g. newspapers/flyers/magazines ✓
- Electronic media, e.g. radio/TV ✓
- Social media/Social networks/Internet/Business websites ✓
- Recruitment agencies ✓
- Walk-ins✓
- Headhunting✓
- Professional associations ✓
- Networking ✓
- Educational/Training institutions ✓
- Posters/Bill boards just outside the business ✓
- Any other relevant answer related to the sources of external recruitment.

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

(4 × 1) (4)

### 4.6 Reasons for terminating an employment contract

1. Dismissal/Misconduct✓✓	NE decided to terminate Jan's employment contract due to unsatisfactory job performance ✓
2. Retrenchment✓✓	NE also terminated Mpho's employment contract of due to operational reasons. ✓
Submax (4)	Submax (2)

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

**2. The answer does not have to be in tabular format.**

**3. Award marks for the reasons for the termination of an employment contract even if the quote is incomplete.**

**4. Do not award marks for the motivations if the reasons for the termination of an employment contract were incorrectly identified.**

Max (6)

### 4.7 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/more customers✓ improve profitability. ✓
- Improves business image✓ as there are less defects/returns. ✓
- Any other relevant answer related to the benefits of a good quality management system.

Max (4)

### 4.8 Role of quality circles as part of continuous improvement to processes and systems

- Solve problems related to quality and implement improvements. ✓✓
- Investigate/identify problems and suggest solutions to management. ✓✓
- Ensure that there is no duplication of activities/tasks in the workplace. ✓✓
- Make suggestions for improving systems and processes in the workplace. ✓✓

- Improve the quality of products/services/productivity through regular reviews of quality processes. ✓✓
- Monitor/Reinforce strategies to improve the smooth running of business operations. ✓✓
- Reduce costs of redundancy in the long run. ✓✓
- Quality circles discuss ways of improving the quality of work/workmanship. ✓✓
- Contribute towards the improvement and development of the organisation. ✓✓
- Improve employees' loyalty and commitment to the business and its goals. ✓✓
- Any other relevant answer related to the role of quality circle as part of continuous improvement to processes and systems.

Max (6)

Breakdown of marks	
Question 4	Marks
4.1	4
4.2.1	2
4.2.2	4
4.3	6
4.4	4
4.5	4
4.6	6
4.7	4
4.8	6
<b>TOTAL</b>	<b>40</b>

## SECTION C

### QUESTION 5: BUSINESS ENVIRONMENTS

#### 5.1 Introduction

- The SDA enables more South Africans to gain access to skills training opportunities which have long term benefits for the population and society. ✓
- SETAs are responsible for identifying skills shortages and develop strategies to overcome these challenges. ✓
- The Skills Development Act was developed in response to the demand for redress and equity. ✓
- The SDA aims to link learning to the demands of the labour market. ✓
- Businesses must put measures in place to improve their compliance status. ✓
- Any other relevant introduction related to the purpose of the SDA/ role of SETAs/impact of SDA/ways to comply with the SDA.

(Any 2 × 1) (2)

#### 5.2 Purpose of Skills Development Act

- Develops the skills of the South African people, with the purpose of improving productivity. ✓✓
- Encourages businesses to improve the skills of new and existing workers. ✓✓
- Invests in the education and training of the South African workforce. ✓✓
- Purposefully redresses imbalances of the past through education and training. ✓✓
- Improves the job prospects of previously disadvantaged people. ✓✓
- Provides the systematic implementation of strategies on a national, sector and workplace basis. ✓✓
- Any other relevant answer related to the purpose of Skills Development Act.

Max (12)

#### 5.3 Role of SETA's in supporting the SDA

- Registers various learnerships ✓ and learning programmes. ✓
- Promotes and establishes ✓ various learnerships. ✓
- Approves the workplace skills plans ✓ and annual training reports submitted by businesses. ✓
- Develops skills plans that are in line ✓ with the aims of the National Skills Development Strategy (NSDS). ✓
- Develops/builds skills development plans ✓ for the various economic sectors. ✓
- Promotes learnerships and learning programmes ✓ by correctly identifying the best workplaces for practical work experience. ✓
- Any other relevant answer related to the role of SETA's in supporting the SDA.

Max (12)

## 5.4 Impact of the SDA on businesses

### Positives/advantages

- Increases the number of skilled employees ✓ in scarce skilled areas. ✓
- Improves productivity in the workplace ✓ because employees are empowered with current training demands and are more knowledgeable. ✓
- Increases global competitiveness of South African businesses, ✓ as more employees are trained with upgraded, relevant and scarce skills. ✓
- Improves the return on investment (ROI) ✓ in education and training. ✓
- Increases investment in education and training ✓ in the South African labour market. ✓
- Improves the delivery of services of businesses ✓, as employees are working more optimally. ✓
- Any other relevant answer related to the advantages/postive impact of the SDA on businesses.

### AND/OR

### Negative/disadvantages

- The implementation of the SDA is time-consuming, ✓ expensive, prescriptive and administratively burdensome. ✓
- Costly to implement and the Skills Development Levy (SDL) ✓ places an additional burden on financially struggling businesses. ✓
- The SDA initiative of the government ✓ may not always be supported by all businesses. ✓
- Businesses find it difficult to monitor/control ✓ the implementation of this Act. ✓
- The productivity in the workplace may decline, ✓ as employees have to attend learnerships during work hours. ✓
- Only companies/businesses with a staff payroll over R500 000 per annum ✓ can claim the Skills Development levy (SDL). ✓
- Any other relevant answer related to the disadvantages/negative impact of the SDA on businesses.

Max (12)

## 5.5 Ways in which businesses can comply with the SDA

- Display a summary of the SDA in the business where it is visible to all employees. ✓✓
- Provide opportunities to all employees to improve their skills. ✓✓
- Assess the skills of employees to determine/ascertain the areas in which skills development are needed. ✓✓
- Promote and encourage employees to improve their skills and to actively engage in learnerships. ✓✓
- Employers who collect PAYE should register with SETA. ✓✓
- Employers whose payroll exceeds R500 000 per annum should pay a 1% of it over to SETA. ✓✓
- Submit a workplace skills plan and provide evidence that it was implemented. ✓✓
- Any other relevant answer related to ways in which businesses can comply with the SDA

Max (10)

## 5.6 Conclusion

- Businesses comply with the Skills Development Act to gain a good image and publicity. ✓✓
- SETAs were established to ensure that the workplace training and skills development are approved by the South African Qualifications Authority (SAQA). ✓✓
- The Skills Development Act plays an important role in contributing to the economic growth of the country. ✓✓
- A labour inspector could order a business to stop operating should the business be found guilty of non-compliance. ✓✓
- Any other relevant conclusion related to the role of SETAs/purpose of the National Skills
- Any other relevant conclusion related to the purpose of the SDA/role of SETAs/impact of SDA/ways to comply with the SDA.

Any (1 × 2) (2)

Question 5: Breakdown of mark allocation		
DETAILS	MAXIMUM	TOTAL
5.1 Introduction	2	Max 32
5.2 Purpose of SDA	12	
5.3 Role of SETAs	12	
5.4 Impact of SDA on businesses	12	
5.5 Ways in which businesses can comply with SDA	10	
5.6 Conclusion	2	
INSIGHT		
Layout	2	8
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.

## QUESTION 6: BUSINESS OPERATIONS

### 6.1 Introduction

- Recruitment aims to attract/source the best possible applicants that possess the required skills/knowledge/ qualifications/ competencies/experience to fill vacancies/available posts ✓
- The employer must be clear about the nature/type of work to be performed so that an appropriate job description and job specification can be prepared. ✓
- Selection involves purposefully choosing the best candidate/applicant for an available post based on the requirements of the job analysis. ✓
- Fringe benefits are offered to employees regardless of regular wages/salaries. ✓
- Any other relevant introduction related to job description/job specification/selection procedure/purpose of the interview/impact of fringe benefits on businesses.

(Any 2 × 1) (2)

### 6.2 Differences between job description and job specification

JOB DESCRIPTION	JOB SPECIFICATION
Describes duties/responsibilities of a specific job. ✓✓	Describes the minimum acceptable personal qualities/ skills/ qualifications needed for the job. ✓✓
Written description of the job and its requirements. ✓✓	Written description of specific qualifications/skills/ experience needed for the job. ✓✓
Describes key performance areas tasks for a specific job e.g. job title/duties/working conditions/locations of the place of work/relationship of the job with other jobs in the business ✓✓	Describes key requirements for the person who will fill the position, e.g. formal qualifications/willingness to travel/work unusual hours ✓✓
Any other relevant answer related to job description	Any other relevant answer related to job specification.
<b>Submax (4)</b>	<b>Submax (4)</b>

- NOTE: 1. The answer does not have to be in tabular format.**  
**2. The differences do not have to link but must be clear.**  
**3. Award a maximum of FOUR (4) marks if the distinction is not clear/Mark either job description or job specification.**

Max (8)

### 6.3 Selection procedure

#### Option 1

- Determine fair assessment criteria✓ on which selection will be based. ✓
- Conduct preliminary screening✓ which is sorting the applications received according to the criteria for the job. ✓
- Check that applicants are not submitting false documents✓ such as forged certificates/degrees/achievements. ✓
- 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 candidates. ✓

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 applicant. ✓
- 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 the requirements. ✓
- Assess/Test candidates✓ who have applied for senior positions to ensure the best candidate is chosen. ✓
- Conduct interviews✓ with shortlisted candidates. ✓
- Offer employment in writing✓ to the selected candidate(s). ✓
- Any other relevant answer related to the selection procedure.

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

Max (12)

### 6.4 Purpose of an interview

- Creates an opportunity where information✓ about the business and applicant can be exchanged.✓
- Obtains information✓ about the strengths and weaknesses of each candidate. ✓
- Determines a candidate's suitability for the job✓/Determines whether the candidate would add value to the business. ✓
- Helps the employer in choosing/making an informed decision about the most suitable candidate for the job. ✓
- Matches information provided by the applicant✓ to the job requirements. ✓
- Evaluates✓ the skills/personal characteristics/qualities of the applicant. ✓
- Verifies to a certain degree the accuracy✓ regarding information presented on the CV. ✓
- Any other relevant answer related to the purpose of an interview.

Max (12)

### 6.5 Impact of fringe benefits for businesses

#### Positives/advantages

- Attractive fringe benefit packages may result in higher employee retention reduces employee turnover/low attrition rates. ✓✓
- Attracts/Retains qualified/skilled/experienced employees who may positively contribute towards the business goals/objectives. ✓✓
- Increases employee job satisfaction/loyalty/morale 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 for businesses.

AND/OR

**Negative/disadvantages**

- Fringe benefits are additional costs that may result in cash flow problems for the business. ✓✓
- Administrative costs increase as benefits need to be correctly recorded for tax purposes. ✓✓
- Decreases business profits, as incentive/package/remuneration costs are higher. ✓✓
- Creates conflict/leads to corruption if fringe benefits are 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 benefits 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 the law. ✓✓
- Any other relevant answer related to the negative impact/disadvantages of fringe benefits on businesses.

Max (14)

**6.6 Conclusion**

- Employees are the most important resource in any business and is strongly influenced by a good recruitment process and interview ✓✓
- The goal and objectives of businesses cannot be achieved without qualified and skilled employees. ✓✓
- A well-organised interview process will result in identifying and appointing the most suitable and deserving candidate. ✓✓.
- Fringe benefits will help the business to convince good candidates to accept the job offer of the business. ✓✓
- Any other relevant conclusion related to job description/job specification/selection procedure/purpose of the interview/impact of fringe benefits for businesses.

(1 × 2) (2)

[40]

Question 6: Breakdown of mark allocation		
DETAILS	MAXIMUM	TOTAL
6.1 Introduction	2	Max 32
6.2 Difference between job description and job specification	8	
6.3 Selection procedure	12	
6.4 Purpose of an interview	12	
6.5 Impact of fringe benefits for businesses	14	
6.6 Conclusion	2	
INSIGHT		
Layout	2	8
Analysis/Interpretation	2	
Synthesis	2	
Originality/Examples	2	
<b>TOTAL MARKS</b>		<b>40</b>

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

**TOTAL SECTION C: 40**  
**GRAND TOTAL: 150**

# School-based assessment (SBA)

Term 3  
Exemplar

GRADE 12

Business Studies

September 202\_

## PRELIMINARY EXAMINATION PAPER 1: MARKING GUIDELINES

Marks: 150 Time: 2 Hours

### SECTION A

#### QUESTION 1

##### 1.1 Multiple choice

- 1.1.1 B✓✓
- 1.1.2 C✓✓
- 1.1.3 A✓✓
- 1.1.4 B✓✓
- 1.1.5 A✓✓

(5 × 2) (10)

##### 1.2 Complete the statements

- 1.2.1 Unemployment Insurance✓✓
- 1.2.2 compound interest✓✓
- 1.2.3 language✓✓
- 1.2.4 RSA Retail Saving Bond✓✓
- 1.2.5 personal liability✓✓

(5 × 2) (10)

### 1.3 Matching columns

- 1.3.1 F✓✓
- 1.3.2 G✓✓
- 1.3.3 H✓✓
- 1.3.4 I✓✓
- 1.3.5 J✓✓

(5 × 2) (10)

TOTAL SECTION A: 30

Breakdown of marks	
Question 1	Marks
1.1	10
1.2	10
1.3	10
<b>TOTAL</b>	<b>30</b>

## SECTION B

### QUESTION 2: BUSINESS VENTURES

#### 2.1 Principles of insurance

- Indemnification/Indemnity✓
- Security/Certainty✓
- Utmost good faith✓
- Insurable interest✓

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

Any (4 × 1) (4)

#### 2.2 Types of investments from statements

- 2.2.1 Fixed deposit✓✓
- 2.2.2 Unit trusts✓✓

(2)

(2)

#### 2.3 Functions of the Johannesburg Securities Exchange

- Surplus funds accrued by financial institutions may be invested in share participation.✓✓
- Economic conditions in South Africa gets highlighted by activities on the JSE.✓✓
- Shareholders/Prospective shareholders are kept informed about the prices of shares daily.✓✓
- Bridge the gap between the public/investors and public companies that requires funding.✓✓
- The market price of shares on the JSE is determined by the demand for and supply of the shares after the initial listing price.✓✓
- Provides investors with small amounts of capital with the opportunities to invest in the economy of the country.✓✓
- South Africa economy is given boost by new investments that the JSE promotes.✓✓
- JSE provides investors and public companies with facilities to trade shares electronically.✓✓
- Any other relevant answer related to the functions of the JSE.

Max (6)

#### 2.4 Advantages of insurance for businesses

- The insured do not have to bear the risk✓ of losses/damages to assets/possessions✓
- Taking over the risk by the insurer from the insured✓ is linked to certain terms and conditions stipulated in the insurance contract.✓
- The businesses are protected from damages/losses incurred✓ due to natural disasters.✓
- The businesses are protected from damages/losses incurred✓ due to theft/burglary of assets/possessions.✓
- The businesses will be compensated for insurable losses of assets/possessions✓ caused by fire✓.
- Businesses are protected against the loss of earnings,✓ due to strikes by employees✓
- Businesses are protected against✓ deceitful/dishonest employees.✓
- A businessman may insure the life of a business partner✓ and receive compensation on his/her death to prevent the loss of capital.✓
- Businesses may insure the lives of debtors✓ to protect the businesses against losses due to death of a debtor.✓
- Any other relevant answer related to the advantages of insurance.

Max (6)

## 2.5 Visual aids

### 2.5.1 Visual aids from the scenario

VISUAL AIDS	MOTIVATIONS
Hand outs✓✓	He will give his audience copies of his presentation at the end of the presentation. ✓
Interactive whiteboard/Smart board✓✓	He also decided to use visual aids that can easily be controlled by the touch of a finger. ✓
<b>Submax (4)</b>	<b>Submax (2)</b>

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

**2. The answer does not have to be in tabular format.**

**3. Award marks for visual aids even if the quote is incomplete.**

**4. Do not award marks for the motivations if the visual aids were incorrectly identified.**

**Max (6)**

### 2.5.2 Responding to questions in a non-aggressive and professional manner

- Listen to each question carefully and ensure that you interpret the question correctly✓✓
- Restate the question for your own understanding if you are uncertain about the question. ✓✓
- Respond only to a question when you are certain about the question be asked. ✓✓
- When answering a question, it's important that you address the question and not the person asking the question. ✓✓
- Be prepared to acknowledge good questions by emphasising the value of question to the presentation✓✓
- Don't attempt to answer questions that you do not know the answer to, acknowledge this to your audience. ✓✓
- Don't be afraid to admit mistakes made during the presentation if such mistakes are mentioned by your audience✓✓
- It is important that you remain polite/courteous/professional when responding to questions✓✓
- Refrain from becoming involved in a debate/argument with the person/s posing the questions. ✓✓
- Any other relevant answer related to ways in which a presenter can respond to questions after the presentation in a non-aggressive manner and professional manner.

**Max (6)**

## 2.6 Factors that contribute to success and/or failure of a partnership

FACTOR	SUCCESS	AND/OR	FAILURE
2.6.1 Management	Partners are actively involved in management✓ and may use the ideas of other partners. ✓ Not all partners need to be actively involved in management✓ and would rather appoint competent managers. ✓ Partners can be creative and have access to expertise of other partners✓ when difficult decisions have to be made. ✓ Any other relevant answer related to how management can contribute to the success of a partnership		Decision making can be time-consuming✓ as all partners have to be in agreement✓ Partners have to do all of the administration, ✓ management and decision-making in the business. ✓ Partners may disagree on how to run the business, ✓ which may lead to tension between them. ✓ Partners are agents of the partnership✓ and bad management decisions may be forced onto other partners✓. Different personalities and opinions✓ could lead to conflict or disagreements. ✓ Any other relevant answer how management can contribute to the failure of a partnership
			<b>Submax (4)</b>

FACTOR	SUCCESS	AND/OR	FAILURE
2.6.2 Capital	<p>More capital can be obtained✓ because more than one partner contributes to capital. ✓</p> <p>Partners are responsible for success✓ and they will be carefully with spending and management of capital. ✓</p> <p>Any other relevant answer how capital can contribute to the success of a partnership.</p>		<p>Partners may not all have capital✓ to put into business when needed. ✓</p> <p>Unequal inputs✓ as some partners put in expertise instead of cash. ✓</p> <p>Any other relevant answer how capital can contribute to the failure of a partnership</p>
			<b>Submax (4)</b>

**NOTE: 1. The answer does not have to be in tabular format.**

**2. Mark either success and/or failure of EACH factor.**

Breakdown of marks	
Question 2	Marks
2.1	4
2.2	4
2.3	6
2.4	6
2.5.1	6
2.5.2	6
2.6.1	4
2.6.2	4
<b>TOTAL</b>	<b>40</b>

### QUESTION 3: BUSINESS ROLES

#### 3.1 Economic rights of employees

- Freedom from forced labour. ✓✓
- The right to accept or choose work. ✓✓
- Fair wages and equal pay for equal work. ✓✓
- The right to leisure and reasonable limitation of working hours. ✓✓
- Safe and healthy working conditions. ✓✓
- Everyone has the right to form trade or join unions, and to strike✓✓
- Any other relevant answer related to economic rights of employees.

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

Any (2 × 2) (4)

#### 3.2 Human rights from statements

- 3.2.1 Equity✓✓ (2)
- 3.2.2 Freedom of speech and expression✓✓ (2)
- 3.2.3 Safety/security and protection of life✓✓ (2)

#### 3.3 Differences between ethical and professional behaviour

Ethical behaviour	Professional behaviour
Refers to the principles of right and wrong/✓acceptable in society✓	Refers to what is right/wrong/✓acceptable in a business✓
Conforms to a set of values that are morally acceptable	Set of standards ✓of expected behaviour
Forms part of a code of conduct✓ to guide employees to act ethically✓	Applying a code of conduct✓ of a profession or business✓
Focuses on developing a moral compass for decision making✓	Focuses on upholding the reputation✓ of a business/ profession✓

Ethical behaviour	Professional behaviour
Involves following the principles of right and wrong✓ in business activities/practices/dealings✓	Includes guidelines✓ on employees' appearance/ communication/attitude/responsibility, etc.
Any other relevant answer related to ethical behaviour	Any other relevant answer related to professional behaviour.
<b>Submax (2)</b>	<b>Submax (2)</b>

- NOTE: 1. The answer does not have to be in tabular format.**  
**2. The difference does not have to link but must be clear.**  
**3. Award a maximum of TWO (2) marks if the difference is not clear/Mark either ethical  
behaviour or professional behaviour.**

**Max (4)**

**3.4 Ways in which businesses can deal with difficult employees in the workplace**

- Arrange a private meeting with the difficult employee, to avoid being distracted whilst dealing with the issues. ✓✓
- State clearly the purpose of the meeting to ease any fear that the employee may have. ✓✓
- Be specific about the behaviour of the employee that's deemed to be unacceptable. ✓✓
- Provide the difficult employee with an opportunity to explain his side of the unacceptable behaviour. ✓✓
- Determine a deadline by which the behaviour of the difficult employee must improve✓✓.
- A conversation must be held with the difficult employee regarding the deadline and the monitoring of progress of the behaviour prior to the deadline✓✓
- Provide the difficult employee with guidelines for improvement of his/her behaviour✓✓
- Assist the difficult employee about being realistic about changes in his behaviour✓✓
- Any other relevant answer related to the ways in which businesses can deal with difficult employees in the workplace.

**Max (8)**

**3.5 Criteria for successful team performance**

**Criteria for successful team performance from the scenario**

CRITERIA	MOTIVATIONS
Interpersonal attitudes and behaviour✓✓	Thandi gives credit to members for their positive contributions. ✓
Co-operation/ Collaboration✓✓	She also ensures that all team members take part in decision making.✓
<b>Submax (4)</b>	<b>Submax (2)</b>

- NOTE: 1. Mark the first TWO (2) responses only.**  
**2. The answer does not have to be in tabular format.**  
**3. Award marks for the criteria even if the quote was incomplete.**  
**4. Do not award marks for the motivations if the criteria were incorrectly identified.**

**Max (6)**

**3.6 Dealing with gender as a diversity issue**

- The business should offer equal employment opportunities✓ to males and females. ✓
- Both men and women should have the opportunity to be promoted✓ to managerial positions. ✓
- According to the EEA Act, women should have equal opportunities✓ to apply for jobs. ✓
- The business must set targets for gender equity in the business ✓ as well as the implementation there of. ✓
- New appointments should be based on skills and ability ✓ despite of the gender of the person. ✓
- The business should introduce affirmative action by ensuring that male and female employees✓ are remunerated fairly and equally✓
- Any other relevant answer related to ways in which businesses can to deal with gender as a diversity issue in the workplace.

**Max (6)**

### 3.7 Impact of force field analysis

#### Positives/Advantages

- It provides a visual summary of all the various factors supporting ✓ and opposing a particular idea ✓
- Employees feel included ✓ and understood the way the business is going. ✓
- Employees develop and grow with the business ✓ because they are included in the process. ✓
- 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. ✓
- Businesses are able to have an idea of the timeline required ✓ and the requirements of additional resources. ✓
- Any other relevant answer related to the positive impact/advantages of force field analysis

AND /OR

#### Disadvantages/Negatives

- It is time consuming since the business must stabilise ✓ before more changes can be made. ✓
- Requires the participation ✓ of all business units ✓
- The analysis developed is entirely dependent upon the skill level ✓ and knowledge of the group working on the analysis. ✓
- Any other relevant answer related to the negative impact/disadvantages of force field analysis as a problem solving technique.

Max (6)

Breakdown of marks	
Question 3	Marks
3.1	4
3.2	6
3.3	4
3.4	8
3.5	6
3.6	6
3.7	6
<b>TOTAL</b>	<b>40</b>

## QUESTION 4: MISCELLANEOUS TOPICS

### BUSINESS VENTURES

#### 4.1 Types of preference shares

- Participating ✓
- Non-participating ✓
- Cumulative ✓
- Non-cumulative ✓
- Redeemable ✓
- Non-redeemable ✓
- Convertible ✓
- Non-convertible ✓
- Any other relevant answer related to types of preference shares.

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

Any (4 × 1) (4)

4.2 Insurance questions from the scenario (2)

- 4.2.1 Average clause ✓✓  
 4.2.2 Calculation of average clause  
 $\frac{\text{Amount insured} \times \text{Amount of damages/loss}}{\text{Value of insured item}}$   
 $\frac{R\ 5\ 000 \times R\ 4\ 000}{R\ 8\ 000}$   
 $= R\ 2\ 500$  ✓✓✓✓

**NOTE: 1. Award full marks (4) if the answer is correct and no workings are shown.**  
**2. If the formula and workings were shown correctly but the final answer is wrong, award a maximum of THREE (3) marks.**  
**3. If the workings and the answer are incorrect, award a maximum of ONE mark for the formula.**

Max (4)

4.3 Differences between limited and unlimited liability

LIMITED LIABILITY	UNLIMITED LIABILITY
Losses are limited ✓ to the amount that the owner invested in the business. ✓	The liability of the owners to pay debts/claims ✓ is not limited to the business only. ✓
The owner's personal assets are protected ✓ against the debts of the business. ✓	The owner's personal assets may be seized ✓ to pay for the debts of the business. ✓
Applicable to forms of ownership/companies that have a separate legal entity/personality.	Applicable to a sole proprietorship and partnership as they do not have a separate legal entity/personality.
Any other relevant answer related to limited liability	Any other relevant answer related to unlimited liability
Submax (2)	Submax (2)

**NOTE: 1. The difference does not have to be in tabular form.**  
**2. The difference does not have to link but it must be clear.**  
**3. Award a maximum of TWO (2) marks if differences are not clear. Mark either limited or unlimited liability.**

Max (4)

4.4 Aspects that must be considered when designing a multimedia presentation

- Start your slides with the text and heading ✓✓
- Contrast the colour of your text with the colour of the background ✓✓
- Avoid using text that are not legible and font that is too small ✓✓
- Choose images that will enhance the message/information that you would like to convey ✓
- Include appropriate graphics to complement text on the slides ✓✓
- To captivate your audience, include special effects/sounds/animation in your presentation ✓✓
- Quick access to other documents/videos/ pictures/ graphs must be enabled by means of hyperlinks ✓✓.
- Refrain from including special effects/sounds/animation that will distract from the main message/information that you would like to convey to your audience. ✓✓
- Do a spell check before the presentation to eliminate any spelling/grammatical errors from your slide presentation ✓✓
- Structure the information on your slides in a logical sequence, that will allow your audience/the stakeholders to follow your presentation ✓✓
- Limit the information on each slide to retain the attention of your audience/the stakeholders ✓✓
- Any other relevant answer related on how to design a multimedia presentation.

Max (6)

## BUSINESS ROLES

### 4.5 Stages of team development

- Forming✓
- Storming✓
- Norming/Settling/Reconciliation✓
- Performing/Working as a team towards a goal✓
- Adjourning/Mourning✓

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

Any (4 × 1) (4)

### 4.6 King Code principles

#### 4.6.1 King Code principles from the scenario

King Code principles	Motivations
1. Transparency✓✓	The management of FCL ensures that their employees and shareholders are aware of the company's employment policies. ✓
2. Accountability✓✓	They also ensure that regular communication between management and stakeholders takes place. ✓
Submax (4)	Submax (4)

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

**2. The answer does not have to be in tabular format.**

**3. Award marks for the King Code principles even if the quote is incomplete.**

**4. Do not award marks for the motivations if the King Code principles were incorrectly identified.**

Max (6)

#### 4.6.2 Ways in which professional, responsible, ethical and effective business practice should be conducted

- Business decisions and actions✓ must be clear/transparent to all stakeholders. ✓
- Businesses should be accountable /responsible✓ for their decisions and actions/ patent rights. ✓
- The business should hire honest/trustworthy accountants/financial officers✓ with good credentials to ensure transparent recording and financial statements. ✓
- The payment of taxes must be regular/timeous and the business must disclose all needed information to SARS✓ and not finding loopholes to avoid paying taxes. ✓
- The business should draw up a code of ethics/conduct. ✓ This document must states acceptable behaviour in the business. ✓
- There must be on-going development and training✓ for all employees of the business. ✓
- Performance management systems/Appraisals should be in place✓ to motivate employees of the business. ✓
- There must be adequate internal controls/monitoring/evaluation✓ to ensure accountability of the business. ✓
- The business's salaries and wages must be fair✓ and in line with the requirements of the BCEA. ✓
- Businesses must take care of the environment and use green policies in the workplace✓ such as recycling paper, responsible disposal of waste material and safe energy. ✓
- The business must not start a business venture at someone else's expense✓ with the ideas of other businesses/individuals and respect intellectual property of other businesses. ✓
- Businesses should treat all their employees equally, ✓ regardless of their race/colour/age/gender/disability etc. They must also adhere to the requirement of EEA act. ✓
- Provide good quality goods and services to customers and pay attention to the safety of customers✓ as well as give clear information to the customers to make informed decisions✓.
- Any other relevant answer related to the application of professional, responsible, ethical and effective business practices in the workplace.

Max (4)

#### 4.7 Strategies businesses can use to protect the environment and human health

- Businesses must not generated profit at the expense of the environment, but they must adhere to the relevant laws and regulations. ✓✓
- The business should be aware of their impact on pollution and other environmental issues to minimise its impact e.g. safe disposal of waste and dumping of toxic waste, etc. ✓✓
- The business must also take steps to become involved in environmental awareness programmes. ✓✓
- The business must alter its production techniques in favour of cleaner and greener technologies to protect the environment. ✓✓
- According to the social rights of workers the business must test water in the workplace to ensure that it is safe for human consumption. ✓✓
- The business must look after natural resources and promote nature conservation. ✓✓
- The business must have a policy to minimise pollution and actively re-use, recycling and reduce waste. ✓✓
- The business can reduce consumption of goods and services which are environmentally unfriendly e.g. invest in appropriate technology like clean solar or wind power✓✓.
- They must register or engage with recognised institutions or bodies that promote green peace and green energy✓✓.
- The physical working conditions in the workplace should always be worker friendly, safe and promote occupational health. ✓✓
- The business must evaluate the physical working conditions, to improve human health e.g. adequate lighting and ventilation should be available and functional. ✓✓
- To reduce accidents the machines must be serviced and well maintained regularly. ✓✓
- The business must educate people about hygiene issues e.g. washing of hands. ✓✓
- To improve the health of their workers, the business must encourage employees to do regular health checks e.g. blood pressure and temperature checks. ✓✓
- Any other relevant answer related to strategies on how businesses can protect the environment and human health.

Max (6)

Breakdown of marks	
Question 4	Marks
4.1	4
4.2.1	2
4.2.2	4
4.3	4
4.4	6
4.5	4
4.6.1	6
4.6.2	4
4.7	6
<b>TOTAL</b>	<b>40</b>

## SECTION C

### QUESTION 5: BUSINESS VENTURES

#### 5.1 Introduction

- Good leaders can also be good managers as both can inspire people and bring about change. ✓
- Leaders with a positive attitude can create opportunities and motivate people to be productive. ✓
- Many managers are also good leaders with excellent management skills. ✓
- Some managers are task driven which may result in conflict if employees' interests are neglected. ✓
- Managers who ignore their leadership role will not be able to motivate people to get the job done successfully. ✓
- Theories of leadership and management guide leaders/managers on how to address/manage certain situations. ✓
- The laissez-fair leadership style can be used when employees have expertise and skills to perform a particular task. ✓
- Any other relevant introduction related to management/leadership/ role of personal attitude in successful leadership/ situational theory/ Laissez-Faire leadership style.

Any ( 2 × 1) (2)

## 5.2 Difference between management and leadership

Leadership	Management
Lead by inspiring and motivating employees. ✓✓	Manage processes by using his/her authority. ✓✓
Provide guidance and direction to employees. ✓✓	Instructional in his approach when dealing with employees. ✓✓
Promotes creativity to improve productivity levels. ✓✓	Task orientated, ensuring the job gets done. ✓✓
Focus on vision and mission of the organisation. ✓✓	Follow the plans to reach targets. ✓✓
Focus on potential of employees. ✓✓	Focus on organisation targets. ✓✓
Influence the actions of employees. ✓✓	Focus on the processes involved in the production process. ✓✓
Creative/Innovative when dealing with challenges. ✓✓	Control the actions of employees. ✓✓
People Orientated, thus putting employees first. ✓✓	Administer plans as set out by top-management. ✓✓
Any other relevant answer related to the meaning of leadership.	Any other relevant answer related to the meaning of management.
<b>Submax (6)</b>	<b>Submax (6)</b>

- NOTE: 1. The answer does not have to be in tabular format.**  
**2. The differences do not have to link but must be clear.**  
**3. Award a maximum of SIX (6) marks if the differences are not clear. Mark either leadership or management.**

**Max (12)**

## 5.3 Role of personal attitude in successful leadership

- Exceptional leaders will ensure that the environment at work ✓ is filled with a positive attitude coming from him/her. ✓
- A positive attitude from the leader may have a positive effect on the employees ✓, resulting in increased motivation levels ✓
- A negative attitude from the leader ✓ may have the converse effect on employees ✓.
- It is important that employees see within the leader ✓, the type of behaviour they're required to adopt and display at the work place. ✓
- Successful leaders allocate task/responsibilities to employees ✓ based on their knowledge of the employees' skills/abilities. ✓
- Leader should be enthusiastic in his engagement with employees ✓ because it develops confidence within the leader
- Successful leaders have a continuing desire to work ✓ towards and achieve more professional success ✓
- Leaders with a positive attitude constantly seek better/improved techniques ✓ to enhance performances. ✓
- Any other relevant answer related to the role of personal attitude in successful leadership.

**Max (12)**

## 5.4 Situational leadership theory

- Leaders are required to manage employees under a different conditions ✓ and different character traits are required to deal with each situation within the workplace. ✓
- A different leadership style would be adopted by the leader, ✓ based on the prevailing circumstances on a particular time. ✓
- Effective leaders may adopt the leadership style ✓ that will ensure that the goals of the organisation are achieved. ✓
- The relationship between the leader and the employees ✓ are based on values of trust/ integrity/ respect ✓
- Leaders possesses the skills/knowledge to analyse situation ✓ and allocate tasks/ responsibilities to the most suitable employees. ✓
- Conflict could arise if the leadership style is deemed inconsistent ✓ when dealing with employees in different situations. ✓
- The effectiveness of this leadership theory is dependent ✓ on the relationship that exist between the leader and employees ✓
- Any other relevant answer related to the situational leadership theory.

**Max (10)**

## 5.5 Impact of Laissez-Faire leadership style on businesses

### Advantages/Positive

- Employees are trusted and given the responsibility of making decisions in areas of their own expertise ✓✓
- Employees don't need to consult the leader, when making decisions which may benefit the organisation. ✓✓
- Motivation levels of employees increases, because the leader recognises their abilities/ skills to make decisions. ✓✓
- Productivity levels of the organisation could increase significantly because employees feel valued/appreciated. ✓✓
- Employees experience personal growth/development as they are allowed to make decisions on their own. ✓✓
- The leadership skills of individual employees may develop as they interact with other employees in decision making ✓✓
- Any other relevant answer related to the positive impact/advantages of Laissez-Faire leadership style

### AND / OR

### Disadvantages

- The uncertainty regarding clear decision making could be influence the morale of employees negatively. ✓✓
- Employees could be hesitant to take decisive actions, which could affect their work performance. ✓✓
- Conflict could arise between employees and fellow team members, if the actions of employees with strong personalities are questioned. ✓✓
- The leader does not become involved in disagreements amongst employees. ✓✓
- Employees may find it difficult to get fellow members to meet deadlines, which may impact negatively on deadlines being met. ✓✓
- Productivity levels may decrease if the employees lack the skills/knowledge necessary to make the right decisions ✓✓
- Any other relevant answer related to the negative impact/disadvantages of Laissez-Faire leadership style.

Max (12)

## 5.6 Conclusion

- Managers can also be good leaders if they do not only focus on the task only but also on the people who must execute the task. ✓✓
- Leaders who understand various leadership styles may be able to lead effectively and apply the correct leadership style. ✓✓
- A leader who is positive and enthusiastic will inspire his followers to improve themselves and achieve their own goals. ✓✓
- Managers can also be successful leaders if they not only focus on the task at hand, but also the people/workers who will execute the task. ✓✓.
- Any other relevant conclusion related to management/leadership/ role of personal attitude in successful leadership/ situational theory/ Laissez-Faire leadership style.

(Any 1 × 2) (2)

Question 5: Breakdown of mark allocation		
DETAILS	MAXIMUM	TOTAL
5.1 Introduction	2	Max 32
5.2 Difference between management and leadership	12	
5.3 Role of personal attitude in successful leadership	12	
5.4 Situational leadership theory	10	
5.5 Impact of Laissez-Fair leadership style	12	
5.6 Conclusion	2	
INSIGHT		
Layout	2	8
Analysis/Interpretation	2	
Synthesis	2	
Originality/Examples	2	
<b>TOTAL MARKS</b>		<b>40</b>

LASO – For each component:

Allocate 2 marks if all requirements are met.

Allocate 1 mark if some requirements are met.

Allocate 0 marks where requirements are not met at all.

## QUESTION 6: BUSINESS ROLES

### 6.1 Introduction

- Corporate Social Responsibility is the way a business conducts its operations ethically and morally, regarding the use of human, physical and financial resources. ✓
- Businesses should consider the impact of business operations on the environment in their decisions. ✓
- Businesses are corporate citizens and therefore have a responsibility towards society as well as their employees. ✓
- Businesses should take care of the wellbeing of their employees to increase productivity and profitability. ✓
- Any other relevant introduction related to the purpose of corporate social responsibility/ relationship between social responsibility and triple bottom line/ impact of CSR on businesses/employee wellbeing.

Any (2 × 1) (2)

### 6.2 Purpose of corporate social responsibility/CSR

- Society expect of them contributions✓ and they want to live up to society's expectations e.g. they look after the wellbeing of the community. ✓✓
- They want to comply with the expectations of government and the law✓ e.g. not exploiting natural resources. ✓✓
- The business can gain economic advantages✓ e.g. gaining credits for controlling carbon emissions. ✓✓
- The business's policies take ethical considerations into account✓ e.g. they decide to cut on their emissions in the production process. ✓✓
- Business operations address triple bottom line✓ through CSR programs to be listed on the JSE SRI. ✓✓.
- Any other relevant answer related to the purpose of CSR.

Max (10)

### 6.3 Relationship between social responsibility and triple bottom line

#### 6.3.1 Social/People✓✓

- Businesses/organisations should not have a negative impact on or exploit people✓, their employees, customers or the community. ✓
- Businesses should engage and invest in sustainable community programmes/projects✓ that will benefit and/or uplift communities. ✓
- Businesses should contribute to the well-being✓ of all their stakeholders. ✓
- Any other relevant answer related to the relationship between social responsibility and people as a triple bottom line element.

Submax (4)

#### 6.3.2 Environment/Planet✓✓

- Businesses should not exhaust resources/harm the environment✓ for production or to gain profit for itself. ✓
- Positively, they may support energy-efficient or eco-friendly products✓ and production methods. ✓
- They must take part in recycling or re-use of waste, e.g. make use of recycled material for packaging or in products. ✓
- Any other relevant answer related the relationship between to social responsibility and planet as a triple bottom line element.

Submax (4)

#### 6.3.3 Economic/Profit✓✓

- Triple Bottom line means that businesses should not only focus on its own profit and charge high prices✓ but should also invest in CSI projects. ✓
- Businesses should not make a profit✓ at the expense of its community. ✓
- Any other relevant answer related to the relationship between social responsibility and profit as a triple bottom line element.

Submax (4)

Max (12)

### 6.4 Impact of CSR on businesses

#### Positive/Advantages

- It may attract experienced employees✓ and increase the productivity of the business. ✓
- The business may have a competitive advantage, ✓ resulting in good publicity in the media✓.
- It promotes customer loyalty✓ resulting in more sales. ✓
- They can use CSI as a marketing strategy✓ to promote their products. ✓
- CSI helps to attract investors✓ when the business are included in the JSE SRI✓
- The businesses gain tax advantages✓ such as tax reduction or tax rebates. ✓

- Any other relevant answer related to the positive impact/advantages of CSR on businesses.

**AND/OR**

**Negatives/Disadvantages**

- CSR programmes could be taken for granted by the community✓ and customers may not buy the business's products. ✓
- It is difficult for small and medium enterprises✓ to implement CSR programmes. ✓
- It is expected from businesses to draw up detailed reports✓ which can be time consuming. ✓
- Social involvement is funded from business profits✓ which could have been used to the benefit of customers and reduce prices. ✓
- CSR activities distract business focus from its core business functions. ✓
- Businesses find it difficult to adhere to legislation governing CSR. ✓
- Any other relevant answer related to the negative impact/disadvantages of CSR on businesses.

**Max (12)**

**6.5 Ways in which businesses can contribute time and effort in improving the well-being of their employees**

- Pay fair wages/salaries to the workers based on the nature of their work and the prevailing economic conditions in the market. ✓✓
- Pay fair bonuses, based on business earnings, as acknowledgement for hard work and commitment. ✓✓
- Provide recreational facilities for employees and encourage them to stay fit and healthy. ✓✓
- Working conditions should include safety, medical, canteen facilities. Also include benefits like housing, leave and retirement packages, etc. ✓✓
- Start a nutritional programme so that employees can enjoy one meal per day to keep them in a healthy condition. ✓✓
- Provide transport for employees who work unusually long hours. ✓✓
- Conduct team-building sessions to improve employees' morale. ✓✓
- Any other relevant answer related to ways in which businesses can contribute time and effort in improving the well-being of their employees.

**Max (12)**

**6.6 Conclusion**

- Corporate social responsibility is an obligation required by law and benefits both businesses and society. ✓✓
- CSR programmes have a lot of benefits for businesses and the community. ✓✓
- Businesses will benefit a lot from investing time and effort in to improve the well-being of their employees. ✓✓
- Any other relevant conclusion related to the purpose of corporate social responsibility/ relationship between social responsibility and triple bottom line/ impact of CSR on businesses/employee wellbeing.

**(Any 1 × 2) (2)**

**[40]**

Question 6: Breakdown of mark allocation		
DETAILS	MAXIMUM	TOTAL
6.1 Introduction	2	Max 32
6.2 Purpose of CSR	10	
6.3 Relationship between social responsibility and triple bottom line	12	
6.4 Impact of CSR on businesses	12	
6.5 Ways in which businesses can contribute time and effort in improving the well-being of their employees	12	
6.6 Conclusion	2	
INSIGHT		
Layout	2	8
Analysis/Interpretation	2	
Synthesis	2	
Originality/Examples	2	
TOTAL MARKS		<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.