 Province of the

EASTERN CAPE

EDUCATION

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

**HOME SCHOOLING SELF-STUDY WORKSHEET ANSWER SHEET**

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| --- | --- | --- | --- | --- | --- |
| **SUBJECT** | **BUSINESS STUDIES** | **GRADE** | **12** | **DATE** | **08/04/2020** |
| **TOPIC** | **BUSINESS ENVIRONMENT MARKS: 80** | **TERM 1****REVISION** | **X** | **TERM 2 CONTENT** | (Please tick) |

**QUESTION 1: BUSINESS ENVIRONMENTS (LEGISLATION)**

* 1. **Introduction**

- The Employment Equity Act (EEA) was introduced to redress the economic imbalances of the past. √

- The EEA applies to all employers, employees and people applying for jobs. √

- The aim of the Act is to ensure that transformation takes place in the workplace. √

- Labour inspectors have the power to issue compliance orders. √

- Employment policies and procedures must be aligned with the requirements of the Act. √

Any other relevant introduction related to the purpose of the EEA/impact of EEA on businesses/consequences/penalties/practical ways in which businesses can comply with the EEA. **(2 x 1) (2)**

1.2 **Purpose of the Employment Equity Act**

- The EEA allows employees who do the same work to be paid equally. √√

- Eliminates discrimination on grounds of gender/race/disability in the workplace. √√

- Promotes equal opportunity and fair treatment in the workplace. √√

- Protects employees from victimisation if they exercise the rights given to them by the EEA. √√

- Promotes diversity in the workplace by ensuring that people of diverse backgrounds are appointed√√

- Ensures equal representation in the workplace through the implementation of affirmative action. √√

- Ensures equal representation of all population groups in the workplace. √√

Any other relevant answer related to the purpose of the EEA. Max (10)

* 1. **Impact of the EEA on businesses**

**Positives/Advantages**

- Encourages consultation√ between employer and employees. √

- Motivates employees√ because the workforce is more diverse/ representative/inclusive. √

- Creates a framework√ of acceptable employment practices/affirmative action measures. √

- Prevents unfair discrimination/discriminatory appointments√ as it ensures that the workforce represents the demographics of the country/promotes diversity in the workplace. √

- Motivates employees√ because everyone has the same employment opportunities. √

- Appointment process is clearly defined√, so all parties are well informed. √

- Promotes the implementation of affirmative action measures√ to redress the imbalance in employment. √

- Businesses are in a better position√ to negotiate contracts with the government. √

- Impacts positively√ on BEE ratings for businesses. √

Any other relevant answer related to the positive impact/advantages of EEA on businesses.

**AND/OR**

**Negatives/Disadvantages**

- Increased administration burden√, as businesses must compile/submit employment equity reports every two years. √

- Expensive to train/employ someone√ who knows little about the Act. √

- Other groups may not respect the knowledge/skills/experience of an EEA appointment√ and may lead to conflict. √

- Fines/Penalties for non-compliant businesses√ may be expensive for the business. √

- Employers have to appoint one or more senior managers to ensure the implementation of the plan√, which increases salary expenditure. √

- Skilled people from designated groups may demand higher salaries√ which increase salary expenses. √

- Job hopping of skilled/trained EE appointees√ may increase staff turnover. √

- Diversity in the workplace√ may lead to conflict/unhappiness. √

- Businesses must submit a compliance certificate√ before they can conduct business with state businesses. √

- Businesses are sometimes pressurised to appoint an unsuitable person√ to meet EEA requirements. √

- Often positions go unfilled√ because there are no suitable EEA candidates. √

Any other relevant answer related to the negative impact/disadvantages of the EEA on businesses. Max (16)

**1.4 Consequences/Penalties for non-compliance**

- Labour inspectors may conduct onsite visits, to interview employees which can create a bad image for the business. √√

- A compliance order may be issued to businesses that do not comply with the EEA. √√

- Businesses may be brought before the Labour Court if compliance orders are not adhered to/no efforts made to reach targets. √√

- Labour inspectors may investigate/inspect/ask questions about complaints. √√

- Businesses may face heavy fines for non-compliance. √√

- They can be ordered to pay compensation and damages to the employee. √√

Any other relevant answer related to the consequences/penalties for noncompliance with the EEA. Max (8)

**1.5 Practical ways in which businesses can comply with the EEA**

- Businesses should guard against discriminatory appointments. √√

- Assess the racial composition of all employees, including senior management. √√

- Ensure that there is equal representation of all racial groups in every level of employment. √√

- Clearly define the appointment process, so that all parties are well informed. √√

- Ensure that diversity/inclusivity in the workplace is achieved. √√

- Prepare an employment equity plan in consultation with employees. √√

- Compile employment equity plans that indicate how they will implement affirmative action. √√

- Ensure that affirmative action measures promote diversity in the workplace. √√

- Implement the employment equity plan. √√

- Implement affirmative action measures to redress disadvantages experienced by designated groups/Accommodate people from different designated groups. √√

- Submit the employment equity plan to the Department of Labour. √√

- Assign one or more senior managers to ensure implementation and monitoring of the employment equity plan. √√

- Eliminate barriers that have an adverse impact on designated groups. √√

- Regularly report to the Department of Labour on progress in implementing the plan. √√

- Display a summary of the Act where employees can clearly see/have access to the document. √√

- Conduct medical/psychological tests fairly to employees/when deemed necessary. √√

- Ensure that the workplace represents the demographics of the country at all levels. √√

- Restructure/Analyse current employment policies/practices/procedures to accommodate designated groups. √√

- Retrain/Develop/Train designated groups through skills development programmes. √√

Any other relevant answer related to practical ways in which businesses can comply with the EEA. Max (12)

**1.6 Conclusion**

- The EEA does not only promote and regulate affirmative action, but also gives guidance in conducting a fair appointment process. √√

- Businesses can access the skills and expertise of previously disadvantaged individuals. √√

- Businesses should take necessary steps/put practical measures in place to promote equal opportunities in the workplace. √√

- Penalties for non-compliance may have a negative financial implication for businesses. √√

Any other relevant conclusion related to the purpose of the EEA/impact of EEA on businesses/consequences/penalties/practical ways in which businesses can comply with the EEA. Max (2)

 **[40]**

|  |
| --- |
| **BREAKDOWN OF MARKS ALLOCATION** |
| **Details** | **Maximum** | **Total** |
| Introduction | **2** | **Max.32** |
| Purpose of the EEA | **10** |
| Impact of EEA on business | **16** |
| Consequences/Penalties for non-compliance | **8** |
| Compliance with EEA | **12** |
| Conclusion | **2** |
| **INSIGHT** |  | **8** |
| Layout | **2** |
| Analysis | **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 markswhere requirements are not met at all

**QUESTION 2. BUSINESS ENVIRONMENTS (BUSINESS STRATEGIES)**

**2.1 Introduction**

‐ SWOT analysis is used to identify and evaluate the factors in the internal and external environment that can influence the

 business. √

‐ Businesses must devise strategies to address the identified challenges. √

‐ SWOT analysis assesses how a strategy can be best implemented. √

‐ The aim of strategy evaluation is to determine whether the chosen strategy will resolve the identified challenge. √

‐ Any other relevant introduction related to applying the SWOT analysis, defensive strategies and strategy evaluation.

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

**2.2 SWOT analysis**

|  |  |
| --- | --- |
| **STRENGTH** | **WEAKNESSES** |
| -Highly skilled workers √√  **Sub-max. (2)** | ‐ Decline in sales √√  **Sub-max. (2)** |
|  |  |
| **OPPORTUNITY** | **THREAT** |
| ‐ Franchise opportunity √√  **Sub-max. (2)** | ‐ Theft and burglaries  **Sub-max. (2)** |
|  |  |

**2.3 Strategies to handle weakness and threat**

|  |  |
| --- | --- |
| **WEAKNESS** | **RECOMMENDATIONS** |
| Decline in sales | ‐ Do regular promotions and discounts. √√ |
| ‐ Improve customer service.√√ |
| ‐ Improve packaging/branding/trademarks.√√ |
| ‐ Know your competitor and draw up competitor’s profile.√√ |
| ‐ Any other relevant strategy which can address weakness in sales decline. |
|  **Sub-max. (6)** |

|  |  |
| --- | --- |
| **THREAT** | **RECOMMENDATIONS** |
| Theft and burglaries | ‐ SEL should install security systems/hire more security to safeguard the business.√√ |
| ‐ Engage in CSR/CSI programmes that are aimed at reducing crime in the community.√√ |
| ‐ Relocate the business to other areas where the crime rate is minimal.√√ |
| ‐ Provide employment opportunities for local people/the community.√√ |
| Any other relevant strategy which can address threats and burglary. |
|  **Sub-max. (6)** |

**NOTE: 1. Do not award marks for strategies that are not linked to the identified threat or weakness.**

 **2. Do not award marks for the weakness/threat. Max. (12)**

**2.4 Defensive strategies**

 **Divestiture √√**

‐ The business disposes/sells some assets/divisions √ that are no longer profitable/ productive. √

‐ Businesses may sell off divisions/product lines√ with slow growth potential. √

‐ The business sells ownership √ by reducing the number of shareholders √

‐ Unproductive assets are sold √ to pay off debts/reduce operational costs. √

‐ Process used to withdraw its investment √ in another business. √

‐ Aims at acquiring √ additional capital. √

Any other relevant answer related to divestiture as a defensive strategy.

Strategy (2)

 Explanation (4)

Sub-max. (6)

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

**Liquidation √√**

‐ All assets are sold to pay creditors √ due to a lack of capital/cash flow. √

‐ Selling the entire business √ in order to pay all liabilities/close down the business. √

‐ Creditors may apply for forced liquidation √ in order to have their claims settled. √

‐ Companies in financial difficulty may apply for business rescue √ to avoid liquidation. √

Any other relevant answer related to liquidation as a defensive strategy.

 Strategy (2)

 Explanation (4)

 Sub-max. (6)

**Retrenchment √√**

‐ Terminating the employment contracts of employees √ for operational reasons. √

‐ Decreasing the number of product lines/Closing certain departments √ may result in some workers becoming redundant. √

 Any other relevant answer related to retrenchment as a defensive strategy.

Strategy (2)

 Explanation (4)

Sub-max. (6)

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

 Strategies (6)

Explanation (12)

 Max. (18)

**2.5 Evaluation strategies**

**‐** Examine the underlying basis of a business strategy. √√

‐ Formulate strategies to meet objectives favourably. √√

‐ Implement strategies using action plans, √√ etc.

‐ Look forward and backwards into the implementation process. √√

‐ Compare the expected performance with the actual performance. √√

‐ Measure 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 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: Accept steps in any order. Max. (8)**

**2.6 Conclusion**

‐ SWOT analysis requires the combination of quantitative and qualitative information to improve the business level of

 planning, policy making and enhance decision making. √√

‐ SWOT analysis also improves communication and helps to co-ordinate business operations. √√

‐ Businesses must continuously evaluate the effectiveness of the implemented strategies. √√

Any other relevant conclusion related to the SWOT analysis, defensive strategies and strategy evaluation.

 **(Any 1 x 2) (2) [40]**

**TOTAL MARKS: 80**