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Department:
Basic Education
REPUBLIC OF SOUTH AFRICA

NATIONAL SENIOR CERTIFICATE

GRADE 12

BUSINESS STUDIES P1

NOVEMBER 2020

MARKING GUIDELINES

MARKS: 150

These marking guidelines consist of 29 pages.

NOTES TO MARKERS**PREAMBLE**

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

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

1. For marking and moderation purposes, the following colours are recommended:

Marker:	Red
Senior Marker:	Green
Deputy Chief Marker:	Brown
Chief Marker:	Pink
Internal Moderator:	Orange
DBE Moderator:	Turquoise

2. Candidates' responses must be in full sentences for SECTIONS B and C. However, this would depend on the nature of the question.
3. 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:
 - Uses a different expression from that which appears in the marking guideline
 - Comes from another credible source
 - Original
 - A different approach is used

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

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

9. 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 candidate's responses. Candidates will be penalised if the latter is not clear.
10. No additional credit must be given for repetition of facts. Indicate with an 'R'.
11. The differentiation between 'evaluate' and 'critically evaluate' can be explained as follows:
 - 11.1 When 'evaluate' is used, candidates are expected to respond in either a positive/negative manner or take a neutral (positive and negative) stance, e.g. **Positive:** *'COIDA eliminates time and costs spent✓ on lengthy civil court proceedings.✓'*
 - 11.2 When 'critically evaluate' is used, candidates are expected to respond in either a positive/negative manner or take a neutral (positive and negative) stance. In this instance candidates are also expected to support their responses with more depth, e.g. *'COIDA eliminates time and costs spent✓ on lengthy civil court proceedings✓, because the employer will not be liable for compensation to the employee for injuries sustained during working hours as long as it can be proved that the business was not negligent.✓'*

NOTE: 1. The above could apply to 'analyse' as well.
2. Note the placing of the tick (✓) in the allocation of marks.
12. The allocation of marks must be informed by the nature of the question, cognitive verb used, mark allocation in the marking guideline and the context of each question.

Cognitive verbs, such as:

 - 12.1 Advise, name, state, outline, motivate, recommend, suggest, (*list not exhaustive*) do not usually require much depth in candidates' responses. Therefore, the mark allocation for each statement/answer appears at the end.
 - 12.2 Define, describe, explain, discuss, elaborate, distinguish, differentiate, compare, tabulate, 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 assessment is conducted according to established norms so that uniformity, consistency and fairness are achieved.
13. Mark only the FIRST answer where candidates offer more than one answer for SECTION B and C questions that require one answer.

14. SECTION B

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

NOTE: 1. This applies only to questions where the number of facts is specified.
2. The above also applies to responses in SECTION C. (where applicable)

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

- 14.3 If candidates are required to provide their own examples/views, brainstorm this at the marking centre to finalise alternative answers and consult with the Internal Moderator at DBE for approval.

14.4 Use of the cognitive verbs and allocation of marks:

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

- Fact 2 marks (or as indicated in the marking guidelines)
- Explanation 1 mark (two marks will be allocated in Section C)

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

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

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

15. SECTION C

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

Introduction	Maximum: 32
Content	
Conclusion	
Insight	8
TOTAL	40

15.2 Insight consists of the following components:

Layout/Structure	Is there an introduction, a body, and a conclusion?	2
Analysis and interpretation	Is the candidate able to break down the question into headings/subheadings/interpret it correctly to show understanding of what is being asked? Marks to be allocated using this guide: All headings addressed: 1 (One 'A') Interpretation (16 to 32 marks): 1 (One 'A')	2
Synthesis	Are there relevant decisions/facts/responses made based on the questions? Marks to be allocated using this guide: No relevant facts: 0 (Two '-S') Some relevant facts: 1 (One '-S') Only relevant facts: 2 (No '-S') Option 1: Where a candidate answers 50% or more of the question with only relevant facts; no '-S' appears in the left margin. Award the maximum of TWO (2) marks for synthesis. Option 2: Where a candidate answers less than 50% of the question with only OR some relevant facts; one '-S' appears in the left margin. Award a maximum of ONE (1) mark for synthesis. Option 3: Where a candidate answers less than 50% of the question with no relevant facts; two '-S' appear in the left margin. Award a ZERO mark for synthesis.	2
Originality	Is there evidence of one example per topic/subtopic based on recent information, current trends and developments not older than one (1) year?	2
TOTAL FOR INSIGHT:		8
TOTAL MARKS FOR FACTS:		32
TOTAL MARKS FOR ESSAY (8 + 32):		40

- 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.**

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

15.4 The breakdown of marks is indicated at the end of the suggested answer/ marking guideline to each question.

- 15.5 Mark all relevant facts until the SUBMAX/MAX mark in a subsection has been attained. Write SUBMAX/MAX after maximum marks have been obtained, but continue reading for originality “O”.
- 15.6 At the end of each essay indicate the allocation of marks for facts and marks for insight as follows: (L – Layout, A – Analysis, S – Synthesis, O – Originality) as in the table below.

CONTENT	MARKS
Facts	32 (max.)
L	2
A	2
S	2
O	2
TOTAL	40

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

SECTION A**QUESTION 1**

- 1.1 1.1.1 A✓✓
 1.1.2 C✓✓
 1.1.3 D✓✓
 1.1.4 A✓✓
 1.1.5 B✓✓
(5 x 2) **(10)**
- 1.2 1.2.1 SETAs✓✓
 1.2.2 National Credit Regulator✓✓
 1.2.3 SWOT✓✓
 1.2.4 unemployment insurance fund✓✓
 1.2.5 purchasing✓✓
(5 x 2) **(10)**
- 1.3 1.3.1 E✓✓
 1.3.2 G✓✓
 1.3.3 H✓✓
 1.3.4 I✓✓
 1.3.5 F✓✓
(5 x 2) **(10)**
- TOTAL SECTION A: 30**

BREAKDOWN OF MARKS

QUESTION 1	MARKS
1.1	10
1.2	10
1.3	10
TOTAL	30

SECTION B**Mark the FIRST TWO answers only.****QUESTION 2: BUSINESS ENVIRONMENTS****2.1 Types of integration strategies**

- Forward vertical✓
- Backward vertical✓
- Horizontal ✓

NOTE: Mark the first TWO (2) only.**(2 x 1) (2)****2.2 Steps in strategy evaluation**

- Examine 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 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 (6)****2.3 Challenges of business environments and the extent of control**

CHALLENGES 2.3.1	BUSINESS ENVIRONMENTS 2.3.2	EXTENT OF CONTROL 2.3.3
1. GTE could not export their products to other countries during the forced lockdown period.✓	Macro✓	No control✓
2. Some of their essential employees requested to work from home due to the negative impact of the Covid-19 pandemic.✓	Micro/Macro✓	Full control/No control✓
3. Sally Manufacturers delayed the distribution of personal protective equipment to GTE.✓	Market✓	Partial/Some/Limited/Less/Little control✓
Submax (3)	Submax (3)	Submax (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 not mentioned.
 6. Accept responses in any order.

Max (9)

2.4 Implications of management control and skills development as BBBEE pillars for businesses

2.4.1 Management control

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

Max (4)

2.4.2 Skills development

- Businesses must engage black employees✓ in skills development initiatives.✓
- Provide learnerships/Learning programmes✓ to black employees. ✓
- Business must contribute 1% of their payroll✓ to fund the skills development programmes.✓
- Businesses could benefit from the increased✓ pool of skilled/trained workers.✓
- Businesses must go the extra mile to train staff✓ where learnerships are not offered.✓
- Productivity is compromised as mentors/coaches have to find the time✓ to participate in learnerships/training.✓
- Any other relevant answer related to the implications of skills development as a BBBEE pillar for businesses.

Max (4)

2.5 Legislation**2.5.1 Labour Relations Act/LRA** ✓✓ (2)**Motivation**

Martha, an employee at Cindy Bottle Suppliers, was unfairly dismissed for late coming due to road closures because of a service delivery protest/She referred the matter to the Commission for Conciliation, Mediation and Arbitration (CCMA) as she was not happy with her dismissal. ✓ (1)

NOTE: Do not award marks for the motivation if the Act was incorrectly identified.

Max (3)**2.5.2 Other actions regarded as discriminatory according to the LRA**

- Preventing employees✓ from joining trade unions. ✓
- Refusing the establishment✓ of workplace forums. ✓
- Forcing employees to give up✓ trade union membership. ✓
- Not allowing employees✓ to take part in legal strikes.✓/Not adhering to the right of employees✓ to strike when legalised. ✓
- Cancellation of employees' contract by a new employer✓ when a business is sold. ✓
- Refusing to give workplace forum members time off✓ with pay for attending meetings during working hours. ✓
- Refusing leave to trade union representatives✓ to attend trade union activities. ✓
- Breaching of collective agreements/resolution mechanisms✓ by employer/employee. ✓
- Any other relevant answer related to other actions that could be regarded as discriminatory according to the LRA.

NOTE: 1. Do not award marks for responses that were quoted from the scenario in QUESTION 2.5.1.
2. Accept relevant facts if the Act was incorrectly identified as an answer in QUESTION 2.5.1.

Max (4)**2.6 Ways in which businesses could deal with challenges posed by the technological and environmental factors of the PESTLE analysis****2.6.1 Technological**

- Continuous research on the latest available technology/equipment in the market. ✓✓
- Train existing/appoint new employees to maintain/use new equipment. ✓✓
- Compare prices/Select suitable suppliers for new equipment at reasonable prices. ✓✓
- Businesses must be geared for online trading/e-commerce. ✓✓
- Any other relevant answer related to ways in which businesses could deal with the technological challenges as a PESTLE factor.

Max (4)

2.6.2 Environmental

- Chemicals/Ingredients should be clearly indicated on labels/packaging to inform customers about possible side effects/correct use of products. ✓✓
- Implement cost effective measures to dispose medical waste. ✓✓
- Implement recycling measures to prevent pollution of the environment/Use packaging that is re-usable/recyclable. ✓✓
- Any other relevant answer related to ways in which businesses could deal with the environmental challenges as a PESTLE factor.

Max (4)
[40]

BREAKDOWN OF MARKS

QUESTION 2	MARKS
2.1	2
2.2	6
2.3.1	3
2.3.2	3
2.3.3	3
2.4.1	4
2.4.2	4
2.5.1	3
2.5.2	4
2.6.1	4
2.6.2	4
TOTAL	40

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

NOTE: Mark the first TWO (2) only.**(2 x 1) (2)****3.2 Difference between piecemeal and time-related salary determination methods**

PIECEMEAL	TIME-RELATED
- Workers are paid according to the number✓ of items/units produced /action performed.✓	- Workers are paid according to the amount of time/hours✓ 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 piecemeal as a salary determination method.	- Any other relevant answer related to time-related as a salary determination method.
Submax (2)	Submax (2)

- 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 piecemeal or time-related salary determination methods only.

Max (4)

3.3 Reasons for the termination of an employment contract

- The employer may dismiss an employee for valid reason(s)✓, e.g. unsatisfactory job performance, misconduct✓, etc.
- Employer may no longer have work✓ for redundant employees/cannot fulfil the contract/is restructuring. ✓
- The employer may retrench✓ some employees due to insolvency✓/may not be able to pay✓ the employees. ✓
- Employees decided to leave✓ by resigning voluntarily for better job opportunities.✓
- An employee may have reached the pre-determined age✓ for retirement.✓
- Incapacity to work✓ due to illness/injuries.✓
- The duration of the employment contract✓ expires/comes to an end✓.
- By mutual agreement✓ between the employer and employee. ✓
- Any other relevant answer related to the reasons for the termination of an employment contract.

Max (6)**3.4 Recruitment****3.4.1 Type of recruitment from the scenario**

Internal recruitment✓✓

(2)**3.4.2 Impact of internal recruitment on businesses****Positives/Advantages**

- Cheaper/Quicker to fill✓ the post.✓
- Placement is easy✓, as management knows the employees' skills/personality/experience/strengths.✓
- Provides opportunities for career paths✓ within the business.✓
- The employee already has an understanding of how the business operates✓, induction/training is not always necessary. ✓
- Reduces the chances of losing employees✓, as future career prospects are available. ✓
- Detailed, reliable information can be obtained✓ from the supervisors/employee records.✓
- Any other relevant answer related to the positive impact/advantages of internal recruitment on businesses.

AND/OR**Negatives/Disadvantages**

- Current employees may not bring new ideas✓ into the business. ✓
- Promoting a current employee may cause resentment✓ amongst other employees. ✓
- Promotion may disrupt business operations ✓ as it creates open vacancies that need to be filled. ✓
- The number of applicants is limited✓ to current staff only.✓
- Employees who do not really have the required skills for the new job✓ may be promoted.✓
- Current employees may need to be trained/developed✓ before they can be promoted, which can be expensive.✓
- Staff that is not promoted may feel demotivated✓ which may hamper productivity.✓
- Any other relevant answer related to the negative impact/disadvantages of internal recruitment on businesses.

NOTE: Accept relevant facts if the recruitment method was incorrectly identified as an answer in QUESTION 3.4.1.

Max (6)

3.5 Benefits of a good quality management system

- Effective customer services will be rendered, resulting in increased customer satisfaction.√√
- Time and resources are also used efficiently.√√
- Productivity increases through proper time management and using high quality resources.√√
- Products/Services are constantly improving.√√
- Vision and mission/Business goals may be achieved.√√
- The business may achieve 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 which generally results in happy workers.√√
- Increased market share/profitability may result in business growth/expansion. √√
- Improved business image, as there is less defects/faulty products/returns. √√
- Any other relevant answer related to benefits of a good quality management system.

NOTE: Mark the first TWO (2) only.**(2 x 2) (4)****3.6 Quality indicators of the financial function**

- Obtain capital√ from the most suitable/available/reliable sources.√
- Negotiate better interest rates√ in order to keep financial cost down.√
- Draw up budgets√ to ensure sufficient application of monetary resources.√
- Keep financial records up to date√ to ensure timely/accurate tax payments.√
- Analyse strategies√ to increase profitability.√
- Invest surplus funds√ to create sources of passive income. √
- Implement financial control measures/systems√ to prevent fraud. √
- Implement credit granting/debt collecting policies√ to monitor cash flow.√
- Draw up accurate financial statements√ timeously/regularly.√
- Accurately analyse and interpret√ financial information.√
- Invest in strategies that will assist the business√ to remain profitable.√
- Avoid over/under-capitalisation√ so that financial resources will be utilised effectively.√
- Any other relevant answers related to the quality indicators of the financial function.

Max (4)

3.7 Quality concepts from the scenario

QUALITY CONCEPTS	MOTIVATIONS
1. Quality assurance✓✓	- Excel Carpet Manufacturers checks the quality of their carpets during and after the production process.✓
2. Quality management✓✓	- The chief executive officer (CEO) of ECM uses different techniques to improve on the quality of their product.✓
Submax (4)	Submax (2)

- NOTE:**
1. The answer does not have to be in tabular format.
 2. Award marks for the quality concepts even if the quotes were incomplete.
 3. Do not award marks for the motivations if the quality concepts were incorrectly identified.

Max (6)**3.8 Impact of total client/customer satisfaction as a TQM element on large businesses****Positives/Advantages**

- Large businesses use market research/customer surveys✓ to measure/ monitor customer satisfaction/analyse customers' needs.✓
- Continuously promote✓ a positive company image.✓
- May achieve a state of total client/customer satisfaction✓, if businesses follow sound business practices that incorporate all stakeholders.✓
- Strive to understand and fulfil customer expectations✓ by aligning cross-functional teams across critical processes.✓
- Ensures that cross-functional teams understand their core competencies✓ and develop/strengthen it.✓
- 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.✓
- May lead to increased ✓ competitiveness/profitability.✓
- Any other relevant answer related to the positive impact/advantages of total client/customer satisfaction as a TQM element on large businesses.

AND/OR**Negatives/Disadvantages**

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

Max (6)
[40]

BREAKDOWN OF MARKS

QUESTION 3	MARKS
3.1	2
3.2	4
3.3	6
3.4.1	2
3.4.2	6
3.5	4
3.6	4
3.7	6
3.8	6
TOTAL	40

QUESTION 4: MISCELLANEOUS TOPICS**BUSINESS ENVIRONMENTS****4.1 Consumer rights as stipulated in the NCA**

Consumers have a right to:

- Apply for credit and to be free from discrimination. ✓
- Obtain reasons for credit being refused. ✓
- Receive pre-agreement documentation before concluding any credit transaction. ✓
- Fair and responsible marketing. ✓
- 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 information in plain and understandable language. ✓
- Receive documents/statements as required by the Act. ✓
- Access and challenge credit records and information. ✓
- Receive protection of their personal information. ✓
- 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 consumer rights as stipulated in the NCA.

NOTE: Mark the first FOUR (4) only.

(4 x 1) (4)

4.2 Porter's Five Forces from given statements

4.2.1 The power of competitors/Competitive rivalry ✓✓

4.2.2 Threat of new entrants to the market ✓✓

(4)

4.3 Types of defensive strategies

Divestiture/Divestment ✓✓

- Disposing/Selling some assets/divisions that are no longer profitable/productive. ✓
- Selling off divisions/product lines with slow growth potential. ✓
- Decreasing the number of shareholders by selling ownership. ✓
- Paying off debts by selling unproductive assets. ✓
- Withdrawing their investment share in another business (divesting). ✓
- Any other relevant answer related to divestiture/divestment as a defensive strategy.

Strategy (2)
Explanation (1)
Submax (3)

Retrenchment✓✓

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

Strategy (2)

Explanation (1)

Submax (3)

Liquidation✓✓

- Selling all assets to pay creditors due to a lack of capital. ✓
- Selling the entire business in order to pay shareholders a fair price for their shares. ✓
- Allowing creditors to apply for forced liquidation in order to have their claims settled. ✓
- Any other relevant answer related to liquidation as a defensive strategy.

Strategy (2)

Explanation (1)

Submax (3)

Max (6)**NOTE: Mark the first TWO (2) only.****4.4 Legislation**4.4.1 Compensation for Occupational Injuries and Diseases Act/COIDA✓✓ **(2)****4.4.2 Other ways to comply with COIDA**

- MC should provide a healthy/safe working environment. ✓✓
- Register with the Compensation Commissioner and provide the particulars of the business. ✓✓
- Keep records of employees' income and details of work for four years. ✓✓
- Submits returns of earnings not later than 1 March annually. ✓✓
- Levies must be paid to the Compensation Fund. ✓✓
- Ensure that the premises/equipment/machinery is in good working condition. ✓✓
- Allow regular assessment of the workplace by inspectors in order to determine the level of risk their employees are exposed to. ✓✓
- Employers may not make deductions for COIDA from employees' remuneration packages. ✓✓
- MC must ensure that claims are lodged within twelve months of the date of the accident. ✓✓
- Any other relevant answer related to any other ways in which MC/businesses can comply with COIDA.

NOTE: 1. Mark the first TWO (2) only**2. Accept relevant facts if the Act was incorrectly identified as an answer in QUESTION 4.4.1****(2 x 2) (4)**

BUSINESS OPERATIONS**4.5 Human resources function****4.5.1 Aspects that should be included in an induction programme**

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

NOTE: Mark the first TWO (2) only.**(2 x 1) (2)****4.5.2 Benefits of induction for businesses**

- Allows new employees to settle in quickly and work effectively. ✓✓
- Ensures that new employees understand rules and restrictions in the business. ✓✓
- New employees may establish relationships with fellow employees at different levels. ✓✓
- Make new employees feel at ease in the workplace, which reduces anxiety/insecurity/fear. ✓✓
- The results obtained during the induction process provide a base for focussed training. ✓✓
- Increases quality of performance/productivity. ✓✓
- Minimises the need for on-going training and development. ✓✓
- Employees will be familiar with organisational structures, e.g. who are their supervisors/low level managers. ✓✓
- Opportunities are created for new employees to experience/explore different departments. ✓✓
- New employees will understand their role/responsibilities concerning safety regulations and rules. ✓✓
- New employees will know the layout of the building/factory/offices/where everything is, which saves production time. ✓✓
- Learn more about the business so that new employees understand their roles/responsibilities in order to be more efficient. ✓✓
- Company policies are communicated, regarding conduct and procedures/safety and security/employment contract/conditions of employment/working hours/leave. ✓✓
- Realistic expectations for new employees as well as the business are created. ✓✓
- New employees may feel part of the team resulting in positive morale and motivation. ✓✓

- Employees may have a better understanding of business policies regarding ethical/professional conduct/procedures/CSR, ✓✓ etc.
- Reduces the staff turnover as new employees have been inducted properly. ✓✓
- Any other relevant answer related to the benefits of induction for businesses.

Max (4)**4.6 Placement procedure**

- Businesses should outline the specific responsibilities of the new position✓, including the expectations/skills required for this position. ✓
- Determine the successful candidate's strengths/weaknesses/interests/skills✓ by subjecting him/her to a range of 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 resource activity.

Max (4)**4.7 Quality circles****4.7.1 Roles of quality circles as part of continuous improvement to processes and systems from the scenario**

- Management always requests quality circles to investigate problems that relates to poor quality products.✓
- Quality circles also increase productivity through the regular reviews of quality processes. ✓

NOTE: 1. Mark the first TWO (2) only.**2. Only award marks for responses that are quoted from the scenario.****(2 x 1) (2)****4.7.2 Other roles of quality circles as part of continuous improvement to processes and systems**

- They solve problems related to quality✓ and implement improvements.✓
- Ensure that there is no duplication✓ of activities/tasks in the workplace. ✓
- Monitor/Reinforce strategies✓ to improve the smooth running of business operations.✓
- Reduce costs of redundancy✓ in the long run.✓
- Contribute towards the improvement✓ and development of the organisation. ✓
- Reduce costs/wasteful efforts✓ in the long run. ✓
- Increase the demand✓ for products/services of the business. ✓
- Create harmony✓ and high performance in the workplace. ✓
- Build a healthy workplace relationship✓ between the employer and employee. ✓
- Improve employees' loyalty and commitment✓ to the business and its goals. ✓
- Improve employees' communication✓ at all levels of the business. ✓
- Develop a positive attitude/sense of involvement in decision making processes✓ of the services offered. ✓
- Any other relevant answer related to other roles of quality circles as part of continuous improvement to processes and systems.

NOTE: Do not award marks for responses that were quoted from the scenario in QUESTION 4.7.1.**Max (4)**

4.8 Ways in which TQM can reduce the cost of quality

- Introduce quality circles/small teams of five to ten employees, who meet regularly to discuss ways of improving the quality of their work.√√
- Schedule activities to eliminate duplication of tasks/activities.√√
- Share responsibility for quality output between 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 the quality challenges/deviations, so that everyone can learn from past experiences.√√
- 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 (4)**[40]****BREAKDOWN OF MARKS**

QUESTION 4	MARKS
4.1	4
4.2	4
4.3	6
4.4.1	2
4.4.2	4
4.5.1	2
4.5.2	4
4.6	4
4.7.1	2
4.7.2	4
4.8	4
TOTAL	40

TOTAL SECTION B: 80

SECTION C**Mark the FIRST question only.****QUESTION 5: BUSINESS ENVIRONMENTS (LEGISLATION)****5.1 Introduction**

- The Basic Conditions of Employment Act informs the contract between the employer and employee as it provides the minimum conditions for employment. ✓
- This Act provides protection for employees so that they will not be exploited by the business. ✓
- BCEA provides guidelines for provisions to be adhered to by employers in the workplace. ✓
- Penalties/Consequences for non-compliance encourage businesses to comply with this Act. ✓
- Any other relevant introduction related to the purpose/provisions/impact of the BCEA/penalties for non-compliance.

Any (2 x 1) (2)**5.2 Purpose of the BCEA**

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

Max (10)**5.3 Provisions of the BCEA****Annual leave**

- Workers are entitled to 21 consecutive days annual leave per year or one day for every 17 days worked ✓, one 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 six (6) months ✓ after the leave cycle ended. ✓
- Any other relevant answer related to annual leave as a provision of the BCEA.

Submax (4)

Hours of work/Work hours

- Workers may not work for more than 45 hours✓ in a week.✓
- Workers may work nine hours a day✓ if they work five days or less per week✓
- Workers may work eight hours a day✓ if they work more than five days a week.✓
- Night work performed after 18:00 and before 06:00 the next day by agreement✓, must be compensated by allowance/reduction of work hours.✓
- Ordinary work hours may be extended by agreement✓ by a maximum of 15 minutes per day/maximum of sixty minutes per week to complete duties when serving the public. ✓
- Ordinary work hours may be reduced✓ to a maximum of 40 hours per week/ 8 hours per day. ✓
- Any other relevant answer related to hours of work/work hours 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.✓
- Businesses may employ children over the age of 15 years✓, if employment is not harmful to their health/well-being education/moral/ social development.✓
- Children/Minors under 18 years of age✓ may not do dangerous work/work meant for an adult.✓
- Forcing someone to work✓ is also illegal.✓
- Any other relevant answer related to child and forced labour as a provision of the BCEA.

Submax (4)

Max (12)**5.4 Impact of the BCEA on businesses****Positives/Advantages**

- Creates a framework✓ of acceptable employment practices e.g., work hours, leave, ✓ etc.
- Promotes fair treatment✓ of employees in the workplace.✓
- Encourages consultation✓ between employers and employees.✓
- Outlines minimum requirements✓ that form the basis of employment contracts.✓
- Work hours are specified✓ so that the employer cannot exploit employees.✓
- The rules and regulations are very specific✓, which clearly guides the employer on how to deal with employment issues.✓
- Employees are permitted to consult labour unions✓ in cases where the BCEA conditions are violated. ✓
- Employees may submit complaints✓ to labour inspectors who can address it. ✓
- Any other relevant answer related to the positive impact/advantages of the BCEA on businesses.

AND/OR

Negatives/Disadvantages

- Developing/Drafting a formal/legal employment contract✓ may be time-consuming/costly. ✓
- Businesses may regard employment contracts as negative and may not implement it✓, which results in non-compliance/penalties.✓
- No employer may force an employee to work more than 45 hours in a week✓ as this may result in reduced productivity. ✓
- Hiring cheap labour is no longer possible✓, so businesses cannot exploit workers.✓
- BCEA forces businesses to comply with many legal requirements✓, which may increase labour costs. ✓
- Businesses not complying with the Act, may be charged with high penalties✓, which may affect their cash flow negatively. ✓
- Businesses may consider the provisions of the BCEA as unimportant/an unnecessary administrative burden✓ that increase operating costs. ✓
- Any other relevant answer related to the negative impact/disadvantages of the BCEA on businesses.

Max (14)**5.5 Penalties for non-compliance to the BCEA**

- Labour inspectors may serve a compliance order by writing to the Department of Labour.✓✓
- The Director General may agree/change/cancel the compliance order.✓✓
- Labour inspectors may investigate/inspect/ask questions about complaints and remove records as evidence.✓✓
- Businesses may be taken to the labour court for a ruling.✓✓
- Businesses that are found guilty of non-compliance may face heavy fines/penalties.✓✓
- They can be ordered to pay compensation and damages to the employee.✓✓
- Any other relevant answer related to penalties that businesses may face for non-compliance to the BCEA.

Max (10)**5.6 Conclusion**

- The provisions of the BCEA enable the employer and employees to have a common understanding of acceptable business practices. ✓✓
- Businesses should display employees' rights in terms of the BCEA in an area of the workplace where all employees can see it.✓✓
- The Minister of Labour may make amendments to the BCEA regulations/provisions, this requires businesses to stay informed of the latest changes to the Act.✓✓
- Businesses should strive to comply with the BCEA to avoid unnecessary penalties and negative publicity.✓✓
- Any other relevant conclusion related to the purpose/provisions/impact of the BCEA/penalties for non-compliance.

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

QUESTION 5: BREAKDOWN OF MARK ALLOCATION

DETAILS	MAXIMUM	TOTAL
Introduction	2	Max 32
Purpose of BCEA	10	
Provisions of BCEA <ul style="list-style-type: none"> ○ Annual leave ○ Hours of work/Work hours ○ Child and forced labour 	12	
Impact of Act on businesses	14	
Penalties for non-compliance with BCEA	10	
Conclusion	2	
INSIGHT		8
Layout	2	
Analysis/Interpretation	2	
Synthesis	2	
Originality/Examples	2	
TOTAL MARKS		40

LASO – For each component:

Allocate 2 marks if all requirements are met.

Allocate 1 mark if some requirements are met.

Allocate 0 marks where requirements are not met at all

QUESTION 6: BUSINESS OPERATIONS (HUMAN RESOURCES FUNCTION)**6.1 Introduction**

- The human resources manager is responsible for selecting and appointing competent and skilled employees. ✓
- A job analysis assists businesses in identifying the details of the vacancy and of the candidate. ✓
- The human resources manager should be able to appoint the best candidate if the interviewing process is properly conducted. ✓
- Fringe benefits are offered to employees regardless of regular wages/salaries. ✓
- Any other relevant introduction related to the selection procedure/components of job analysis/role of the interviewee during the interview/impact of fringe benefits on a business.

Any (2 x 1) (2)**6.2 Selection procedure****OPTION 1**

- Determine fair assessment criteria on which selection will be based. ✓✓
- Applicants must submit the application forms/curriculum vitae and certified copies of personal documents/IDs/proof of qualifications ✓✓, etc.
- Sort the received documents/CVs according to the assessment/selection criteria. ✓✓
- Screen/Determine which applications meet the minimum job requirements and separate these from the rest. ✓✓
- Preliminary interviews are conducted if many suitable applications were received. ✓✓
- Reference checks should be made to verify the content of CVs, e.g. contact previous employers to check work experience. ✓✓
- Compile a shortlist of potential candidate's identified. ✓✓
- Shortlisted candidates may be subjected to various types of selection tests e.g. skills tests, ✓✓ etc.
- Invite shortlisted candidates for an interview. ✓✓
- A written offer is made to the selected candidate. ✓✓
- Inform unsuccessful applicants about the outcome of their application./Some adverts indicate the deadline for informing only successful candidates. ✓✓
- Any other relevant answer related to the selection procedure as a human resource activity.

OR**OPTION 2**

- Receive documentation, e.g. application forms and sort it according to the criteria of the job. ✓✓
- Evaluate CVs and create a shortlist/Screen the applicants. ✓✓
- Check information in the CVs and contact references. ✓✓
- Conduct preliminary sifting interviews to identify applicants who are not suitable for the job, although they meet all requirements. ✓✓
- Assess/Test candidates who have applied for senior positions/to ensure the best candidate is chosen. ✓✓
- Conduct interviews with shortlisted candidates. ✓✓

- Offer employment in writing to the selected candidate(s). ✓✓
- Any other relevant answer related to the selection procedure as a human resource activity.

NOTE: The procedure may be in any order.

Max (12)

6.3 Components of job analysis

Job description✓✓

- Describes the duties/responsibilities ✓ of a specific job✓.
- Written description of the job✓ and its requirements✓/Summary✓ of the nature/type of the job. ✓
- Describes key performance areas/tasks for a specific job. ✓ e.g. job title/working conditions/relationship of the job with other jobs in the business. ✓
- Any other relevant answer related to job description as a component of job analysis.

Component (2)

Explanation (4)

Submax (6)

Job specification✓✓

- Describes the minimum acceptable personal qualities/skills/qualifications✓ needed for the job.✓
- Written description of specific qualifications/skills/experience✓ needed for the job. ✓
- 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 specification as a component of job analysis.

Component (2)

Explanation (4)

Submax (6)

NOTE: Mark the first TWO (2) only.

Max (12)

6.4 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 interview. ✓
- Any other relevant answer related to role of the interviewee during the interview.

Max (10)

6.5 Impact of fringe benefits on a business**Positives/Advantages**

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

AND/OR**Negatives/Disadvantages**

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

Max (12)**6.6 Conclusion**

- A clear job analysis enables the human resources manager to select the best candidate from those who apply for the job.✓✓
- 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. ✓✓
- Offering fringe benefits is a great way to motivate employees to work hard towards achieving business goals. ✓✓
- Any other relevant conclusion related to the selection procedure/components of job analysis/role of the interviewee during the interview/impact of fringe benefits on a business.

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

QUESTION 6: BREAKDOWN OF MARK ALLOCATION

DETAILS	MAXIMUM	TOTAL
Introduction	2	Max 32
Selection procedure	12	
Components of job analysis: <ul style="list-style-type: none"> ○ Job description ○ Job specification 	12	
Role of interviewee during the interview	10	
Impact of fringe benefits	12	
Conclusion	2	
INSIGHT		8
Layout	2	
Analysis/Interpretation	2	
Synthesis	2	
Originality/Examples	2	
TOTAL MARKS		40

LASO – For each component:

Allocate 2 marks if all requirements are met.

Allocate 1 mark if some requirements are met.

Allocate 0 marks where requirements are not met at all

TOTAL SECTION C: 40

GRAND TOTAL: 150