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Department:
Basic Education
REPUBLIC OF SOUTH AFRICA

NATIONAL SENIOR CERTIFICATE

GRADE 12

BUSINESS STUDIES P1

NOVEMBER 2024

MARKING GUIDELINE

MARKS: 150

This marking guideline consist of 28 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:	Orange
Chief Marker:	Pink
Internal Moderator:	Black/Blue
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 relevant answers provided by candidates and allocate marks accordingly. (In cases where the answer is unclear or indicates some understanding, part-marks should be awarded, for example, one mark instead of the maximum of two marks.)
5. The word 'Sub-max' is used to facilitate the allocation of marks within a question or sub-question.
6. The purpose of circling marks (guided by 'max' in the breakdown of marks) on the right-hand side is to ensure consistency and accuracy in the marking of scripts as well as for calculation 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 Name, state, give, outline, motivate, quote, identify, recommend, suggest, advise (*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 assessing 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 the 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, paragraphs 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? Option 1: Only relevant facts: 2 marks (No '-S') 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. Option 2: Some relevant facts: 1 mark (One '-S') 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. Option 3: Some relevant facts: 1 mark (One '-S') Where a candidate answers FOUR sub-questions, but one/two/three sub-questions with no relevant facts; one '-S' appears in the left margin. Award a maximum of ONE (1) mark for synthesis. Option 4: No relevant facts: 0 mark (Two '-S') Where a candidate answers less than 50% (only one sub-question) of the questions with no relevant facts; two '-S' appears in the left margin. Award a ZERO mark for synthesis.	2
Originality	Is there evidence of one example in any TWO of the four sub-questions, not older than two (2) years that are based on recent information, current trends and developments?	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/responses until the SUB MAX/MAX mark in EACH of the four subsections has been attained. Write SUB MAX/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 sub-maxima indicated, especially if candidates do not make use of the same subheadings. Remember, headings and subheadings are encouraged and contribute to insight (structuring/logical flow/sequencing) and indicate clarity of thought. (See MARK BREAKDOWN at the end of each question.)
- 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 B ✓✓
 1.1.2 A ✓✓
 1.1.3 C ✓✓
 1.1.4 D ✓✓
 1.1.5 B ✓✓

(5 x 2) **(10)**

- 1.2 1.2.1 employee ✓✓
 1.2.2 backward vertical ✓✓
 1.2.3 tertiary ✓✓
 1.2.4 placement ✓✓
 1.2.5 act ✓✓

(5 x 2) **(10)**

- 1.3 1.3.1 E ✓✓
 1.3.2 D ✓✓
 1.3.3 A ✓✓
 1.3.4 J ✓✓
 1.3.5 I ✓✓

(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 answers to the FIRST TWO questions only.****QUESTION 2: BUSINESS ENVIRONMENTS****2.1 Types of diversification strategies**

- Concentric diversification ✓
- Horizontal diversification ✓
- Conglomerate diversification ✓

NOTE: Mark the first TWO (2) only.**(2 x 1) (2)****2.2 Advantages of intensive strategies**

- Increase in sales/income/profitability due to a variety of advertising campaigns. ✓✓
- Regular sales to existing customers may increase. ✓✓
- Gain customer loyalty through effective promotion campaigns. ✓✓
- Improved service delivery may positively impact/increase sales. ✓✓
- Eliminate competitors and dominate market prices. ✓✓
- Decrease in price could influence customers to buy more products. ✓✓
- Businesses can have more control over the prices of products/services. ✓✓
- Enables the business to focus on markets/well-researched quality products that satisfy the needs of consumers. ✓✓
- Increased market share reduces the business's vulnerability to actions of competitors. ✓✓
- Any other relevant answer related to the advantages of intensive strategies.

Max (6)**2.3 PESTLE factor****2.3.1 PESTLE factor from the scenario**

Environmental ✓✓

(2)**2.3.2 Ways in which businesses can deal with the challenges posed by the environmental factors**

- Chemicals/Ingredients should be clearly indicated on labels/packaging to inform customers about possible side effects/correct use of products. ✓✓
- MM/Businesses implemented cost effective measures to dispose of waste. ✓✓
- Implement recycling measures to prevent pollution of the environment/Use packaging that is re-usable/recyclable. ✓✓
- Engage in environmentally sustainable practices such as the conservation/preservation of natural resources. ✓✓
- Any other relevant answer related to ways in which MM/businesses can deal with the challenges posed by environmental as a PESTLE factor.

NOTE: Accept relevant facts even if the PESTLE factor was incorrectly identified as an answer in QUESTION 2.3.1.**Max (4)**

2.4 Types of defensive strategies**2.4.1 Divestiture** ✓✓

- 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/Divesting their investment share in another business. ✓
- Any other relevant answer related to divestiture as a type of defensive strategy.

Strategy (2)
Discussion (1)
Submax (3)

2.4.2 Retrenchment ✓✓

- Terminating employment contracts/Letting go of employees for operational reasons/to reduce costs/expenses. ✓
- 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 type of defensive strategy.

Strategy (2)
Discussion (1)
Submax (3)

2.4.3 Liquidation ✓✓

- Selling all assets/Bringing the business activities to an end to pay creditors due to 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 type of defensive strategy.

Strategy (2)
Discussion (1)
Submax (3)

NOTE: Mark the first TWO (2) only.

Max (6)

2.5 Broad-Based Black Economic Empowerment/BBBEE Act**2.5.1 BBBEE pillar from scenario**

Management control ✓✓

(2)

2.5.2 Purpose of the Broad-Based Black Economic Empowerment/BBBEE Act

- BBBEE Act enables wealth to be spread more broadly ✓ across all population groups. ✓
- Outlines areas that would give the government a platform ✓ for bringing equitable spread of wealth. ✓
- Allows for the development ✓ of Codes of Good Practice. ✓
- Empowers the Minister to issue Codes of Good Practice ✓ and publish transformation charters. ✓
- Establishes the Black Economic Empowerment Advisory Council ✓, which addresses matters related to black empowerment. ✓

- Creates capacity within the broader economic landscape at all levels ✓ through the implementation of the BBBEE pillars. ✓
- BBBEE Act aims at targeting inequality ✓ in the South African economy. ✓
- Increases the number of black people ✓ that manage/control South African businesses. ✓
- Any other relevant answer related to the purpose of the BBBEE Act.

Max (4)

2.6 Ways in which businesses can comply with the Consumer Protection Act/CPA

- Disclose prices ✓ of all products on sale. ✓
- Provide/Conduct adequate training ✓ to staff/stakeholders on the CPA. ✓
- All agreements must provide for a five-day ✓ cooling off period. ✓
- Ensure that goods/services offered ✓ are standardised/of the same quality. ✓
- Comply with the requirements ✓ regarding promotional competitions. ✓
- Comply with requirements regarding the display of information ✓ on labels/packaging. ✓
- Display the name of the business ✓ on all business documents, such as invoices/contracts. ✓
- Bundling of goods/services ✓ should benefit consumers, such as offering a cell phone and a tablet at a special price. ✓
- Implement measures that will facilitate complaints ✓ by using suggestion boxes. ✓
- Any other relevant answer related to ways in which businesses can comply with the CPA.

Max (4)

2.7 Impact of the Labour Relations Act/LRA Positives/Advantages

- Promotes a healthy relationship ✓ between the employer and employees. ✓
- Protects the rights of businesses ✓ in labour relations issues. ✓
- Labour disputes are settled quicker ✓ and are less expensive. ✓
- Workplace forums can add value to businesses ✓ if it functions properly. ✓
- Protects employers who embark on lawful lockouts ✓ when negotiations between parties fail. ✓
- LRA provides for the principles of collective bargaining ✓ and puts structures in place with which disputes in the workplace can be settled. ✓
- Provides sound dispute resolution processes ✓ through consensus between organised labour, businesses, and the state. ✓
- Provides specific guidelines for employers ✓ on correct and fair disciplinary procedures. ✓
- Employers and employees have guidelines ✓ regarding correct and fair dismissal procedures. ✓
- Provides a mechanism/framework ✓ such as statutory councils/collective bargaining/CCMA. ✓
- Employers are entitled to compensation from the Labour Court ✓ if they suffered damages as a result of unprotected strikes. ✓
- Any other relevant answer related to the positive impact/advantages of the LRA on businesses.

AND/OR**Negatives/Disadvantages**

- Reduced global competitiveness ✓ due to lower productivity. ✓
- Productivity may decrease ✓ if employees are allowed to participate in the activities of trade unions during work time. ✓
- Costs of labour increases ✓ because of legal strikes. ✓
- Employers may not get a court interdict ✓ to stop a strike. ✓
- Employers may have to disclose information about workplace issues to union representatives ✓ that could be the core of their competitive advantage. ✓
- Employers may not dismiss employees at will, ✓ as procedures have to be followed. ✓
- Many employees take advantage of the right to strike ✓ without acknowledging their responsibilities. ✓
- Many employees and employers ✓ do not understand/respect the Labour Relations Act. ✓
- Strike actions always result in loss of production ✓ for which employers may not claim. ✓
- Some trade unions may not promote the mandate of their members ✓ but embark on industrial action, which is harmful to labour relations between employers and employees. ✓
- Some businesses may feel that the LRA gives employees too much power ✓ as it creates lengthy procedures such as consulting with workplace forums. ✓
- Labour disputes and bargaining council processes become disruptive/time-consuming ✓ and can lead to a decrease in productivity/profitability in businesses. ✓
- Any other relevant answer related to the negative impact/disadvantages of the LRA on businesses.

Max (6)**2.8 Strategic management process****OPTION 1**

- Have a clear vision/mission statement/measurable/realistic objective in place. ✓✓
- Identify opportunities/weaknesses/strengths/threats by conducting environmental scanning/situational analysis. ✓✓
- Tools available for environmental scanning may include a SWOT analysis/ Porter's Five Forces model/PESTLE analysis/industrial analysis tools. ✓✓
- Formulate alternative strategies to respond to the challenges. ✓✓
- Develop (an) action plan(s), including the tasks to be done/deadlines to be met/resources to be procured. ✓✓
- Implement selected strategies by communicating it to all stakeholders/ organising business resources/motivating staff. ✓✓
- Continuously evaluate/monitor/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 using models such as SWOT/ PESTLE/ Porter's Five Forces. ✓✓

- Formulate a strategy, such as defensive/retrenchment strategy. √√
- Implement a strategy, using a template such as an action plan. √√
- Control/Evaluate/Monitor the implemented strategy to identify gaps/deviations in implementation. √√
- Take corrective action to ensure goals/objectives are met. √√
- Any other relevant answer related to the strategic management process.

Max (4)
[40]

BREAKDOWN OF MARKS

QUESTION 2	MARKS
2.1	2
2.2	6
2.3.1	2
2.3.2	4
2.4	6
2.5.1	2
2.5.2	4
2.6	4
2.7	6
2.8	4
TOTAL	40

QUESTION 3: BUSINESS OPERATIONS**3.1 Sources of internal recruitment**

- Internal e-mails/Intranet/Web sites to staff. ✓
- Word of mouth/Staff meetings. ✓
- Business newsletter/Circulars to staff. ✓
- Internal/management referrals. ✓
- Notice board of the business. ✓
- 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 the first FOUR (4) only.**(4 x 1) (4)****3.2 Role of the interviewer before the interview**

- Book and prepare the venue for the interview. ✓✓
- Inform all shortlisted candidates about the date and place of the interview. ✓✓
- Set the interview date and ensure that all interviews take place on the same date, if possible. ✓✓
- Notify all panel members conducting the interview about the date and place of the interview. ✓✓
- The interviewer should develop a core set of questions based on the skills/knowledge/ability required. ✓✓
- Check/read the application/verify the CV of every candidate for anything that may need to be explained. ✓✓
- Plan the programme for the interview and determine the time that should be allocated to each candidate. ✓✓
- Any other relevant answer related to the role of the interviewer before the interview.

Max (4)**3.3 Employment contract****3.3.1 Legal requirements of an employment contract from the scenario**

- Management explained the terms and conditions of the employment contract to him. ✓
- Thabo was given an opportunity to read the contract before signing it. ✓

NOTE: 1. Mark the first TWO (2) only.**2. Only award marks for responses that are quoted from the scenario.****(2 x 1) (2)****3.3.2 Reasons for the termination of an employment contract**

- The employer may dismiss an employee for a valid reason(s) such as unsatisfactory job performance/misconduct. ✓✓
- 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 may decide to leave/resign voluntarily for better job opportunities. ✓✓

- An employee may have reached the pre-determined age for retirement. ✓✓
- Incapacity of an employee to work due to illness/injuries. ✓✓
- By a mutual agreement between the employer and employee. ✓✓
- The duration of the employment contract expires/comes to an end. ✓✓
- Any other relevant answer related to the reasons for the termination of an employment contract.

Max (4)

3.4 Implications of the Employment Equity Act/EEA on the human resources function

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

Max (6)

3.5 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. ✓✓
- A 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/Financial sustainability as more customers improves 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)**3.6 Quality indicators of the business function****3.6.1 Financial function** ✓✓**(2)****3.6.2 Other 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. ✓
- 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 answer related to other quality indicators of the financial function.

NOTE: 1. Do not award marks for a response that is quoted from the scenario.

2. Accept relevant facts even if the financial function was incorrectly identified as an answer in QUESTION 3.6.2.

Max (4)**3.7 Impact of total client/customer satisfaction as a total quality management/TQM element on large businesses****Positive/Advantages**

- Large businesses use market research/customer surveys ✓ to measure/monitor customer satisfaction/reaction time to changing consumer demand/analyse customers' needs. ✓
- Continuously promote ✓ a positive business image. ✓
- May achieve a state of total client/customer satisfaction, ✓ if businesses follow sound business practices that incorporates all stakeholders. ✓
- Strive to understand/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**

- Large businesses that become complacent with the existing customer satisfaction/target market ✓ may experience limited long term growth potential. ✓
- Employees who seldom come into contact with customers ✓ often do not have a clear idea of what will satisfy their needs. ✓
- Monopolistic businesses 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)**3.8 Ways in which total quality management/TQM can reduce the cost of quality**

- Introduce quality circles to discuss ways of improving the quality of their work/workmanship. ✓✓
- Schedule activities to eliminate duplication of tasks. ✓✓
- Share responsibilities for quality output amongst management and workers. ✓✓
- Train employees at all levels, so that everyone understands their roles 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 3	MARKS
3.1	4
3.2	4
3.3.1	2
3.3.2	4
3.4	6
3.5	4
3.6	6
3.7	6
3.8	4
TOTAL	40

QUESTION 4: MISCELLANEOUS TOPICS**BUSINESS ENVIRONMENTS****4.1 Provisions of the Basic Conditions of Employment Act/BCEA**

- Regulation of working time/Ordinary hours of work/overtime/meal intervals and rest periods/Sunday work/public holidays. ✓
- Leave/annual/sick/family responsibility/maternity/paternity/parental. ✓
- Particulars of employment and remuneration. ✓
- Termination of employment. ✓
- Prohibition of employment of children and forced labour. ✓
- Any other relevant answer related to the provisions of the BCEA.

NOTE: Mark the first FOUR (4) only.**(4 x 1) (4)****4.2 Rights of consumers in terms of the National Credit Act/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/credit quote that is valid for 7 days before concluding any credit transaction. ✓✓
- Fair and responsible marketing by the credit provider. ✓✓
- 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 rights of consumers in terms of the NCA.

Max (6)**4.3 Steps in strategy evaluation****4.3.1 Steps in strategy evaluation from the scenario**

- SB examined the underlying basis of their strategy throughout the implementation process. ✓
- They also analysed the impact of the implemented strategy on their internal and external environments. ✓

NOTE: 1. Mark the first TWO (2) only.**2. Only award marks for responses that are quoted from the scenario.****(2 x 1) (2)**

4.3.2 Other steps in strategy evaluation

- Look forward and backwards ✓ into the implementation process. ✓
- Compare the expected performance ✓ with the actual performance. ✓
- 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 ✓ as envisaged/expected when strategies were implemented. ✓
- Any other relevant answer related to other steps in strategy evaluation.

NOTE: 1. Accept steps in any order.**2. Do not award marks for responses that were quoted in QUESTION 4.3.1.****Max (4)****4.4 Application of power of suppliers as a force of Porters Five Forces model**

- Assess the power of the suppliers in influencing prices. ✓✓
- Suppliers that deliver high quality/ unique/scarce product may have power over the business. ✓✓
- The more powerful the suppliers, the less control the business has over them. ✓✓
- The smaller the number of suppliers, the more powerful they may be as the choice of suppliers may be limited. ✓✓
- Identify the kind of power suppliers' have in terms of the quality of products/ services/reliability/ability to make prompt deliveries. ✓✓
- Any other relevant answer related to how businesses could apply power of suppliers as a force of Porters Five Forces model to analyse their position in the market environment.

Max (4)**BUSINESS OPERATIONS****4.5 Aspects that should be included in an employment contract**

- Personal details of the employee. ✓
- Details of the business/employer such as the name and address. ✓
- Job title/Position. ✓
- Job description such as duties/responsibilities and working conditions. ✓
- Job specification such as formal qualifications and willingness to travel. ✓
- Date of employment/Commencement of employment. ✓
- Place where employee will spend most of his/her working time. ✓
- Hours of work such as normal time and overtime. ✓
- Remuneration such as weekly or monthly pay. ✓
- Benefits/Fringe benefits/Perks/Allowances. ✓
- Leave such as sick/maternity/annual/adoption leave. ✓
- Employee deductions such as compulsory/non-compulsory. ✓
- Duration/Period of employment contract/Details of termination/Expiry date of employment contract. ✓
- Probation period. ✓
- Signatures of both the employer and employee. ✓

- List of documents that form part of the contract such as appointment letter/code of conduct/ethics. ✓
- Disciplinary policy such as rules/disciplinary procedure for unacceptable behaviour. ✓
- Any other relevant answer related to aspects that should be included in an employment contract.

NOTE: Mark the first FOUR (4) only.

(4 x 1) (4)

4.6 Components of a job analysis from the scenario

COMPONENTS OF A JOB ANALYSIS	MOTIVATIONS
1. Job specification ✓✓	MC indicated that applicants must have a diploma in construction. ✓
2. Job description ✓✓	The successful candidate will compile progress reports on assigned projects. ✓
Sub max (4)	Sub max (2)

- NOTE:**
1. Mark the first TWO (2) only.
 2. Award marks for components of job analysis even if the motivations were incomplete.
 3. Do not award marks for motivations if the components of job analysis were incorrectly identified.
 4. Accept responses in any order.

Max (6)

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

- Solve problems related to quality ✓ and implement improvements. ✓
- Investigate problems ✓ and suggest solutions to management. ✓
- Ensure that there is no duplication ✓ of activities/tasks in the workplace. ✓
- Make suggestions for improving processes ✓ and systems 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. ✓
- Increase employees' morale/motivation ✓ to boost the team spirit in achieving organisational goals. ✓
- Contribute towards the improvement ✓ and development of the organisation. ✓
- Reduce costs of redundancy ✓ and 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/commitment ✓ to the organisational 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 the role of quality circles as part of continuous improvement to processes and systems.

Max (6)

4.8 Quality indicators of the general management function

- Develop/Implement/Monitor effective strategic plans. ✓✓
- Efficient organisation/allocation of business 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. ✓✓
- Learn about/understand changes in the business environment on an on-going basis. ✓✓
- Effectively communicate shared vision, mission and values. ✓✓
- Set direction and establish priorities for their business. ✓✓
- Be prepared to set an example of the behaviour that is expected from employees in terms of ethics as well as productivity. ✓✓
- Be proactive and always seeks to improve competitive advantage over competitors. ✓✓
- Ensure that all departments/the business meet their deadlines/targets. ✓✓
- Any other relevant answer related to the quality indicators of the general management function.

Max (4)
[40]

BREAKDOWN OF MARKS

QUESTION 4	MARKS
4.1	4
4.2	6
4.3.1	2
4.3.2	4
4.4	4
4.5	4
4.6	6
4.7	6
4.8	4
TOTAL	40

TOTAL SECTION B: 80

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

- A SETA is a vocational skills training organisation that identifies skills shortages that are needed in different industries. ✓
- The Skills Development Act was introduced to redress the imbalances of the past. ✓
- The SDA enables South Africans to gain access to skills training opportunities that have long-term benefits. ✓
- Businesses that comply with the SDA are able to create a good public image and address skills shortages in the South African workplace. ✓
- Any other relevant introduction related to the role of SETAs in supporting the Skills Development Act/purpose of the SDA/impact of the SDA on businesses/ways in which businesses can comply with the SDA.

Any (2 x 1) (2)**5.2 Role of SETAs in supporting the Skills Development Act/SDA**

- Report to the Director General. ✓✓
- Promote and establish learnerships. ✓✓
- Collect levies and pay out grants as required. ✓✓
- Provide accreditation for skills development facilitators. ✓✓
- Register learnership agreements/learning programmes. ✓✓
- Approve workplace skills plans and annual training reports. ✓✓
- Monitor/Evaluate the actual training by service providers. ✓✓
- Allocate grants to employers/education/training providers. ✓✓
- Oversee training in different sectors of the South African economy. ✓✓
- Develop sector skills plans in line with the National Skills Development Strategy. ✓✓
- Draw up skills development plans for their specific economic sectors. ✓✓
- Provide training material/programmes for skills development facilitators. ✓✓
- Pay out grants to businesses that are complying with the requirements of the Skills Development Act. ✓✓
- Identify suitable workplaces for practical work experience. ✓✓
- Any other relevant answer related to the role of SETAs in supporting the SDA.

Max (12)**5.3 Purpose of the Skills Development Act/SDA**

- Develops the skills of people in South Africa ✓ in order to improve productivity. ✓
- Invests in education and training ✓ of the South African workforce. ✓
- Improves the chances of getting a job ✓ for previously disadvantaged people. ✓
- Encourages workers to participate ✓ in learning programmes. ✓
- Redresses imbalances of the past ✓ through education and training. ✓
- Encourages businesses to improve the skills ✓ of their workers. ✓
- 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 (10)

5.4 Impact of Skills Development Act/SDA on businesses**Positives/Advantages**

- Increases the number of skilled employees ✓ in areas where these skills are scarce. ✓
- Trains employees ✓ to improve productivity in the workplace. ✓
- Businesses could become globally ✓ more competitive. ✓
- On-going skills development/learning/acquisition of new skills are encouraged ✓ to sustain the improvement of skills development. ✓
- Increases investment in education and training ✓ in the labour market. ✓
- Increases the return on investment ✓ in education and training. ✓
- Improves employment opportunities ✓ and labour movement. ✓
- Self-employment ✓ and entrepreneurship are promoted. ✓
- Workplace discrimination ✓ can be addressed through training. ✓
- Workplace is used as an active learning environment ✓ where employees can gain practical job experience. ✓
- Businesses may claim back some of the costs of training ✓ as a refund from relevant SETAs. ✓
- Improves quality of products/service delivery ✓ as the business employs more skilled workers. ✓
- Any other relevant answer related to the positive impact/advantages of the SDA on businesses.

AND/OR**Negatives/Disadvantages**

- The SDA process is prescriptive/requires a large amount of paperwork/administration, ✓ that can cost time/money. ✓
- Skills Development Levy could be an extra burden ✓ to financially struggling businesses. ✓
- It may be monitored/controlled by government departments ✓ that do not have education/training as their key priorities. ✓
- Many courses offered by companies may not have unit standards ✓ that relate to the course content. ✓
- Skills programmes may not always address ✓ the training needs of employees. ✓
- Many service providers that offer training services ✓ are not SAQA accredited. ✓
- Many businesses may not support ✓ this government initiative. ✓
- Implementation of the SDA can be difficult ✓ to monitor and control. ✓
- Employees are expected to attend learnerships during work hours ✓ that could affect the production process/productivity. ✓
- Costly for businesses to employ a person ✓ to implement/manage/control learnerships. ✓
- The time/money spent on improving employee skills is wasted ✓ if they leave the business. ✓
- Only companies with a staff payroll over R500 000 per annum ✓ can claim the Skills Development levy. ✓
- Any other relevant answer related to the negative impact/disadvantages of the SDA on businesses.

Max (12)

5.5 Ways in which businesses can comply with the Skills Development Act/SDA

- Businesses/Employers who collect PAYE should register with the relevant SETAs. ✓✓
- One per cent (1%) of an employer's payroll must be paid over to the SETA through SARS. ✓✓
- Businesses should register with SARS in the area in which their business is classified (in terms of the SETA). ✓✓
- Employers should submit a workplace skills plan and provide evidence that it was implemented. ✓✓
- Businesses with more than 50 employees must appoint a skills development facilitator. ✓✓
- Assess the skills of employees to determine areas in which skills development is needed. ✓✓
- Encourage employees to participate in learnerships and other training programmes. ✓✓
- Provide all employees with the opportunity to improve their skills. ✓✓
- Display a summary of the SDA in the business where it is visible to all employees. ✓✓
- Any other relevant answer related to ways in which businesses can comply with the SDA.

Max (12)**5.6 Conclusion**

- Businesses should register with SETAs for training programmes that are accredited with the South African Qualification Authorities (SAQA). ✓✓
- The SDA makes provisions for the establishment and the effective functioning of SETAs. ✓✓
- The Skills Development Act plays an important role in ensuring that the South African workforce is skilled and encourage employee participation in lifelong learning. ✓✓
- Businesses are encouraged to comply with this Act in order to avoid penalties and an increased financial burden on businesses. ✓✓
- Any other relevant conclusion related to the role of SETAs in supporting the Skills Development Act/purpose of the SDA/impact of the SDA on businesses/ways in which businesses can comply with the SDA.

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

QUESTION 5: BREAKDOWN OF MARK ALLOCATION

DETAILS	MAXIMUM	TOTAL
Introduction	2	Max 32
Role of SETAs in supporting the Skills Development Act	12	
Purpose of the SDA	10	
Impact of the SDA on businesses	12	
Ways in which businesses can comply with the SDA	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.

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

- The human resources manager is responsible for selecting and appointing qualified and competent employees to avoid fruitless expenditure. ✓
- Businesses use different salary determination methods to appropriately compensate their employees according to the kind of work done or tasks they perform. ✓
- Employees receive fringe benefits over and above their normal salaries and wages, which often improves their overall job satisfaction. ✓
- The induction of new employees into the work environment provides introductory training to allow for a smooth transition into the new work environment. ✓
- Any other relevant introduction related to the selection procedure/salary determination methods/impact of fringe benefits on businesses/benefits of induction for businesses.

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. ✓✓
- 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/to identify suitable applicants. ✓✓
- Reference checks/Vetting process should be made/followed to verify work experience/criminal records/credit records/qualifications on the CV. ✓✓
- Compile a shortlist of potential candidates identified. ✓✓
- Shortlisted candidates may be subjected to various types of selection tests such as skills tests. ✓✓
- 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 advertisements indicate the deadline for informing only successful candidates. ✓✓
- Any other relevant answer related to the selection procedure as a human resources activity.

OR**OPTION 2**

- Receive documentation such as 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 resources activity.

NOTE: The procedure may be in any order.

Max (12)

6.3 Salary determination methods

6.3.1 Piecemeal ✓✓

- Workers are paid according to the number ✓ of items/units produced/action performed. ✓
- Workers are not remunerated for the number of hours worked, ✓ regardless of how long it takes them to make the items. ✓
- Mostly used in factories ✓ particularly in the textile/technology industries. ✓
- Any other relevant answer related to piecemeal as a salary determination method.

Method (2)

Explanation (4)

Submax (6)

6.3.2 Time-related ✓✓

- Workers are paid according to the amount of time/hours ✓ they spend at work/on a task. ✓
- Workers with the same experience/qualifications ✓ are paid on salary scales regardless of the amount of work done. ✓
- Many private and public sector businesses ✓ use this method. ✓
- Any other relevant answer related to time-related as a salary determination method.

Method (2)

Explanation (4)

Submax (6)

NOTE: Mark the first TWO (2) only.

Max (12)

6.4 Impact of fringe benefits

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. ✓
- Businesses save money ✓ as benefits are tax deductible. ✓
- Fringe benefits can be used as leverage ✓ for salary negotiations. ✓
- Any other relevant answer related to the positive impact/advantages of fringe benefits on businesses.

AND/OR

Negatives/Disadvantages

- Businesses which cannot offer fringe benefits ✓ fail to attract skilled workers. ✓
- Businesses which offer 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. ✓
- Businesses have to pay advisors/attorneys ✓ to help them create benefit plans that comply with legislation. ✓
- Errors in benefit plans ✓ may lead to costly lawsuits/regulatory fines. ✓
- Any other relevant answer related to the negative impact/disadvantages of fringe benefits on businesses.

Max (12)**6.5 Benefits of induction**

- 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 which promotes the effective use of working methods/resources. ✓✓
- Minimises/Decreases the need for on-going training and development. ✓✓
- Employees will be familiar with organisational structures, such as 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 which saves production time. ✓✓
- Learn more about the business so that new employees understand their roles/responsibilities 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. ✓✓
- Reduces the staff turnover as new employees have been inducted properly. ✓✓
- Any other relevant answer related to the benefits of induction for businesses.

Max (10)

6.6 Conclusion

- Competent employees who have been selected with the use of prescribed requirements and criteria will add value to businesses. ✓✓
- Businesses can avoid unnecessary disputes by paying the employees according to the appropriate salary determination methods. ✓✓
- Attractive fringe benefits encourage employees to work hard towards achieving business goals. ✓✓
- A well-designed induction programme allows for new employees to gain a better understanding of the requirements of the new job. ✓✓
- Any other relevant conclusion related to the selection procedure/salary determination methods/impact of fringe benefits on businesses/benefits of induction for businesses.

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

QUESTION 6: BREAKDOWN OF MARK ALLOCATION

DETAILS	MAXIMUM	TOTAL
Introduction	2	Max 32
Selection procedure	12	
Salary determination methods	12	
Impact of fringe benefits on businesses	12	
Benefits of induction for businesses	10	
Conclusion	2	
INSIGHT		8
Layout	2	
Analysis/Interpretation	2	
Synthesis	2	
Originality/Examples	2	
TOTAL MARKS		40

LASO – For each component:

Allocate 2 marks if all requirements are met.

Allocate 1 mark if some requirements are met.

Allocate 0 marks where requirements are not met at all.

TOTAL SECTION C: 40
GRAND TOTAL: 150