



basic education

Department:
Basic Education
REPUBLIC OF SOUTH AFRICA

NATIONAL SENIOR CERTIFICATE

GRADE 12

BUSINESS STUDIES P1

NOVEMBER 2021

MARKING GUIDELINE

MARKS: 150

This marking guideline consist of 26 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 guidelines
- 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 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 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 synthesis.	2
Originality	Is there evidence of examples 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 until the SUB MAX/MAX mark in a subsection 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 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 B✓✓
 1.1.2 A✓✓
 1.1.3 D✓✓
 1.1.4 C✓✓
 1.1.5 A✓✓
(5 x 2) **(10)**
- 1.2 1.2.1 SETAs✓✓
 1.2.2 market development✓✓
 1.2.3 safety rules✓✓
 1.2.4 total client satisfaction✓✓
 1.2.5 quality circles✓✓
(5 x 2) **(10)**
- 1.3 1.3.1 D✓✓
 1.3.2 F✓✓
 1.3.3 H✓✓
 1.3.4 B✓✓
 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 FIRST TWO answers only.****QUESTION 2: BUSINESS ENVIRONMENTS****2.1 Forces of Porter's Five Forces model**

- Bargaining power of suppliers/Power of suppliers✓
- Bargaining power of buyers/Power of buyers✓
- Threat/Barriers to new entrants to the market✓
- Power of the competitors/Competitive rivalry✓
- Threat of substitution/Substitutes✓

NOTE: Mark the first FOUR (4) only**(4 x 1) (4)****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. ✓✓
- Eliminates competitors and dominates market prices. ✓✓
- Decrease in price could influence customers to buy more products. ✓✓
- Businesses can have more control over the price 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 (4)**2.3 Defensive strategies from the scenario****2.3.1 Divestiture/Divestment ✓✓****(2)****Motivation:**

They decided to sell some of their tractors in order to pay off their debts. ✓

(1)**NOTE: Do not award marks for the motivation if the type of strategy was incorrectly identified.****Max (3)****2.3.2 Other type of defensive strategies****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)

OR**Liquidation**✓✓

- Selling all assets to pay creditors due to a lack of capital/cash flow ✓
- 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. ✓
- Companies in financial distress/difficulty may apply for business rescue to avoid liquidation. ✓
- Any other relevant answer related to liquidation as a defensive strategy.

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

NOTE: 1. Mark the **FIRST** response only.
2. Do not award marks for **Divestiture/Divestment**

Max (3)

2.4 Penalties for non-compliance with the Compensation for Occupational Injuries and Diseases Amendment Act/COIDA

- Businesses can be fined✓ for refusing to lodge the claim/contravening the Act. ✓
- Businesses can be forced to make large payments✓ if they did not take the necessary precautions according to the Act. ✓
- They may be forced to pay any recovery costs✓ required by the Compensation Fund. ✓
- Employees may take businesses to court✓ for not registering them with the Commissioner of the Compensation Fund. ✓
- If businesses are found guilty of any misconduct✓, they will have to pay large penalties/face imprisonment. ✓
- Any other relevant answer related to penalties that businesses may face for non-compliance with COIDA.

Max (6)

2.5 Types of leave from the scenario

TYPES OF LEAVE	MOTIVATIONS
1. Maternity leave✓✓	Pregnant employees are allowed to take leave for four consecutive months. ✓
2. Annual leave✓✓	Clark, the driver, qualifies for one day's leave for every 17 days worked. ✓
Submax (4)	Submax (2)

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

Max (6)

2.6 Rights of employees in terms of the Labour Relations Act/LRA

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

Max (6)**2.7 Application of Ownership and Enterprise and supplier development/ESD as BBBEE pillars****2.7.1 Ownership**

- Businesses should include black people in shareholding/partnerships/franchises. ✓✓
- Encourage small black investors to invest in big companies and share ownership. ✓✓
- Create more opportunities for black people to become owners/entrepreneurs. ✓✓
- Establish joint ventures with small black owned businesses and share business risks. ✓✓
- Any other relevant answer related to ways in which businesses could apply ownership as a BBBEE pillar in the workplace.

Max (4)**2.7.2 Enterprise and supplier development/ESD**

- Businesses must create jobs as ESD promotes local manufacturing. ✓✓
- Identify black owned suppliers that are able to supply goods and services. ✓✓
- Outsource services to suppliers that are BBBEE compliant. ✓✓
- Invest/support black owned SMMEs by contributing loans/donations /consulting services/advice/entrepreneurial programmes. ✓✓
- Develop the business skills of small/black owned suppliers such as sales techniques/legal advice. ✓✓
- Support the cash flow of small suppliers by offering them preferential terms of payment. ✓✓
- Encourage SMMEs to use their own business initiatives to make them sustainable. ✓✓
- Develop and implement a supplier development plan/supply chain. ✓✓
- Any other relevant answer related to ways in which businesses could apply enterprise and supplier development/ESD as a BBBEE pillar in the workplace.

Max (4)
[40]

BREAKDOWN OF MARKS

QUESTION 2	MARKS
2.1	4
2.2	4
2.3.1	3
2.3.2	3
2.4	6
2.5	6
2.6	6
2.7.1	4
2.7.2	4
TOTAL	40

QUESTION 3: BUSINESS OPERATIONS**3.1 Salary determination methods**

- Piecemeal✓
- Time-related✓

NOTE: Mark the first TWO (2) only.

(2 x 1) (2)

3.2 Meaning of placement

- Selected candidates are placed where they will function optimally✓ and add value to the business. ✓
- A specific job is assigned✓ to the selected candidate. ✓
- The qualifications/skills/personality of the selected candidate is matched✓ with the requirements of the job. ✓
- Any other relevant answer related to the meaning of placement as a human resource activity.

NOTE: Do not allocate marks for the placement procedure.

Max (4)

3.3 Selection procedure**3.3.1 Aspects of the selection procedure from scenario**

- Preliminary interviews were conducted as many people applied for the vacant position. ✓
- LE invited the shortlisted candidates for interviews. ✓

**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 Role of the interviewer during the interview

- Allocate the same amount of time✓ to each candidate. ✓
- Introduce members of the interviewing panel✓ to each candidate/interviewee. ✓
- Make the interviewee✓ feel at ease. ✓
- Explain the purpose of the interview✓ to the panel and the interviewee. ✓
- Pose the same set of questions✓ to all candidates/interviewees✓.
- Record interviewees' responses✓ for future reference. ✓
- Do not misinform/mislead✓ the interviewee✓
- Avoid discriminatory/controversial✓ types of questions✓
- Provide an opportunity for the interviewee✓ to ask questions. ✓
- Close the interview by thanking the interviewee✓ for attending the interview. ✓
- Any other relevant answer related to the role of the interviewer during the interview.

Max (6)**3.4 Impact of fringe benefits on businesses****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/morale✓ 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✓ fails 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 the 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 (6)

3.5 Quality indicators of the public relations function

- Dealing quickly with negative publicity/less/little/no incidents of negative publicity. ✓✓
- Providing regular/positive press releases. ✓✓
- Implementing sustainable corporate social investment/CSI programmes. ✓✓
- Good results of/Positive feedback from public surveys on business image. ✓✓
- High standard of internal publicity/appearance of buildings/professional telephone etiquette. ✓✓
- Delivering quality goods/services that promote the brand/image with key stakeholders/customers/suppliers/government/service providers. ✓✓
- Complying with recent legislation such as BEE compliancy. ✓✓
- Any other relevant answer related to the quality indicators of the public relations function.

Max (4)**3.6 Steps of the PDCA model from the scenario**

STEPS OF THE PDCA MODEL	MOTIVATIONS
1. Plan ✓✓	They developed ideas in order to improve their processes and systems. ✓
2. Do ✓✓	DL decided to implement change on a small scale. ✓
Submax (4)	Submax (2)

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

Max (6)**3.7 Impact of total quality management/TQM if poorly implemented**

- Setting unrealistic deadlines✓ that may not be achieved. ✓
- Employees may not be adequately trained✓ resulting in poor quality products. ✓
- Decline in productivity✓, because of stoppages. ✓
- Businesses may not be able to make necessary changes of products/services✓ to satisfy the needs of customers. ✓
- Businesses' reputation/image may suffer✓ because of poor quality/defective goods. ✓
- Customers will have many alternatives to choose from✓ and the impact could be devastating to businesses. ✓
- Investors might withdraw investment✓, if there is a decline in profits. ✓
- Decline in sales✓ as more goods are returned by unhappy customers. ✓
- High staff turnover✓, because of poor skills development. ✓
- Undocumented/Uncontrolled quality control processes/systems✓ could result in errors/deviations from pre-set quality standards. ✓
- Any other relevant answer related to the impact of TQM if poorly implemented by businesses.

Max (6)

3.8 Difference between quality control and quality assurance

QUALITY CONTROL	QUALITY ASSURANCE
- System that ensures the desired quality is met by inspecting the final product. √√	- Checks carried out during and after the production process. √√
- Ensure that finished products meet the required standards. √√	- Ensure that required standards have been met at every stage of the process. √√
- Process of ensuring that products are consistently manufactured to high standards. √√	- Processes put in place to ensure that the quality of products/services/systems adhere to pre-set standards with minimal defects/delays/short-comings. √√
- Checking raw materials/employees/machinery/workmanship/products to ensure that high standards are maintained. √√	- Ensuring that every process is aimed at getting the product 'right the first time' and prevent mistakes from happening. √√
- Includes setting targets/measuring performance and taking corrective measures √√	The 'building in' of quality as opposed to 'checking of' quality √√
- Any other relevant answer related to quality control.	- Any other relevant answer related to quality assurance.
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 quality control or quality assurance only.

Max (4)
[40]

BREAKDOWN OF MARKS

QUESTION 3	MARKS
3.1	2
3.2	4
3.3.1	2
3.3.2	6
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 Consumer rights as stipulated in the Consumer Protection Act/CPA**

- Right to choose✓
- Right to privacy✓
- Right to fair and honest dealings✓
- Right to disclosure and information✓
- Right to fair and responsible marketing✓
- Right to fair value/good quality and safety✓
- Right to accountability by suppliers✓
- Right to fair, just and reasonable terms and conditions✓
- Right to equality in the consumer market✓

NOTE: 1. Mark the first THREE (3) only.**2. Only award marks for the consumer rights as mentioned above.****(3 x 1) (3)****4.2 Business sectors and their environments**

4.2.1 Tertiary sector✓✓ (2)

Motivation

Khanya Communications offer internet services to different clients. ✓ (1)

NOTE: Do not award marks for the motivation if the business sector was incorrectly identified.**Max (3)****4.2.2 Challenges and business environments from the scenario**

CHALLENGES (4.2.2)	BUSINESS ENVIRONMENTS (4.2.3)
1. Their employees went on a legal strike due to unsuccessful salary negotiations. ✓	Micro✓
2. Frequent load shedding forced KC to close earlier on certain days. ✓	Macro✓
3. KC also lost many clients to Greg Communications who offer similar services at lower prices. ✓	Market✓
Max (3)	Max (3)

- NOTE:**
1. Mark the first THREE (3) challenges only.
 2. If the business environment is not linked to the challenge, mark the challenge only.
 3. Award marks for the business environments even if the quoted challenges were incomplete.
 4. Accept responses in any order.

4.3 Funding of SETAs

- Skills Development levies are paid by employers✓ to SARS as a collecting agency for the government. ✓
- Employers who have a salary bill that exceeds R500 000 per annum✓, should pay one percent (1%) of their annual salaries as a levy. ✓
- The different SETAs receive 80% of the levy for organisational expenses✓ and the remaining 20% is paid to the National Skills Fund. ✓
- Donations/Grants received✓ from the public/businesses/CSI programmes. ✓
- Surplus funds✓ from government institutions. ✓
- Funds received✓ from rendering their services. ✓
- Any other relevant answer related to how SETAs are funded.

Max (4)**4.4 Steps when evaluating strategies**

- Examine the underlying basis of a business strategy. ✓✓
- 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 when strategies were implemented. ✓✓
- Consider the impact of the strategic implementation in the internal and external environments of the business. ✓✓
- Any other relevant answer related to the steps businesses should consider when evaluating strategies.

NOTE: Accept steps in any order.**Max (4)****BUSINESS OPERATIONS****4.5 Sources of internal recruitment**

- Internal e-mails/Intranet/web sites to staff✓
- Word of mouth/Staff meetings✓
- Business newsletters/circulars to staff✓
- Internal/management referrals✓
- Office notice boards✓
- Internal bulletins✓
- Recommendation by current employees/staff✓
- Head hunting within the business/organisational database✓
- Any other relevant answer related to the sources of internal recruitment.

NOTE: Mark the first FOUR (4) only.**(4 x 1) (4)****4.6 Implications of the Employment Equity Act/EEA on the human resources function****4.6.1 Implications of the EEA on human resources function from the scenario**

- Lisa, the manager of the human resources function at Giant Trading is expected to pay the employees equally for doing work of equal value. ✓
- Lisa was requested to place a summary of the Employment Equity Act (EEA) at reception for easy access and reference. ✓

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

(2 x 1) (2)

4.6.2 Other implications of the EEA on the human resources function

- Compile employment equity plans√ that indicate how they will implement affirmative action. √
- Ensure that affirmative action√ promotes diversity in the workplace. √
- The human resource 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. √
- 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. √
- Ensure 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 other implications of the EEA on the human resources function.

NOTE: Do not award marks for responses that were quoted in QUESTION 4.6.1

Max (4)

4.7. Benefits of a good quality management system

- Effective customer services are rendered√, resulting in increased customer satisfaction. √
- Time and resources√ are used efficiently. √
- Productivity increases√ through proper time management/using high quality resources. √
- Products/Services are constantly improved√ resulting in increased levels of customer satisfaction. √
- Vision/Mission/Business goals√ may be achieved. √
- 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/more customers√ improve profitability. √
- Improves business image√ as there are less defects/returns. √
- Any other relevant answer related to the benefits of a good quality management system.

Max (4)

4.8 Impact of continuous skills development/education and training as a total quality management/TQM element**Positives/Advantages**

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

AND/OR**Negatives/Disadvantages**

- Poor communication systems in large businesses✓ may prevent effective training from taking place. ✓
- Trained employees may leave for better jobs✓ after they gained more skills. ✓
- De-motivates employees✓, if they do not receive recognition for training. ✓
- Employees who specialise in narrowly defined jobs✓ may become frustrated/demotivated. ✓
- Employees may not be aware of the level of competency they should meet✓ in order to achieve their targets. ✓
- It may be difficult to monitor/evaluate✓ the effectiveness of training. ✓
- Any other relevant answer related to the negative impact/disadvantages of continuous skills development/education and training as a TQM element on large businesses.

**Max (6)
[40]****BREAKDOWN OF MARKS**

QUESTION 4	MARKS
4.1	3
4.2.1	3
4.2.2	3
4.2.3	3
4.3	4
4.4	4
4.5	4
4.6.1	2
4.6.2	4
4.7	4
4.8	6
TOTAL	40

TOTAL SECTION B: 80

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

- Businesses apply the strategic management process in response to changes in the business environment. ✓
- Businesses consider diversification strategies when their opportunity for growth has been depleted by changing both their product and the market. ✓
- The PESTLE factors enable businesses to measure the negative impact of external factors on their operations. ✓
- Businesses need to research and use the latest strategies to deal with challenges posed by the macro-environment. ✓
- Any other relevant introduction related to the strategic management process/types of diversification strategies/challenges posed by economic/social/technological PESTLE factors/ways in which businesses can deal with these challenges.

Any (2 x 1) (2)**5.2 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 a 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 (12)

5.3 Types of diversification strategies**Concentric diversification** ✓✓

- The business adds a new product or service that is related to existing products✓ and which will appeal to new customers. ✓
- Occurs when a business wants to increase✓ its product range and target markets. ✓
- Any other relevant answer related to concentric as a diversification strategy.

Strategy (2)

Explanation (2)

Submax (4)

Horizontal diversification ✓✓

- The business adds new products or services that are unrelated to existing products✓, but which may appeal to existing customers. ✓
- Occurs when a business acquires or merges with a business that is at the same production stage✓, but it may offer a different product. ✓
- Any other relevant answer related to horizontal as a diversification strategy.

Strategy (2)

Explanation (2)

Submax (4)

Conglomerate diversification ✓✓

- The business adds new products or services that are unrelated to existing products✓ which may appeal to new groups of customers. ✓
- Conglomerate diversification means that a business grows✓ into new products, services and markets. ✓
- Occurs when a business wants to increase✓ its product range and target markets. ✓
- Any other relevant answer related to conglomerate as a diversification strategy.

Strategy (2)

Explanation (2)

Submax (4)

NOTE: Mark the first THREE (3) only.**Max (12)****5.4 Challenges posed by the PESTLE factors****5.4.1 Economic**

- High inflation/Interest rate may decrease the market share of businesses✓ as customers cannot afford high prices✓/Increase in taxes will result✓ in lower customer spending. ✓
- Loans may be expensive✓ due to high interest rates. ✓
- Fluctuations in foreign currency✓ may restrict imports. ✓
- Any other relevant answer related to how the economic factor as a PESTLE element pose challenges to businesses.

Submax (4)

5.4.2 Social

- Customers may not be able to afford products✓ due to low-income levels/high unemployment. ✓
- Businesses may not be conversant✓ with the language of their customers. ✓
- Some businesses may lose sales✓ as customers may prefer to spend their money on medical bills/expenses✓.
- High crime rate may affect the trading hours of businesses✓ resulting in decreased profit. ✓
- Any other relevant answer related to how the social factor as a PESTLE element pose challenges to businesses.

Submax (4)

5.4.3 Technological

- Businesses may not keep up with/be aware✓ of the latest technology. ✓
- Employees may not be skilled✓ to operate/maintain new technology/equipment. ✓
- Businesses may not be able to afford✓ new technology. ✓
- May not be able to cater for/ afford✓ online transactions/e-commerce. ✓
- Any other relevant answer related to how the technological factor as a PESTLE element pose challenges to businesses.

Submax (4)

Max (10)**5.5 Ways in which businesses can deal with the challenges posed by the PESTLE factors****Economic**

- Borrow money from financial institutions when interest rates are favourable. ✓✓
- Businesses should consider decreasing their profit margin rather than increasing the price of their products. ✓✓
- Consider exchange rates when trading with other countries. ✓✓
- Negotiate favourable interest rates with creditors. ✓✓
- Negotiate payment terms with suppliers. ✓✓
- Sell/Dispose parts of assets that are no longer profitable. ✓✓
- Any other relevant answer related to the ways in which businesses could deal with challenges posed by economic factors as a PESTLE element.

Submax (4)

Social

- Sell substitute products at lower prices due to low levels of income distribution/Employ people from the local community. ✓✓
- Learn local languages/Hire employees who are well conversant with the local language. ✓✓
- Businesses must be well conversant with the demands/trends of their customers. ✓✓
- Any other relevant answer related to the ways in which businesses could deal with challenges posed by social factors as a PESTLE element.

Submax (4)

Technological

- Continuous research on the latest available technology/equipment in the market. ✓✓
- Businesses should 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 the ways in which businesses could deal with challenges posed by technological factors as a PESTLE element.

Submax (4)

- NOTE:**
1. Award marks for recommendations that are linked to the challenges in QUESTION 5.4.
 2. Award marks for RELEVANT recommendations that are not linked to the challenges.

Max (12)

5.6 Conclusion

- All levels of management should be involved in the strategic management process to ensure the successful implementation of business strategies. √√
- The diversification strategies may assist businesses to increase sales and market share of the organisation. √√
- An in-depth analysis of the challenges posed by economic and social factors may enable businesses to stay ahead of their competitors. √√
- Businesses should know how to use the latest development in technology in order to satisfy the current customer needs. √√
- The effective implementation of the PESTLE factors ensures that businesses find ways to deal with challenges posed by the external environment. √√
- Any other relevant conclusion related to the strategic management process/types of diversification strategies/challenges posed by economic/social/technological PESTLE factors/ways in which businesses can deal with these challenges.

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

BREAKDOWN OF MARK ALLOCATION

DETAILS	MAXIMUM	TOTAL
Introduction	2	Max 32
Strategic management process	12	
Types of diversification strategies	12	
Challenges posed by PESTLE factors: <ul style="list-style-type: none"> ○ Economic ○ Social ○ Technological 	10	
Ways businesses can deal with challenges of the PESTLE factors	12	
Conclusion	2	8
INSIGHT		
Layout	2	
Analysis, interpretation	2	
Synthesis	2	
Originality/Examples	2	40
TOTAL MARKS		

LASO - For each component:

Allocate 2 marks if all requirements are met.

Allocate 1 mark if only some of the requirements are met.

Allocate 0 marks where requirements are not met at all.

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

- The correct recruitment procedure enables businesses to compile a proper job analysis that will be used to identify suitable candidates for the vacancy. ✓
- The external recruitment method enables businesses to grow as they are able to recruit locally and abroad. ✓
- A proper induction process allows employers and new employees to have a common understanding of the expected deliverables and performances. ✓
- A legal employment contract eliminates misinterpretations regarding the terms and conditions of employment. ✓
- Any other relevant introduction related to the recruitment procedure/impact of external recruitment/benefits of induction/legal requirements of the employment contract.

Any (2 x 1) (2)**6.2 Recruitment procedure**

- The human resource manager should evaluate the job/prepare a job analysis, that includes the job specification/job description/in order to identify recruitment needs ✓✓
- The human resource manager (HRM) should prepare the job description in order to determine the responsibilities/key performance areas related to/the nature of the job. ✓✓
- The human resource manager should indicate the job specification/description/key performance areas to attract suitable candidates. ✓✓
- Choose the method of recruitment such as internal/external, to reach/target the suitable applicants/candidates. ✓✓
- Vacancies can be internally advertised via internal email/word of mouth/staff notices. ✓✓
- If internal recruitment is unsuccessful, external recruitment should be considered. ✓✓
- If the external recruitment is chosen, relevant recruitment sources should be approached such as recruitment agencies/tertiary institutions/newspapers. ✓✓
- An advertisement should be prepared with relevant information such as the name of the company/contact details/contact person. ✓✓
- Place the advertisement in the appropriate media that will ensure that the best candidates apply. ✓✓
- Any other relevant answer related to the recruitment procedure. **Max (10)**

**6.3 Impact of external recruitment
Positives/Advantages**

- New candidates bring new talents/ideas/experiences/skills✓ into the business. ✓
- There is a larger pool of candidates✓ to choose from. ✓
- It may help the business to meet affirmative action✓ and BBBEE targets. ✓
- Minimises unhappiness/conflict amongst current employees✓ who may have applied for the post. ✓
- There is a better chance of getting a suitable candidate with the required skills/qualifications/competencies✓ who do not need much training/development which reduce costs. ✓
- Any other relevant answer related to the positive impact/advantages of external recruitment on businesses.

AND/OR

Negatives/Disadvantages

- Information on CV's/from referees✓ may not be reliable. ✓
- Many unsuitable applications✓ can slow down the selection process. ✓
- New candidates generally take longer to adjust✓ to a new work environment. ✓
- External sources can be expensive✓, such as recruitment agencies' fees/ advertisements in newspapers/magazines. ✓
- The selection process may not be effective✓ as an incompetent candidate may be chosen. ✓
- Recruitment process takes longer✓ as background checks must be conducted. ✓
- In-service training may be needed✓ which decreases productivity during the time of training. ✓
- External recruitment may limit promotion/growth opportunities✓ that could lead to resentment amongst employees. ✓
- Any other relevant answer related to the negative impact/disadvantages of external recruitment on businesses.

Max (14)**6.4 Benefits of induction**

- Allows new employees to settle in quickly✓ and work effectively. ✓
- Ensures that new employees understand rules/restrictions✓ in the business. ✓
- New employees may establish relationships with fellow employees✓ resulting in good team work. ✓
- New employees may feel at ease/welcome in the workplace✓, which reduces anxiety/ insecurity/fear. ✓
- The results obtained during the induction process✓ provide a base for focused 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 the organisational structure✓; the various departments with their supervisors and low-level managers. ✓
- Opportunities are created for new employees✓ so that they 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/procedures/safety and security/employment contract/conditions of employment/working hours/leave. ✓
- Employees may have a better understanding✓ of ethical/professional conduct/procedures/CSR. ✓
- 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. ✓
- Reduces the staff turnover ✓ as new employees have been inducted properly. ✓
- Any other relevant answer related to the benefits of induction for businesses.

Max (12)

6.5 Legal requirements of the employment contract

- Both the employer and employee must sign the contract/have contractual capacity. ✓✓
- Employer and employee must agree to any changes to the contract. ✓✓
- No party may unilaterally change aspects of the employment contract. ✓✓
- The remuneration package/including benefits must be clearly indicated. ✓✓
- The contract may not contain any requirements that are in conflict with the BCEA. ✓✓
- The employment contract should include a code of conduct and a code of ethics. ✓✓
- Aspects of the employment contract can be renegotiated during the course of employment. ✓✓
- The employer must explain the terms and conditions of the employment contract to the employee. ✓✓
- Conditions of employment/duties/responsibilities of the employees must be stipulated clearly. ✓✓
- All business policies, procedures and disciplinary codes/rules should form part of the employment contract. ✓✓
- The employer must allow the employee to thoroughly read through the contract before it is signed. ✓✓
- Any other relevant answer related to the legal requirements of the employment contract.

Max (10)**6.6 Conclusion**

- Businesses should be well conversant with the recruitment procedure to minimise the expenses of utilising the services of recruitment agencies. ✓✓
- Businesses should analyse the negative impact of external recruitment and convert them into new business opportunities/growth. ✓✓
- New employees that were properly inducted are more likely to make valuable inputs on the business turn around strategies. ✓✓
- The employment contract should comply with the Basic Conditions of Employment Act. ✓✓
- Any other relevant conclusion related to the recruitment procedure/impact of external recruitment/benefits of induction/legal requirements of the employment contract.

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

QUESTION 6: BREAKDOWN OF MARK ALLOCATION

DETAILS	MAXIMUM	TOTAL
Introduction	2	Max 32
Recruitment procedure	10	
Impact of external recruitment on businesses	14	
Benefits of induction for businesses	12	
Legal requirements of the employment contract	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