basic education

Department:
Basic Education
REPUBLIC OF SOUTH AFRICA

**NATIONAL
SENIOR CERTIFICATE**

GRADE 12

BUSINESS STUDIES

NOVEMBER 2016

MEMORANDUM

MARKS: 300

This memorandum consists of 48 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

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1.   For marking and moderation purposes, the following colours are recommended:
        Marker   Red
        Senior Marker: Green
        Deputy Chief Marker: Brown/Black/Blue
        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 memorandum 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 memorandum
        •   comes from another 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/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 memo/breakdown of marks. 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   Incorrect numbering of answers to questions or sub-questions in Section A and B will be severely penalised. Therefore, correct numbering is strongly recommended in all sections.

10.   No additional credit must be given for repetition of facts. Indicate with a 'R'.

11.   Note that no marks will be awarded for indicating Yes/No in evaluation type questions requiring substantiation or motivation. (Applicable to SECTIONS B and C.)

12.   The differentiation between 'evaluate' and 'critically evaluate' can be explained as follows:

   12.1   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.'*√

   12.2   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: The above could apply to "analyse" as well.

13.   The allocation of marks must be informed by the nature of the question, cognitive verb used, mark allocation in the memorandum and the context of each question.

   Cognitive verbs, *such as*:

   13.1   Advise, name, state, mention, 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.

   13.2   Describe, explain, discuss, elaborate, justify, devise, 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.

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 or use the word 'Cancel'.

   NOTE: This applies only to questions where the number of facts is specified.

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.

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 memorandum)
   • Explanation 1 mark
   The 'fact' and 'explanation' are given separately in the memorandum 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 memorandum.

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 SECTION 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:**
Content	**32**
Conclusion	
Insight	**8**
TOTAL	**40**

15.2   Insight consists of the following components:

Layout/Structure	Is there an introduction, a body, and a conclusion?	**2**
Analysis and interpretation	Is the candidate able to break down the question into headings/sub-headings/interpret it correctly to show understanding of what is being asked?	**2**
Synthesis	Are there relevant decisions/facts/responses made based on the questions? Marks to be allocated using this guide: No relevant facts: 0 (Two '-S') Some relevant facts: 1 (One '-S') Only relevant facts: 2 (No '-S') **NB**: 1. If there is no '-S' allocated, award the maximum of TWO (2) marks. 2. Where a candidate answers less than 50% of the question with relevant facts, one '-S' appears in the left margin. In this case award a maximum of ONE (1) mark.	**2**
Originality	Is there evidence of examples, recency of 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.

           4. With effect from November 2017 a candidate will be awarded a maximum of ONE (1) mark for headings/sub-headings and ONE (1) mark for interpretation (16 or more out of 32 marks). This applies specifically to the analysis and interpretation part of insight.

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 guidelines to each question.

15.5   Mark all relevant facts until the SUBMAX/MAX mark in a subsection has been attained. Write SUBMAX/MAX after maximum marks have been obtained.

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 memorandum.

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 memo, 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 D√√
         1.1.2 A√√
         1.1.3 B√√
         1.1.4 C√√
         1.1.5 A√√
         1.1.6 B√√
         1.1.7 D√√
         1.1.8 D√√
         1.1.9 C√√
         1.1.10 A√√   (10 x 2)   **(20)**

1.2   1.2.1 interview√√
         1.2.2 preference√√
         1.2.3 CCMA√√
         1.2.4 fronting√√
         1.2.5 dismissed√√   (5 x 2)   **(10)**

1.3   1.3.1 H√√
         1.3.2 E√√
         1.3.3 A√√
         1.3.4 F√√
         1.3.5 J√√   (5 x 2)   **(10)**

                                                       TOTAL SECTION A: 40

BREAKDOWN OF MARKS

QUESTION 1	MARKS
1.1	**20**
1.2	**10**
1.3	**10**
TOTAL	**40**

SECTION B

Mark the FIRST THREE answers only.

QUESTION 2: BUSINESS ENVIRONMENTS
2.1 **Provisions of the Basic Conditions of Employment Act (BCEA)**
- Overtime.√
- Working hours.√
- Meal breaks and rest periods.√
- Leave conditions.√
- Working on public holidays.√
- Legal requirements of the employment contract.√
- Termination conditions of the employment contract.√
- Remuneration.√
- Provision for compliance.√
- Any other relevant answer related to the provisions of the BCEA.
 NOTE: 1. Mark the first FOUR (4) only.
 2. Allocate a maximum of ONE (1) mark for an example of a specific provision.
 (4 x 1) (4)

2.2 **Role of SETAs**
- Develop skills plans in line with the National Skills Development Strategy.√√
- Draw up skills development plans for their specific economic sectors.√√
- Approve workplace skills plans and annual training reports.√√
- Allocate grants to employers, education and training providers.√√
- Pay out grants to companies that are complying with the requirements of the Skills Development Act.√√
- Monitor/Evaluate the actual training by service providers.√√
- Promote and establishes learnerships.√√
- Register learnership agreements/learning programmes.√√
- Provide training material/programmes for skills development facilitators.√√
- Provide accreditation for skills development facilitators.√√
- Oversee training in different sectors of the South African economy.√√
- Promote learnerships and learning programmes by identifying suitable workplaces for practical work experience.√√
- Collect levies and pays out grants as required.√√
- Report to the Director General.√√
- Any other relevant answer related to the role of SETAs. **Max (8)**

2.3 **Consumer rights**
2.3.1 Right to return goods/have goods replaced/claim a refund/fair value/good quality and safe products√√
2.3.2 Right to privacy/confidentiality√√
2.3.3 Right to fair/honest dealings/responsible marketing/promotion√√
2.3.4 Right to accountability from suppliers√√
2.3.5 Right to fair/just/reasonable terms/conditions/disclosure√√
 (5 x 2) (10)

2.4 **Difference between National Skills Development Strategy and Human Resources Development Strategy**

NATIONAL SKILLS DEVELOPMENT STRATEGY	HUMAN RESOURCES DEVELOPMENT STRATEGY
- Encourages good quality training in the workplace√ to ensure on-going development of skills.√	- Addresses skills shortages√ in the South African workforce.√
- Provides for the participation of government√, organised business and labour.√	- Aims at achieving faster economic growth/ higher employment levels√ and reduced levels of poverty.√
- Improves social development√ through economic development.√	- Promotes social development and social justice√ which helps to alleviate poverty.√
- Indicates how Sector Education and Training Authorities (SETAs) √ should use the money allocated from the Skills Development Levy.√	- Develops short term√ and long term workforce skills.√
- Improves access√ to training programmes.√	- Improves the supply√ of skills.√
- Provides career/vocational guidance/ training centres.√	- Increases employee participation√ in lifelong learning.√
- Any other relevant answer related to the National Skills Development Strategy.	- Any other relevant answer related to the Human Resources Development Strategy.
Submax (4)	Submax (4)

NOTE: 1. **The answer does not have to be in tabular format but differences must be clear.**
2. **Award a maximum of FOUR (4) marks, if differences are not clear.**

Max (8)

2.5 **Business sectors/Business environments**

2.5.1 Secondary sector√√

Motivation
- TBW manufactures bricks/Sand & Stone is a supplier.√

Sector (2)
Motivation (1)
Max (3)

2.5.2 **Classification of challenges and the extent of control**

CHALLENGE	BUSINESS ENVIRONMENT	EXTENT OF CONTROL
- Sand & Stone/The supplier is sometimes out of stock.√	- Market environment√	- Limited/Little influence√
- Employees are regularly absent from work.√	- Micro-environment√	- Full control√
- A high interest rate.√	- Macro-environment√	- No control√
Submax (3)	Submax (3)	Submax (3)

NOTE: **Do not award marks for business environments and extent of control if they are not linked to the challenges**. **Max (9)**

2.6 **Practical ways on how businesses can comply with EEA**
- Promote/Provide equal opportunities in the workplace.√√
- Compile employment equity plans that indicate how they will implement affirmative action.√√
- Ensure that affirmative action measures promote diversity in the workplace.√√
- Assign a manager to ensure that the employment equity plan will be implement-ted/regularly monitored.√√
- Display a summary of the Act where employees can clearly see it/have access to it.√√
- 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 neces-sary.√√
- Equal pay for work of equal value.√√
- Ensure that the workplace represents the demographics of the country at all levels.√√
- Appointment process should be clearly defined to inform all parties.√√
- Restructure/Analyse current employment policies/practices/procedures to accommodate designated groups.√√
- Retrain/Develop/Train designated groups through skills development programmes.√√
- Any other relevant answer related to practical ways on how businesses can comply with the EEA. **Max (6)**

2.7 **Ways in which to apply BBBEE pillars**
2.7.1 **Enterprise development**
- Businesses should invest in/support black owned SMME's.√√
- Contributions may be monetary/non-monetary.√√
- Monetary contributions could include offering SMME's interest-free loans/investments/donations√√, etc.
- Non-monetary contributions could include consulting services/advice/entrepreneurial programmes/scarce competencies/skills/expertise√√, etc.
- Encourage SMME's to use their own business initiatives and make it sustainable.√√
- Any other relevant recommendations related to ways in which businesses may apply enterprise development as a BBBEE pillar. **Max (4)**

2.7.2 **Management**
- Appoint black people in senior executive positions/management.√√
- Ensure black female representation in management.√√
- Implement transformation at all levels of management. √√
- Ensure that black people are involved in decision making processes.√√
- Any other relevant recommendations related to ways in which businesses may apply management as a BBBEE pillar. **Max (4)**

2.7.3 **Preferential procurement**
- Outsource services to suppliers that are BBBEE compliant.√√
- Support suppliers with diversity in their ownership.√√
- Use suppliers who have a high BBBEE rating.√√
- Identify black owned suppliers that are able to supply goods and services.√√
- Develop business skills of small/black owned suppliers, e.g. sales, legal advice √√, etc.
- Support the cash flow of small suppliers by offering them preferential terms of payment.√√
- Develop and implement a supplier development plan/supply chain.√√
- Any other relevant recommendations related to ways in which businesses may apply preferential procurement as a BBBEE pillar.

Max (4)
[60]

QUESTION 2	MARKS
2.1	4
2.2	8
2.3	10
2.4	8
2.5.1	3
2.5.2	9
2.6	6
2.7.1	4
2.7.2	4
2.7.3	4
TOTAL	60

BREAKDOWN OF MARKS

QUESTION 3: BUSINESS VENTURES

3.1 **Insurance**
- Insurance refers to cover for a possible event√ that may cause a specified loss/ damage.√
- An agreement whereby the insurer undertakes to indemnify√ the insured in the event of a specified loss/damage.√
- The insured has to pay a premium√ for specified losses/damages covered.√
- A contract between a person/business/insured requiring insurance cover√ and the insurance company/insurer bearing the financial risk.√
- Any other relevant answer related to the definition of insurance.

Submax (2)

Examples of insurable risks
- Fidelity insurance√
- Money in transit√
- Theft√
- Burglary√
- Fire√
- Damage to/Loss of buildings/premises/equipment/vehicles/assets√
- Natural disasters√
- Injuries on premises√
- Life√
- Any other relevant examples of insurable risks.

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

Submax (2)

Max (4)

3.2 **Factors to consider when making investment decisions.**
- Return on investment (ROI)√
- Risk√
- Investment term/period√
- Tax implications/Taxation√
- Inflation rate√
- Fluctuations/Volatility of investment markets√
- Liquidity√
- Personal budget√
- Track record/History/Performance of the business√
- Any other relevant answer related to factors that must be considered when making investment decisions.

NOTE: Mark the first FOUR (4) only.   **(4 x 1) (4)**

3.3 **Advantages of ordinary shares**
- Holding a higher number of shares may result in higher proportional dividends.√√
- Shares of listed companies can be freely transferred/traded on the JSE.√√
- Shareholders' liability for company debts is limited to the amount invested in shares/Shareholders have limited liability for the debts of the company.√√
- Shareholders have voting rights at the annual general meeting (AGM).√√

- Rate of return on investment (ROI) is linked to the performance of the company.√√
- Ordinary shares are usually cheaper than preference shares on the open market.√√
- Ordinary shareholders can track the value of their investment through published information/different media.√√
- Any other relevant answer related to the advantages of ordinary shares.

NOTE: Mark the first THREE (3) only.   **Max (6)**

3.4   **Investments**
3.4.1   **Simple interest (Andries)**

FORMULA: Interest = P   x   R   x   T √

Option 1
R3 000√ x 10% x 2 years√ = R600√

                                                    OR

Option 2
R3 000√ x 10% x $\frac{6}{12}$ √   = R150
R150 x 4   = R600√

                                                    OR

Option 3
R3 000√ x 10% x $\frac{6}{12}$ x 4√ = R600√   **Max (3)**

NOTE: 1. Allocate full marks (3) if the answer is correct and no workings are shown.
2. If workings were shown correctly, but the final answer is wrong, award a maximum of TWO marks.
3. If the answer is incorrect, award a maximum of ONE mark for the understanding of concept and method.
4. If there are no workings shown and the answer is incorrect, allocate a ZERO mark.

3.4.2 **Compound interest (Tshidi)**

Option 1
Year 1: R3 000√   x 10%   = R300 √
Year 2: R3 300√ x 10%   = R330√
Total interest   = R630 √

<div align="center">OR</div>

Option 2
FORMULA: P x $(1 + r)^n$√
R3 000√ x $(1+10/100)^2$ √
R3 000 x $(1.1)^2$ =R3 630√
Total interest = R3 630 – R3 000
                = R630√   **Max (4)**

NOTE: 1.   **Allocate full marks (4) if the answer is correct and no workings are shown.**
            2.   **If workings were shown correctly, but the final answer is wrong, award a maximum of THREE marks.**
            3.   **If the answer is incorrect, award a maximum of ONE mark for the understanding of concept and method.**
            4.   **If there are no workings shown and the answer is incorrect, allocate a ZERO mark.**

3.4.3 **Better investment option**
Tshidi's investment option/flexi-deposit account/An investment on compounded/ compound interest is better.√

Motivation
Tshidi receives more interest/R30 more interest/has a higher return on her invest-ment over 2 years/earns interest on interest accrued.√√

<div align="right">Identification (1)
Motivation (2)
Max (3)</div>

3.5 **Visual aids**
3.5.1 **Visual aids identified from the scenario**
     - Electronic slides/PowerPoint/Slide show√
     - Printed copies/Hand-outs/Notes√

<div align="right">Max (2)</div>

3.5.2 **Effectiveness/Advantages/Positives of ONE of the visual aids**
      OPTION 1
      Electronic slides/PowerPoint/Slide Show
     - Graphic programmes have the capacity to convey ideas√ and support what the presenter says.√
     - Easy to combine√ with sound/video clips.√
     - Simple/Less cluttered slides√ may capture the interest of the audience.√
     - Video clips can provide variety√ and capture the attention of the audience.√
     - Variation of colour/background/sound√ retains the interest of the audience throughout the presentation.√

- Slides should only be used√ where it can enhance the facts/summarise information.√
- It is cost effective√, as printing costs are minimised.√
- Any other relevant answer related to the effectiveness/advantages/positives of electronic slides/PowerPoint/slide show presentation.

Max (8)

OR

OPTION 2
Printed copies/Hand-outs/Notes
- It can be handed out at the end of a presentation√ as a reminder of the key facts of the presentation.√
- Meaningful hand-outs may be handed out√ at the start of the presentation to attract attention.√
- Extra/Useful information may be handed out√, e.g. contact details/price lists/ feedback questionnaires/financial reports√, etc.
- Notes may be compared with the electronic slides/presentation√ to validate the accuracy of information.√
- Detailed facts may be included in notes/printed copies√ for additional information.√
- Any other relevant answer related to the effectiveness/advantages/positives of printed copies/hand-outs/notes.

NOTE: 1.   Mark only the FIRST option.
**   2.   Accept effectiveness/advantages/benefits for the presenter as**
**   well as the audience.   Max (8)**

3.5.3 **Factors to be considered when presenting**
- Establish credibility by introducing yourself at the start.√√
- Mention/Show most important information first.√√
- Make the purpose/main points of the presentation clear at the start of the presentation.√√
- Use suitable section titles/headings/sub-headings/bullets.√√
- Summarise the main points of the presentation to conclude the presentation.√√
- Stand in a good position/upright, where the audience can clearly see the presenter/presentation.√√
- Avoid hiding behind equipment.√√
- Do not ramble on at the start, to avoid losing the audience/their interest.√√
- Capture listeners' attention/Involve the audience with a variety of methods, e.g. short video clips/sound effects/humour√√, etc.
- Maintain eye contact with the audience.√√
- Be audible to all listeners/audience.√√
- Vary the tone of voice/tempo within certain sections to prevent monotony.√√
- Make the presentation interesting with visual aids/anecdotes/examples/Use visual aids effectively.√√
- Use appropriate gestures, e.g. use hands to emphasize points.√√
- Speak with energy and enthusiasm.√√
- Pace yourself/Do not rush or talk too slowly.√√
- Keep the presentation short and simple.√√
- Conclude/End with a strong/striking ending that will be remembered.√√

- Ensure that the audience will leave with/take away specific information/benefits.√√
- Include a statement/quote that will allow a graceful/striking ending.√√
- Manage time effectively to allow time for questions.√√
- Any other relevant answer related to factors to be considered while presenting.
NOTE: Only accept factors to be considered DURING the presentation.

Max (10)

3.6 **Role of personal attitude in successful leadership**
- Positive attitude releases√ leadership potential.√
- A leader's good/bad attitude√ can influence the success/failure of the business.√
- Leaders must know their strengths and weaknesses√ to apply their leadership styles effectively.√
- Great leaders understand that the right attitude√ will set the right atmosphere.√
- Leaders' attitude may influence√ employees'/teams' thoughts/behaviour.√
- Leaders should model the behaviour√ that they want to see in team members.√
- Successful leaders consider the abilities/skills of team members√ to allocate tasks/roles effectively.√
- Enthusiasm√ produces confidence in a leader.√
- A positive attitude is critical for good leadership√ because good leaders will stay with the task regardless of difficulties/challenges.√
- Successful employees and leaders have a constant desire to work√ and achieve personal/professional success.√
- Leaders with a positive attitude know√ that there is always more to learn/space to grow.√
- Any other relevant answer related to the role of personal attitude in successful leadership.

Max (8)

3.7   **Success and/or failure factors of a partnership**

	SUCCESS	FAILURE
3.7.1 **Manage-ment**	- Partners are actively involved in management√ and may use the ideas of other partners.√	- Decision making can be time consuming√ as all partners have to be in agreement.√
	- Partners have access to expertise of other partners√ when difficult decisions have to be made.√	- Some management tasks may be neglected√, as one partner may leave it to others to complete.√
	- Not all partners need to be actively involved in manage-ment√ and would rather appoint competent managers.√	- Partners may disagree on how to run the business√, which may lead to tension between them.√
		- Partners are agents of the partnership√ and bad management decisions may be forced onto other partners.√
		- Different personalities/opinions√ could lead to conflict/ disagreements.√
	- Any other relevant answer related to the contribution of management to the success of a partnership. Submax (4)	- Any other relevant answer related to the contribution of management to the failure of a partnership. Submax (4)

Max (4)

	SUCCESS	FAILURE
3.7.2 **Taxation**	- Partnerships only pay VAT on relevant products sold/services rendered√ which reduces tax administration.√	- High earning partners pay more tax√, which may discourage other partners from joining the partnership.√
	- The partnership does not pay income tax√, only the partners in their personal capacities. √	- Partners may withdraw more cash to reduce their tax burden√ which may cause cash flow problems for the partnership.√
	- Any other relevant answer related to the contribution of taxation to the success of a partnership. Submax (4)	- Any other relevant answer related to the contribution of taxation to the failure of a partnership. Submax (4)

Max (4)

NOTE: The answers do not have to be in tabular format.

[60]

BREAKDOWN OF MARKS

QUESTION 3	MARKS
3.1	4
3.2	4
3.3	6
3.4.1	3
3.4.2	4
3.4.3	3
3.5.1	2
3.5.2	8
3.5.3	10
3.6	8
3.7.1	4
3.7.2	4
TOTAL	**60**

QUESTION 4: BUSINESS ROLES

4.1 **Causes of conflict in the workplace**
- Differences in backgrounds/cultures/values/beliefs/language√
- Limited business resources√
- Different goals/objectives for group/individuals√
- Personality differences between group/individuals√
- Different opinions√
- Unfair workload√
- Ill-managed stress√
- Unrealistic expectations√
- Poor organisation/leadership/administrative procedures and systems√
- Confusion about scheduling/deadlines√
- Ignoring rules/procedures√
- Misconduct/Unacceptable behaviour√
- High/Intense competition/Competitiveness√
- Poor communication√
- Unclear responsibilities√
- Distracted by personal objectives√
- Constant changes in the workplace√
- Unfair treatment of workers/Favouritism by management/Discrimination√
- Lack of trust amongst workers√
- Any other relevant answer related to causes of conflict in the workplace.
  NOTE: Mark the first FOUR (4) only. **(4 x 1) (4)**

4.2   **Diversity**
4.2.1 **Diversity issues**

DIVERSITY ISSUES	MOTIVATION
- Gender/Inequality√√	- EP employs more males than females.√
- Disability/Physically challenged/People living with disability√√	- Their building does not have facilities for people who use wheelchairs/with disabilities.√
- Language√√	- English is the only medium of communication allowed/Some employees cannot speak and/or understand it.√
Submax (4)	Submax (2)

NOTE: 1. The answer does not have to be in tabular format.
2. Mark the first TWO (2) diversity issues only.
3. Do not award marks for motivation without the correct identifica-
tion of the diversity issue.   Max (6)

4.2.2 **Dealing with identified diversity issues in the workplace**
Gender/Inequality
-   Males and females should be offered equal employment opportunities.√√
-   EP's directors should promote both men and women in managerial positions.√√
-   Women should be employed to comply with EEA.√√
-   Targets may be set for gender equity in the business.√√
-   New appointments should be based on skills and ability.√√
-   Introduce affirmative action by ensuring that male/female employees are remunerated fairly/equally.√√
-   Any other relevant answer related to ways on how EP should deal with gender as a diversity issue in the workplace.

Submax (4)

Disability/Physically challenged/People living with disability
-   EP should provide employment opportunities for people with disabilities.√√
-   Accommodate people with disabilities by providing facilities/ramps for wheel-chairs√√, etc.
-   Ensure that workers with special needs are not marginalised/feel excluded from workplace activities.√√
-   EP should be well informed with how to deal with disabled employees.√√
-   Policies and programs should accommodate the needs of people with disabilities.√√
-   Create an organisational culture and climate that is conducive for people with disabilities.√√
-   Employees should be trained to deal with colleagues with disabilities.√√
-   EP should bring in external experts to help with disability and accommodation issues.√√
-   Ensure that employees with disabilities are treated fairly.√√
-   Focus on skills/work performance of the disabled worker, rather than his/her disability/possible problems he/she may pose in future.√√
-   Any other relevant answer related to ways on how EP should deal with disability as a diversity issue in the workplace.

Submax (4)

Language
- EP may specify that all communications must be in one specific language only and would expect employees to have a certain level of fluency in that language.√√
- Provide training in the official language of the business.√√
- It may sometimes be necessary to employ an interpreter so that everyone can fully understand what is being said in a meeting.√√
- All business contracts should be in easy-to-understand language and should be available in the language of choice for the relevant parties signing.√√
- No worker should feel excluded in meetings conducted in one language only.√√
- Any other relevant answer related to ways on how EP should deal with language as a diversity issue in the workplace.   Submax (4)

NOTE: 1. Mark the first TWO (2) recommendations of each diversity issue identified in QUESTION 4.2.1.
2. Award full marks for recommendations on the diversity issues if motivation was given without identifying diversity issues in QUESTION 4.2.1.
3. If QUESTION 4.2.1 was not answered (left blank):
- **Allocate ONE (1) mark for a recommendation if the diversity issue was not identified in QUESTION 4.2.2, but was based on the case study.**
- **If the diversity issue/motivation was identified in QUESTION 4.2.2, allocate full marks for recommendation.**

Max (8)

4.3 **How to promote cultural rights in the workplace**
- Provide the environment in which employees are free√ to use their own language when interacting with others during their free time.√
- Encourage employees√ to participate in cultural activities.√
- Allow employees to provide solutions to challenges√ from their own cultural perspective.√
- Regular cultural information sessions√ will help employees to respect each other's culture in the workplace.√
- Make provision for different cultures√, such as food served in the canteen/enter-tainment at staff functions.√
- Employ people√ from various cultural backgrounds.√
- Employees should be trained√ on cultural tolerance.√
- Any other relevant answer related to ways on how to promote cultural rights in the workplace.   **Max (6)**

4.4 **Role of health and safety representatives in the workplace**
- Ensure that protective clothing√ is provided/available to all workers.√
- Identify√ potential dangers in the workplace.√
- Initiate/Promote/Maintain/Review measures√ to ensure the health and safety of workers.√
- Check/Monitor the effectiveness of health and safety measures√ with management.√
- Ensure that all equipment that is necessary to perform work√ are provided/maintained regularly.√
- Promote safety training√ so that employees may avoid potential dangers/act pro-actively.√

- Ensure that dangerous equipment is used√ under the supervision of trained/qualified workers.√
- Ensure that workers' health and safety is not endangered√ by hazards resulting from production/processing/storage/transportation of material/equipment.√
- Working together with the employer, to investigate any accidents/complaints from the workers√ concerning health and safety in the workplace.√
- Ensure that employers comply√ with COIDA.√
- Any other relevant answer related to the role of health and safety representatives in ensuring a healthy and safe working environment.   **Max (6)**

4.5   **Social responsibility**
4.5.1   **Ways of advancing the well-being of employees**
- MCC provides subsidised housing to their employees.√
- Provides accommodation for their employees.√
- Encourages employees to stay fit and healthy by involving them in stress reduction activities.√
NOTE: Only award marks for direct quotes from the scenario.   (2 x 1) (2)

4.5.2   **Other ways of contributing to the well-being of the employees**
- MCC should improve the general quality of life of employees, e.g. pay fair wages/skills development√√, etc.
- Start a nutritional programme so that employees may enjoy at least one meal per day to keep them healthy.√√
- Allow staff to use some working time to get involved/participate in projects of their choice.√√
- Provide transport to employees who work unusually long hours.√√
- Establish coaching/mentoring programmes for junior employees.√√
- Conduct team-building sessions to improve employees' morale.√√
- Encourage employees to attend capacity-building workshops/training/staff-development/team-development programmes.√√
- Offer counselling sessions to employees with personal/emotional challenges.√√
- Working conditions should include safety/medical/canteen facilities/benefits like leave, retirement√√, etc.
- Pay fair bonuses based on the earnings/returns of the business.√√
- Allow for employees' participation in decision making.√√
- Provide recreational facilities for employees.√√
- Make annual assessment by a medical doctor/practitioner available.√√
- Offer financial support in the case of any hardship caused by unforeseen personal costs, e.g. medical costs.√√
- Allow for flexible working hours to enhance productivity.√√
- Offer support programmes to employees infected/affected by HIV/Aids.√√
- Any other relevant advice related to other ways on how MCC may contribute to the wellbeing of their employees.
NOTE: 1.   Mark the first THREE (3) 'other ways'.
        2.   Do not allocate marks for responses quoted in QUESTION 4.5.1.
        3.   Do not accept 'other ways' that are related to 'subsidised housing/ accommodation' and 'fitness/health'.
                                                                     Max (6)

4.6   **Stages of team development**

4.6.1   Storming√√   **(2)**

4.6.2   Performing√√   **(2)**

4.6.3   Forming√√   **(2)**

4.7   **Negative impact of Corporate Social Investments (CSI) on communities**
  - Businesses are not always equipped√ to address social problems/challenges.√
  - Communities can avoid taking responsibility for themselves√, because they depend/rely on a business's CSI initiatives√/'Hand-outs' discourage locals from taking their own initiatives√ by making them dependent on CSI- programmes.√
  - Distribution of scarce resources to selected beneficiaries in the community√ may cause problems such as discrimination.√
  - Some businesses only participate in CSI initiatives to raise profit√ and do not really care for the community in which they operate.√
  - Businesses may not meet√ the longer term needs of society√/Businesses cannot deliver√ sustainable CSI projects.√
  - The benefits of the programmes may not filter√ to the intended persons within the community.√
  - Spending money on CSI means the business has to recover expenses through higher prices√ which have a negative impact on the economy.√
  - Businesses tend to focus on CSI projects√ that do not directly benefit the community.√
  - Less money is available for community projects√ during unfavourable economic conditions.√
  - Consumers are not easily convinced√ that a business is acting in the best interest of the community/environment.√
  - A business often appears to benefit more from the CSI expenditure√ than the perceived benefits to the communities.√
  - Any other relevant answer related to the negative impact of CSI on communities.
                                                                                              Max (6)

4.8   **Strategies to deal with abuse of work time**
  - Speak directly to those employees who abuse work time.√√
  - Code of conduct/ethics should contain clear rules about abuse of work time.√√
  - Conduct training on the contents of the code of conduct/ethics.√√
  - Code of conduct/ethics should be signed by all employees so that they are aware of its contents.√√
  - Monitor employees to ensure that tasks are completed.√√
  - Structure working hours in such a way that employees have free/flexible time for personal matters.√√
  - Create a culture of responsibility/strengthen team spirit in order for all employees to feel responsible for what has to be achieved.√√
  - Any other relevant answer related to strategies to deal with employees who abuse work time.   **Max (10)**
                                                                                                 [60]

BREAKDOWN OF MARKS

QUESTION 4	MARKS
4.1	4
4.2.1	6
4.2.2	8
4.3	6
4.4	6
4.5.1	2
4.5.2	6
4.6.	6
4.7	6
4.8	10
TOTAL	60

QUESTION 5: BUSINESS OPERATIONS

5.1 **Recruitment**

5.1.1 **Job analysis**

COMPONENTS	EXAMPLES
A. Job description√√	1. The receptionist is responsible for making book-ings and arranging transport for guests.√
	2. He/She manages the system for the safe-keeping of the guests' valuables.√
B. Job specification√√	1. Applicants must have a Diploma in Administration Management.√
	2. Speaking, reading and writing in English are compulsory.√
	3. Three years' experience in the hospitality industry will be an advantage.√
Submax (4)	Submax (4)

NOTE: Do not allocate marks for examples that are not linked to components.

Max (8)

5.1.2 External recruitment√√

Motivation
The post has been advertised in the local newspaper.√

Identification (2)
Motivation (1)
Max (3)

5.1.3   Role of the interviewee/applicant during the interview
- Greet the interviewer by name√ with a solid handshake and a friendly smile.√
- Listen carefully to the questions√ before responding.√
- Make eye contact√ and have good posture/body language.√
- Show confidence√ and have a positive attitude/and be assertive.√
- Be inquisitive√ and show interest in the business.√
- Ask clarity seeking√ questions.√
- Show respect√ and treat the interview with its due importance.√
- Be honest about mistakes√ and explain how you dealt with it.√
- Know your strengths and weaknesses√ and be prepared to discuss them.√
- Any other relevant answer related to the role of the interviewee/applicant during the interview.

Max (8)

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

Max (4)

5.3   Benefits of a good quality management system
- Effective customer services are rendered√, resulting in increased customer satisfaction.√
- Time and resources√ are used efficiently.√
- Productivity increases√ through proper time management/using high quality resources.√
- Products/Services are constantly improved√ resulting in increased levels of customer satisfaction.√
- Vision/Mission/Business goals√ may be achieved.√
- Business has a competitive advantage√ over its competitors.√
- Regular training√ will continuously improve the quality of employees' skills/know-ledge.√
- Employers and employees will have a healthy working relationship√ resulting in happy/productive workers.√
- Increased market share/more customers√ improves profitability.√
- Improves business image√, as there is less defects/returns.√
- Any other relevant answer related to the benefits of a good quality management system.

Max (8)

5.4 **Distinction between quality control and quality assurance**

QUALITY CONTROL	QUALITY ASSURANCE
- Inspection of the final product√ to ensure that it meets the required standards.√	- Carried out during and after the production process√ to ensure required standards have been met at every stage of the process.√
- Includes setting targets/measuring performance√ and taking corrective measures.√	- Ensure that every process is aimed at getting the product right first time√ and prevent mistakes from happening again.√
- 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 distinction must be clear.**

Max (4)

5.5 **Business functions**
5.5.1 **Quality indicators for 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/norms are in place to implement control mechanisms.√√
- Continuously aware of/Understand changes in the business environment.√√
- Establishes priorities to give clear direction.√√
- Shared vision, mission and values are communicated effectively.√√
- The general management sets an example of the behaviour that is expected from employees in terms of ethics as well as productivity.√√
- Employees have the necessary resources needed to do their work/Effective allocation of resources.√√
- The business is proactive and always seeks to improve competitive advantage over competitors.√√
- Ensure that all departments/the business meet their deadlines/targets.√√
- Management must plan/organise/control/lead effectively.√√
- Any other relevant answer related to the quality indicators of the general management function. **Max (4)**

5.5.2 **Quality indicators for purchasing function**
- Buying raw materials in bulk at lower prices.√√
- Required quantities are delivered at the right time and place.√√
- Selecting reliable suppliers that render the best quality raw materials/capital goods at reasonable prices.√√
- Placing orders timeously and ensuring regular follow-ups so that goods are delivered on time.√√
- Effective co-ordination between purchasing and production departments so that purchasing staff understand the requirements of the production process.√√
- Implementing and maintaining stock control systems to ensure the security of stock.√√

- Maintaining optimum stock levels to avoid overstocking/reduce out-dated stock.√√
- Monitoring/Reporting on minimum stock levels to avoid stock-outs.√√
- Effective use of storage space/Maintain product quality while in storage.√√
- Involving suppliers in strategic planning/product design/material selection/quality control process.√√
- Ensuring that there is no break in production due to stock shortages.√√
- Establishing relationships with suppliers so that they are in alignment with the business's vision/mission/values.√√
- Having a thorough understanding of supply chain management.√√
- Any other relevant answer related to the quality indicators for the purchasing function.

Max (4)

5.6   **Total Quality Management (TQM)**
5.6.1 Total client/customer satisfaction√√   (2)

       Motivation
       - The marketing department conducted customer surveys to analyse the needs of customers.√
       - Customers were requested to comment on the quality of CL's bags/after sale services.√

                                                                                                     (1)

                                                                                    Identification (2)
                                                                                     Motivation (1)
                                                                                       Max (3)

5.6.2 **Impact of Total client/customer satisfaction on CL as a large business
       Positives/Advantages**
       - Market research/Customer surveys√ measure/monitor customer satisfaction/ analyse customers' needs to keep customers informed.√
       - Increased competitiveness√ as CL is aware of market changes.√
       - Increased profitability√ as more goods and services are sold/sales increase.√
       - Continuously promote√ a positive business image.√
       - Achieve a state of total customer satisfaction, as CL applies sound business practices√ that include all stakeholders.√
       - Align cross-functional teams across critical processes√ to fulfil customer expectations.√
       - Higher customer loyalty/retention√ as CL satisfies more needs.√
       - Charge higher prices√ as high quality products/services are rendered.√
       - Gain access√ to the global market.√
       - Any other relevant answer related to the positives/advantages of total client/customer satisfaction on CL as a large business.

AND/OR

Negatives/Disadvantages
- Employees often do not have a clear idea of what will satisfy customers' needs√, as they seldom come into contact with them.√
- Monopolistic companies have increased bargaining power√, as they do not necessarily have to please customers.√
- Not all employees√ may be involved in/committed to total client satisfaction.√
- Any other relevant answer related to the negatives/disadvantages of total client/customer satisfaction on CL as a large business. **Max (6)**

5.6.3 **PDCA model/cycle in the continuous improvement to processes and systems**
- Plan√
  - o CL should identify the problem.√
  - o Develop a plan for improvement to processes and systems.√
  - o Answer questions such as *'what to do'* and *'how to do it'*.√
  - o Plan the method and approach.√

  Submax (2)

- Do√
  - o CL should implement the change on a small scale.√
  - o Implement the processes and systems.√

  Submax (2)

- Check/Analyse√
  - o Use data to analyse the results of change.√
  - o Determine whether it made a difference.√
  - o Check whether the processes are working effectively.√
  - o CL should assess, plan and establish if it is working/if things are going according to plan.√

  Submax (2)

- Act as needed√
  - o Institutionalise the improvement.√
  - o Devise strategies on how to continually improve.√
  - o If the change was successful, implement it on a wider scale.√
  - o Continuously revise the process.√

  Submax (2)

- Any other relevant answer related to how CL can use the PDCA model/cycle to continuously improve their processes and systems.
- **NOTE: 1. Do not award marks for the impact of continuous improvement to processes and systems.**
  2. The step could be integrated in the explanation.

  Step (1)
  Explanation (1)
  Max (8)
  [60]

QUESTION 5	MARKS
5.1.1	**8**
5.1.2	**3**
5.1.3	**8**
5.2	**4**
5.3	**8**
5.4	**4**
5.5.1	**4**
5.5.2	**4**
5.6.1	**3**
5.6.2	**6**
5.6.3	**8**
TOTAL	**60**

QUESTION 6: MISCELLANEOUS TOPICS

BUSINESS ENVIRONMENT

6.1 **Business legislation**

6.1.1 Compensation for Occupational Injuries and Diseases Act, 1993 (Act 130 of 1993)/ Compensation for Occupational Injuries and Diseases Amendment Act, 1997 (Act 61 of 1997) √√

NOTE: Accept COIDA/Compensation for Injuries and Diseases Act

(2)

6.1.2 **Discriminatory actions**
- Employers who bribe/prevent employees from reporting the accident/injury.√√
- Providing false information about previous serious accidents/occupational
- diseases/employee information.√√
- Employers who do not contribute to the Compensation fund.√√
- Employers who do not allow claims for injuries, discriminates against injured employees.√√
- Employers that take too long to process claims/delay the claiming process.√√
- Compensation that is set off against any debt of the person entitled to the compensation.√√
- Any other relevant answer related to discriminatory actions under COIDA.

NOTE: Mark the first THREE (3) only.

(3 x 2) (6)

6.2 **Strategic management process**
   OPTION 1
   - Have a clear vision, a mission statement√ and measurable/realistic objectives in place.√
   - Identify opportunities/weaknesses/strengths/threats√ by conducting environ-mental scanning/situational analysis.√
   - Tools available for environmental scanning√ may include a SWOT/PESTLE/ Porter's Five Forces model/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√, etc.
   - Implement selected strategies√ by communicating it to all stakeholders/organising the business's resources/motivating staff.√
   - Continuously evaluate/monitor/measure strategies√ in order to take corrective action.√
   - Any other relevant answer related to a description of the strategic management process.

<center>**OR**</center>

   OPTION 2
   - Review√ the vision statement.√
   - Analyse/Re-examine√ mission statement.√
   - Conduct an analysis√ using models such as PESTLE/PORTER'S/SWOT.√
   - 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 a description of the strategic management process.
   NOTE: The steps may be in any order.

<div align="right">**Max (8)**</div>

BUSINESS VENTURES
6.3 **Types of compulsory insurance**
   - Unemployment Insurance Fund/UIF√
   - Road Accident Fund/RAF/Road Accident Beneficiary Scheme/RABS√
   - Compensation for Occupational Injuries and Diseases Fund/COIDA√
   NOTE: Mark the first THREE (3) only.

<div align="right">**(3 x 1) (3)**</div>

6.4 **Investments**
6.4.1 RSA Retail Savings bond/Government Retail Bonds√√ **(2)**

6.4.2 Unit trusts√√ **(2)**

6.5   **Differences between a private and public company**

PRIVATE COMPANY	PUBLIC COMPANY
- May not offer shares√ to the general public.√	- Trades its shares publicly√ on the Johannesburg Securities Exchange.√
- Name must end√ with Proprietary Limited/(Pty) Ltd.√	- Name must end√ with Limited/Ltd.√
- Financial statements must be independently reviewed√ but not necessarily audited.√	- Annual financial statements√ need to be audited.√
- Does not need to publish a pros-pectus√ as it cannot trade its shares publicly.√	- Have to register and publish√ a pros-pectus with CIPRO.√
- The company is not required to raise√ the minimum subscription/ issue minimum shares.√	- Must raise a minimum subscription prior√ to the commencement of the company.√
- Managed by a minimum√ of 1 or 2 directors√.	- Managed by a minimum√ of 3 directors.√
- Any other relevant answer related to a private company.	- Any other relevant answer related to a public company.
Submax (4)	Submax (4)

NOTE: 1.   **The answer must be in tabular format.**
           2.   **The differences must be clearly linked.**   **Max (8)**

BUSINESS ROLES
6.6   **Strategies that deal with difficult personalities**
6.6.1   Aggressive
- Allow them time to speak and blow off some steam/aggressiveness.√√
- Be firm, but do not confront them.√√
- Do not allow them to be hostile towards others.√√
- Any other relevant answer related to strategies that could be used when handling aggressive personalities.   **(1 x 2) (2)**

6.6.2   Complainer
- Listen to the complaints but do not acknowledge them.√√
- Interrupt the situation/move to the problem-solving process as soon as possible.√√
- Any other relevant answer related to strategies that could be used when handling complainer personalities.   **(1 x 2) (2)**

    NOTE: Mark only the first strategy for each personality.

6.7   **Characteristics of successful teams**
- Successful teams share a common goal√ as team members are part of the process of setting goals for the group.√
- Share a set of team values√ and implement group decisions.√
- Teams value the contributions of individual members√ and reach consensus on differences.√
- There is a climate of respect/trust√ and honesty.√
- Team members enjoy open communication√ and deal with items of conflict immediately.√

- Teams are accountable√ and members know the time frame for achieving their goals.√
- Teams pay attention to the needs√ of the individual team members.√
- Successful teams have sound√ intra-team relations/interpersonal attitudes and beliefs.√
- Creates an environment where team members are given opportunities to develop√ so that team members grow and learn from the experience of working in a team.√
- Regular reviews of team processes√ and progress may detect/solve problems sooner.√
- Balance the necessary skills/knowledge/experience/expertise√ to achieve the objectives.√
- Any other relevant answer related to the characteristics of successful teams.

Max (4)

6.8 **Professional, responsible, ethical and effective business practices**
- Businesses should treat all employees equally.√√
- Plan properly and put preventative measures in place.√√
- Pay fair wages/salaries which is in line with the minimum requirements of the BCEA/Remunerate employees for working overtime/during public holidays.√√
- Engage in environmental awareness programmes/Refrain from polluting the environment, e.g. by legally disposing of toxic waste.√√
- Refrain from starting a venture using other businesses' ideas that are protected by law.√√
- Business decisions and actions must be clear/transparent to all stakeholders.√√
- Businesses should be accountable /responsible for their decisions and actions/ patents rights.√√
- Hiring honest/trustworthy accountants/financial officers with good credentials.√√
- Regular/Timeous payment of taxes.√√
- Draw up a code of ethics/conduct.√√
- Ongoing development and training for all employees.√√
- Performance management systems/Appraisals should be in place.√√
- Adequate internal controls/monitoring/evaluation.√√
- Any other relevant answer related to ways in which businesses can conduct themselves professionally, responsibly and ethically. **Max (6)**

BUSINESS OPERATIONS

6.9 **Business Functions**

6.9.1 Administration function (Administration)/Management Information system/MIS/ Information systems√√

6.9.2 Marketing function√√

6.9.3 Production function√√

(3 x 2) (6)
Max (6)

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

Max (9)
[60]

BREAKDOWN OF MARKS

QUESTION 6	MARKS
6.1.1	2
6.1.2	6
6.2	8
6.3	3
6.4	4
6.5	8
6.6.1	2
6.6.2	2
6.7	4
6.8	6
6.9	6
6.10	9
TOTAL	60

TOTAL SECTION B: 180

SECTION C
Mark the first TWO (2) questions only.

QUESTION 7:   BUSINESS ENVIRONMENTS (BUSINESS STRATEGIES)

7.1   Introduction
- Businesses need to identify/develop and implement business strategies to improve performance/respond to challenges presented by business environments.√
- Intensive and defensive strategies enable business to solve the challenges that are posed by the market and macro environment.√
- Porter's Five Forces model helps the business to understand both the strength of its current competitive position and the advantages of expanding.√
- Porter's Five Forces model is based on five important forces that will determine competitive power in the market environment of a business.√
- The aim of strategy evaluation is to determine whether the chosen strategy will resolve the identified challenges.√
- Any other relevant introduction related to the Porter's Five Forces model/ implementing defensive and intensive strategies/evaluation of strategies.

Max (2)

7.2   Porter's Five Forces
7.2.1 Power of suppliers√√
- Suppliers include factories/providers of goods/services√ that businesses would obtain/buy from in order to operate their business.√
- A business must assess the power of the suppliers√ to influence prices.√
- 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.√
- The business should identify the kind of power its suppliers have√ in terms of the quality of products/services/reliability/ability to make prompt deliveries,√etc.
- Any other relevant answer related to the power of suppliers.

Force (2)
Explanation (2)
Submax (4)

7.2.2 Power of buyers√√
- Buyers are the final users√ of the product/services.√
- Buyers buying in bulk√ can bargain for prices in their favour.√
- The business must assess how easy it is for buyers/customers√ to drive prices down.√
- This will depend on the number of buyers/the importance of each buyer to the business√ and the cost of switching to other products.√
- If a business is dealing with a few powerful buyers√, they are often able to dictate their terms to the business.√
- If buyers can do without the business's products√ then they have more power to determine the prices and terms of sale.√
- Businesses must conduct market research√ so that they can get more information about their buyers.√
- Any other relevant answer related to the power of buyers.

Force (2)
Explanation (2)
Submax (4)

7.2.3 Power of competitors/Competitive rivalry√√
- Competitors selling the same/similar products/services√ may have a greater impact on the market of the business.√
- Competitive rivalry refers to the number of competitors√ and their ability to influence/control the market.√
- If competitors have a unique product/service√, then they will have greater power.√
- A business with many competitors in the same market√ has very little power in their market.√
- Businesses must draw up a competitor's profile√ so that they can determine their own strength as well as that of competitors.√
- Some competitors have the necessary resources to start price wars√ and continue selling at a loss until other competitors leave the market.√
- Any other relevant answer related to the power of competitors/competitive rivalry.

<div align="right">

Force (2)
Explanation (2)
Submax (4)
</div>

7.2.4 Threat of substitution/ substitutes√√
- Substitute products or services are different products/services that at least partly satisfy the same needs of consumers√ and can be used to replace one another.√
- Businesses should determine whether the sellers of substitute products have improved their products√ or sell lower quality goods at lower prices.√
- If the business's product can be easily substituted√, it weakens the power of the business in the market.√
- Substitute products may cause the business√ to completely lose its market share.√
- Unique products√ will not be threatened by substitute products.√
- Businesses should do market research√ to assess if customers using substitute products/services have reasons for using these alternatives.√
- It is important that businesses change√ or improve their products to remain competitive.√
- Any other relevant answer related to the threat of substitution/substitutes/ alternatives.

<div align="right">

Force (2)
Explanation (2)
Submax (4)
</div>

7.2.5 Threat/Barriers of new entrants to the market√√
- New entrants are other businesses that are selling the same/similar products√ in the existing market for the first time.√
- The power will depend on how easy it is√ for new businesses to enter the market.√
- If the business is highly profitable√, it will attract potential competitors that want to benefit from high profits.√
- If the barriers to enter the market are low√, then it is easy for new businesses to enter the market/industry.√
- New competitors can quickly/easily enter the market√, if it takes little time/ money to enter the market.√

- If there are a few suppliers of a product/service but many buyers√, it may be easy to enter the market.√
- Any other relevant answer related to the threats/barriers of new entrants.

Force (2)
Explanation (2)
Submax (4)

NOTE: 1. The 'force' must be stated in full to get the maximum of TWO (2) marks.
**   2. No part marks must be awarded for the naming of the 'force'.**

Max (20)

7.3   Types of defensive strategies
7.3.1 Divestiture/ Divestment√√
- The business disposes/sells some assets/divisions√ that are no longer profitable/ productive.√
- Businesses may sell off divisions/product lines√ with slow growth potential.√
- The business sells ownership√ by decreasing the number of shareholders.√
- Unproductive assets are sold√ to pay off debts.√
- Process used to withdraw its investment√ in another business (divesting).√
- Any other relevant answer related to divestiture/divestment as a defensive strategy.

Strategy (2)
Explanation (2)
Submax (4)

7.3.2 Liquidation√√
- All assets are sold to pay creditors√ due to a lack of capital.√
- Selling the entire business√ in order to pay shareholders a fair price for their shares.√
- Creditors may apply for forced liquidation√ in order to have their claims settled.√
- Any other relevant answer related to liquidation as a defensive strategy.

Strategy (2)
Explanation (2)
Submax (4)

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

Strategy (2)
Explanation (2)
Submax (4)

Note: Mark the first THREE (3) only.   **(3 x 4) (12)**
Max (12)

7.4   Effectiveness/Advantages of intensive strategies
-    Increased market share√ reduces the business's vulnerability to actions of competitors.√
-    Control over prices√ may increase/improve.√
-    Increase in sales/income√ and profitability.√
-    Improved service delivery√ may positively impact/increase sales√
-    Businesses can have more control√ over the prices of products/services.√
-    Gain customer loyalty√ through effective promotion campaigns.√
-    Decrease in price√ could influence customers to buy more products.√
-    Regular sales to existing customers√ may increase.√
-    Eliminate competitors√ and dominate market prices.√
-    Enables the business to focus on markets/well researched quality products√ that satisfy the needs of consumers.√
-    Any other relevant answer related to the effectiveness/advantages of intensive strategies.   **Max (6)**

7.5   Steps in evaluating a strategy
-    Examine the underlying basis of a business strategy.√√
-    Formulate strategies to meet objectives favourably.√√
-    Implement strategies using action plans√√, etc.
-    Look forward and backwards into the implementation process.√√
-    Compare the expected performance with the actual performance.√√
-    Measure business performance in order to determine the reasons for deviations and analyse these reasons.√√
-    Take corrective action so that deviations may be corrected.√√
-    Set specific dates for control and follow up.√√
-    Draw up a table of the advantages and disadvantages of a strategy.√√
-    Decide on the desired outcome.√√
-    Consider the impact of the strategic implementation in the internal and external environments of the business.√√
-    Any other relevant answer related to the steps in evaluating a strategy.
NOTE: Accept steps in any order.   **Max (8)**

7.6   Conclusion
-    With a clear understanding of where power lies, the business can take advantage from a position of strength, improve a situation of weakness and avoid taking any wrong steps.√√
-    Porter's Five Forces is useful for analysing the power of the business in order to effectively manage market environmental challenges.√√
-    This model makes it possible for businesses to determine how to shift the power of the forces in their favour.√√
-    Although implementing intensive and defensive strategies may be costly, it usually results in growth and continuous improvement.√
-    Businesses must continuously evaluate strategies in order to change/adapt it according to current demands of their markets.
-    Any other relevant conclusion related to defensive/intensive strategies/Porters Five Forces/evaluating strategies.   **Max (2)**
                                                                                                            [40]

QUESTION 7: BREAKDOWN OF MARK ALLOCATION

DETAILS	MAXIMUM	TOTAL
Introduction	2	
Porters Five Forces	20	
Types of defensive strategies	12	Max 32
Effectiveness of intensive strategies	6	
Strategy evaluation	8	
Conclusion	2	
INSIGHT		
Layout	2	
Analysis, interpretation	2	8
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 8: BUSINESS VENTURES (LEADERSHIP AND MANAGEMENT)

8.1   Introduction
- Good leaders can also be good managers, as both can inspire/energise people and bring about change.√
- Leaders and managers can create opportunities and motivate people to be productive which lead to successful businesses.√
- Many managers are also good leaders with excellent management skills.√
- Some managers are task driven which may result in conflict if employees' interests are neglected.√
- Managers who ignore their leadership role will not be able to motivate people to get the job done successfully.√
- Theories of leadership and management guide leaders/managers on how to address/manage certain situations.√
- Any other relevant introduction related to management and leadership styles/theories.   **Max (2)**

8.2   **Differences between leadership and management**

LEADERSHIP	MANAGEMENT
- Influences human behaviour.√√	- Guides human behaviour.√√
- Communicates by means of inter-action/behaviour/vision/values/charisma.√√	- Communicates through management functions, e.g. line function.√√
- Encourages new ideas to increase productivity.√√	- Administers plans/programs/tasks to reach targets.√√
- Inspires staff to trust and support each other.√√	- Controls systems and procedures to get the job done.√√
- Focuses on what and why.√√	- Focuses on how and when.√√
- Does the right things.√√	- Does things right.√√
- Focuses on the horizon to take long term decisions.√√	- Focuses on the bottom line to take short/medium/long term decisions.√√
- Leaders are born with natural/instinctive leadership skills.√√	- A person becomes a manager because he/she is appointed in the position.√√
- Guides/Leads people to become active participants.√√	- Manages the process of getting things done by exercising authority.√√
- Have power/influence because of his/her knowledge/intelligence/skills.√√	- Have power/authority because of the position into which they are appointed.√√
- Always trying to find more efficient ways of completing tasks.√√	- Enforce rules on subordinates to ensure that tasks are completed.√√
- Motivational/Inspirational in their approach.√√	- Instructional in their approach.√√
- People orientated.√√	- Task orientated.√√
- Lead by example/trust/respect.√√	- Manage by planning/organising/leading/ control.√√
- Any other relevant answer related to leadership.	- Any other relevant answer related to management.
Submax (4)	Submax (4)

NOTE: 1.   The answer does not have to be in tabular format but differences must be clear.
2.   Mark the first TWO differences only.
3.   Award a maximum of FOUR (4) marks if differences are not clear.

Max (6)

8.3   **Leadership theories**
Situational leadership theory
- Different leadership characteristics√ are needed for different situations.√
- The task/situation dictates the leadership style that should be applied√, so leaders are adaptable/flexible/self-assured.√
- Effective application of this theory may enable leaders√ to accomplish their goals.√
- Relationships between leaders and employees√ are based on mutual trust/respect/loyalty/integrity/honesty.√
- Leaders have the ability to analyse the situation/get the most suitable people in the right positions√ to complete tasks successfully.√

- Leaders analyse group members/objectives/time constraints√, to adopt a suitable/relevant leadership style.√
- May lead to conflict√ when leaders use different leadership styles/when managing employees in different situations.√
- The success of this theory depends on the kind of relationship that exists√ between the leader and followers/subordinates/employees.√
- The maturity levels of team members determine the type of leadership style.√√
- Any other relevant answer related to a situational leadership theory.

Submax (8)

Transformational leadership theory
- Suitable for a dynamic environment√, where change could be drastic.√
- The passion/vision/personality of leaders inspire followers√ to change their expectations/perceptions/motivation to work towards a common goal.√
- Strategic thinking leaders develop a long term vision for the organisation√ and sell it to subordinates/employees.√
- Leaders have the trust/respect/admiration√ of their followers/subordinates.√
- Promotes intellectual stimulation/creative thinking/problem solving√ which result in the growth/development/success of the business.√
- Followers are coached/led/mentored/emotionally supported through transformation/change√ so that they can share their ideas freely.√
- Encourages followers√ to explore/try new things/opportunities.√
- Leaders lead by example√ and make workers interested in their work.√
- Leaders have strong, charismatic personalities√ and are very good at motivating staff to achieve results.√
- Enable employees to take greater ownership for their work√ and to know their strengths and weaknesses.√
- Any other relevant answer related to the transformational leadership theory.

Submax (8)

NOTE: Award marks if examples demonstrate understanding of the leadership theory which could be integrated in the answer.

Max (16)

8.4   Impact of Autocratic and Transactional leadership styles on businesses
8.4.1 Autocratic leadership style
Positives/Advantages
- Quick decisions can be taken√ without consulting/followers/employees.√
- Work gets done√ in time/on schedule.√
- Line of command/communication is clear√ as it is top-down/followers know exactly what to do.√
- Direct supervision/Strict control√ ensures high quality products/service.√
- Provides strong leadership√ which makes new employees feel confident and safe.√
- Works well in large businesses√ where consultation with every employee is impractical.√
- Clear guidance can be given√ to low-skilled/inexperienced/new staff.√
- Any other relevant answer related to the positives/advantages of the autocratic leadership style.

AND/OR

Negatives/Disadvantages
- Leaders and followers may become divided/may not agree√ on ways to solve problems/no effective communication.√
- Workers can be demotivated√ as their opinions/ideas are not considered.√
- De-motivated workers√ impact negatively on productivity.√
- New/Creative/Cost reducing ideas√ may not be used/implemented/never be considered.√
- Followers may feel that they are not valued√ resulting in high absenteeism/high employee turnover.√
- Experienced/Highly skilled workers will resist an autocratic leadership style√ as it results in lower personal growth/participation/creativity.√
- Any other relevant answer related to the negatives/disadvantages of the autocratic leadership style. Submax (8)

8.4.2 Transactional leadership style
Positives/Advantages
- Encourages employees to work hard√ because they will receive rewards.√
- Improves employees' productivity√ and morale.√
- The goals and objectives of the business can be achieved√ as workers are motivated.√
- Employees know√ what is expected of them.√
- Disciplinary actions/procedures√ is well communicated.√
- Any other relevant answer related to the positives/advantages of the transactional leadership style.

AND/OR

Negatives/Disadvantages
- Employees can become bored√ because they have to follow rules/procedures/ there is no creativity in the workplace.√
- A transactional leader will have to monitor the work performance of employees/ ensure that expectations are met√ which can be time-consuming.√
- Some employees may be demoralised/unmotivated√, if they fail to reach/meet targets despite having worked very hard.√
- Usually not suitable for team work√, because all team members can be punished for poor performance caused by a member of a team.√
- Any other relevant answer related to the negatives/disadvantages of the transactional leadership style. Submax (8)
Max (16)

8.4.3 Situations in which the autocratic leadership style can be applied
- In crisis situations, e.g. in the case of unforeseen challenges/accidents.√√
- When all the information is available to solve the problem.√√
- In emergencies, where there is a shortage of time.√√
- When employees are motivated and the leader has already earned the trust of the followers.√√
- When dealing with employees who are not cooperative.√√
- When employees are new/not fully trained.√√
- Any other relevant suggestions of situations in which the autocratic leadership style can be applied. Submax (4)

Situations in which the transactional leadership style can be applied
- When the business wants to maximise employee performance.√√
- When deadlines have to be met on short notice/under pressure.√√
- When workers have a low morale.√√
- When the strategies/business structures do not have to change.√√
- When productivity levels are very low/not according to targets.√√
- Any other relevant suggestion of situations in which the transactional leadership style can be applied.   Submax (4)
Max (8)

8.5   **Conclusion**
- A leader who is positive/enthusiastic/energetic will inspire his followers to improve/empower/uplift themselves to achieve their own personal goals.√√
- Managers can also be successful leaders if they not only focus on the task at hand, but also the people/workers who will execute the task.√√
- Leaders who understand various leadership styles and theories may be able to lead effectively and handle any situation.√√
- Any other relevant conclusion related to leadership styles/theories of manage-ment and leadership that will ensure the success of any business.

Max (2)
[40]

QUESTION 8: BREAKDOWN OF MARK ALLOCATION

DETAILS	MAXIMUM	TOTAL
Introduction	2	
Differences between manage-ment and leadership	6	
Situational and transformational leadership theories	16	**Max 32**
Autocratic and Transactional leadership styles: Impact Recommendations of situations	 16 8	
Conclusion	2	
INSIGHT		
Layout	2	
Analysis, interpretation	2	8
Synthesis	2	
Originality/Examples	2	
TOTAL MARKS		**40**

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 9: BUSINESS ROLES (CREATIVE THINKING)

9.1 Introduction
- Solving problems requires businesses to apply creative and critical thinking skills.√
- Businesses have to solve many problems as they confront the challenges of dynamic and complex business environments.√
- Mojo Paints may use creative thinking techniques to solve business problems.√
- Creative thinking is the thought process that leads to original/novel/new ideas.√
- Businesses need to find ways to break out from routine thinking.√
- Any other relevant introduction related to problem solving/decision making/ creative thinking.

Max (2)

9.2 Distinction between decision making and problem solving

DECISION MAKING	PROBLEM SOLVING
- It is often done by one person/a member of senior management√ who makes it authoritarian.√	- Problems can be solved by a group/ team√ or an individual team member.√
- Various alternatives are consi-dered√ before choosing the best one.√	- Alternative solutions are generated/ identified√ and critically evaluated.√
- It is part of the problem solving cycle√ as decisions need to be made in each step.√	- Process of analysing a situation√ to identify strategies to bring about change.√
- Any other relevant answer related to decision making.	- Any other relevant answer related to problem solving.
Submax (4)	Submax (4)

NOTE: 1. **The answer does not have to be in tabular format but distinction must be clear.**
2. **Award a maximum of FOUR (4) marks if the distinction is not clear.**

Max (8)

9.3 Application of the Delphi and Nominal-group techniques
9.3.1 Delphi technique
- Mojo Paints must invite a panel of experts√ to research the complaints from customers.√
- Experts do not have to be in one place√ and will be contacted individually.√
- Design a questionnaire consisting of questions on how to improve the quality of their paints √ and distribute it to the panel members/experts.√
- Request the panel to individually respond to the questionnaire/suggest improve-ments to the products√ and return it to Mojo Paints.√
- Summarise the responses from the experts√ in a feedback report.√
- Send the feedback report and a second set of questions/questionnaire√ based on the feedback report to the panel members.√
- Request panel members to provide further input/ideas on how to improve the quality of Mojo's paints√ after they have studied the results/documentation.√
- Distribute a third questionnaire√ based on previous feedback from the second round.√

- Prepare a final summary/feedback report√ with all the methods to improve the quality of Mojo's paints.√
- Mojo Paints should choose the best solution/proposal√ after reaching consensus.√
- Any other relevant answer related to the application of the Delphi technique by Mojo Paints.

NOTE: Do not allocate marks for advantages and disadvantages as the question focuses on the process/application of the technique.

Submax (8)

9.3.2 Nominal-group technique

- Encourage group to clearly define the problem/to improve the quality of their products due to various complaints√ so that all the small groups can work on the same problem.√
- Mojo Paints divide the employees√ into smaller groups.√
- Request each employee to silently brainstorm /generate many ideas on his/her own, on how the quality of their paint can be improved√ and to write it down.√
- Each employee in the small group has the opportunity√ to give one of his/her idea/solution with a short explanation.√
- Appoint one employee√ to write the ideas/solutions on a large sheet of paper/ capture solutions electronically on computer for all to see.√
- Allow each employee to give a second solution√ until all possible solutions have been recorded.√
- Encourage employees√ to ask clarity seeking questions.√
- Discourage criticism of ideas/solutions√ as this may prevent others from giving their solutions.√
- Mojo Paints eliminate ideas√ that are duplicated/similar.√
- Each employee must read through all the suggestions√ and anonymously rate them giving the highest points for the best solution.√
- Collect the ratings√ and calculate total points.√
- Small groups must present one solution to the large group√ that was deemed best according to the scores/votes in their small groups.√
- Any other relevant answer related to the application of the Nominal- group technique by Mojo Paints.

NOTE: Do not allocate marks for advantages and disadvantages as the question focuses on the process/application of the technique.

Submax (8)
Max (16)

9.4   Advantages of creative thinking

- Better/Unique/Unconventional ideas/solutions√ is generated.√
- May give the business a competitive advantage√ if unusual/unique solutions/ ideas/strategies are implemented.√
- Complex business problems√ may be solved.√
- Productivity increases√ as management/employees may quickly generate multiple ideas which utilises time and money more effectively.√
- Managers/Employees have more confidence√ as they can live up to their full potential.√

- Managers will be better leaders√ as they will be able to handle/manage change(s) positively and creatively.√
- Managers/Employees can develop a completely new outlook√, which may be applied to any task(s) they may do.√
- Leads to more positive attitudes√ as managers/employees feel that they have contributed towards problem solving.√
- Improves motivation√ amongst staff members.√
- Managers/Employees have a feeling of great accomplishment√ and they will not resist/obstruct the process once they solved a problem/contributed towards the success of the business.√
- Management/employees may keep up√ with fast changing technology.√
- Stimulates initiative from employees/managers√, as they are continuously pushed out of their comfort zone.√
- Creativity may lead to new inventions√ which improves the general standard of living.√
- Any other relevant answer related to the advantages of creative thinking.

Max (12)

9.5   Practical ways to create an environment that stimulates creative thinking
- Mojo Paints must emphasise the importance of creative thinking to ensure that all staff know that their ideas will be heard.√√
- Encourage staff to come up with new ideas/opinions/solutions.√√
- Make time for brainstorming sessions to generate new ideas, e.g. regular workshops/follow up sessions to build on one another's ideas.√√
- Place suggestion boxes around the workplace and keep communication channels open for new ideas.√√
- Mojo Paints should train staff in innovative techniques/creative problem solving skills/mind-mapping/lateral thinking.√√
- Encourage job swops within the organisation/studying how other businesses are doing things.√√
- Encourage alternative ways of working/doing things.√√
- Respond enthusiastically to all ideas and never let anyone feel less important.√√
- Reward creativity with reward schemes for teams/individuals that come up with creative ideas.√√
- Provide a working environment conducive to creativity, free from distractions.√√
- Any other relevant recommendations of practical ways in which Mojo Paints can stimulate creative thinking in the workplace.
NOTE: The emphasis is on 'practical ways', not advantages, of how Mojo Paints can create an environment that stimulates creative thinking.

Max (10)

9.6   Conclusion
- Constant changes in the market impact on business operations and so they need to adapt to it quickly and make quick/creative decisions.√√
- Creative thinking can help to solve business problems successfully.√√
- Businesses must know how to deal with problems that arise.√√
- Any other relevant conclusion related to problem solving/decision making/creative thinking.   **Max (2)**

[40]

QUESTION 9: BREAKDOWN OF MARK ALLOCATION

DETAILS	MAXIMUM	TOTAL
Introduction	2	
Differences between decision making and problem solving	8	
Application of Delphi and Nominal group technique	16	Max 32
Advantages of creative thinking	12	
Ways to promote creative thinking in a workplace.	10	
Conclusion	2	
INSIGHT		
Layout	2	
Analysis, interpretation	2	8
Synthesis	2	
Originality/Examples	2	
TOTAL MARKS		40

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 10: BUSINESS OPERATIONS (HUMAN RESOURCES)

10.1 Introduction
- Induction is the process of introducing new employees to a business/work environment.√
- A good induction programme will enable the new employee to settle in quickly.√
- Businesses should ensure that induction is done before the employee starts in his/her new position.√
- Placement is the process of assigning employees in/to a vacant position where they will function optimally.√
- All training programmes should be conducted within the framework of the Skills Development Act to develop the skills of the employees.√
- Employers and employees should adhere to the terms and conditions of the employment contract.√
- Any other relevant answer related to induction/placement/Skills Development Act/employment contract. **Max (2)**

10.2 Purpose of induction/Content of an induction programme
10.2.1 Purpose of induction
- Introduce new employees to management/colleagues√ to establish relationships with fellow colleagues at different levels.√
- Create opportunities for new employees√ to experience/explore different departments.√
- Explain safety regulations and rules√, so that new employees will understand their role/responsibilities in this regard.√
- Communicate information√ about the products/services of Sipho Traders.√
- Allow new employees the opportunity to ask questions√ that will put them at ease/reduce insecurity/anxiety/fear.√
- Make new employees feel welcome√ by introducing them to their physical work space.√
- Give new employees a tour/information√ about the layout of the building/office.√
- Improve skills√ through in-service training.√
- Familiarise new employees√ with the organisational structure/their supervisors.√
- Ensure that employees understand their roles/responsibilities√ so that they will be more efficient/productive.√
- Communicate business policies√ regarding ethical/professional conduct/proce-dures/employment contract/conditions of employment√, etc.
- Any other relevant answer related to the purpose of induction.

Submax (10)

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

NOTE: Mark the first FIVE (5) only. **(5 x 2) (10)**
Max (20)

10.3 Placement procedure
- Sipho Traders should outline specific responsibilities/expectations of Kobie's new position.√√
- Determine the employee's strengths/weaknesses/skills/ interests by subjecting him to various psychometric tests.√√
- Sipho Traders should determine the relationship/similarities between the expectations of the position and the competencies of Kobie.√√
- Any other relevant answer related to the placement procedure.

Max (6)

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

Max (8)

10.5 Aspects to be included in the employment contract
- Personal details of the employee.√√
- Details of the business/employer e.g. name/address√√, etc.
- Job title/Position.√√
- Job description.√√
- Job specification.√√
- Date of employment/commencement of employment.√√
- Place where employee will spend most of his/her working time.√√
- Hours of work, e.g. normal time/overtime.√√
- Remuneration, e.g. weekly or monthly pay.√√
- Benefits/Fringe benefits/Perks/Allowances.√√
- Leave, e.g. sick/maternity/annual/adoption leave.√√
- Employee deductions (compulsory/non-compulsory).√√
- Period of contract/Details of termination.√√
- Probation period.√√
- Signatures of both the employer and employee.√√

- List of documents that form part of the contract, e.g. appointment letter/code of conduct/ethics.√√
- Disciplinary policy, e.g. rules and disciplinary procedure for unacceptable behaviour.√√
- Any other relevant answer related to the aspects of the employment contract.
  NOTE: 1. Mark the first SIX (6) aspects only.
  2. Allocate a maximum of TWO (2) marks for each aspect when examples are used as recommendations.

Max (12)

10.6   Conclusion
- Employees are one of the most important resources in any business, therefore their success should be guaranteed by an effective induction programme.√√
- Effective placement procedures will ensure that skilled and competent employees are retained.√√
- The human resources function has to co-ordinate and facilitate skills development in the workplace to ensure a competent staff.√√
- It is important that the employer and employees sign the employment contracts.√√
- Any other relevant conclusion related to induction/placement/Skills Development Act/employment contract.

Max (2)
[40]

QUESTION 10: BREAKDOWN OF MARK ALLOCATION

DETAILS	MAXIMUM	TOTAL
Introduction	**2**	
Induction: Purpose/Aspects	**20**	
Placement procedure	**6**	**Max 32**
Implication of the SDA on the Human Resources Function	**8**	
Aspects in the employment contract	**12**	
Conclusion	**2**	
INSIGHT		
Layout	**2**	
Analysis, interpretation	**2**	8
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: 80
GRAND TOTAL: 300