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SENIOR CERTIFICATE EXAMINATIONS

BUSINESS STUDIES

MAY/JUNE 2018

MARKING GUIDELINES

MARKS: 300

These marking guidelines consists of 44 pages.

NOTES TO MARKERS**PREAMBLE**

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

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

1. For marking and moderation purposes, the following colours are recommended:
Marker: Red
Senior Marker: Green
Deputy Chief Marker: Brown/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 marking guidelines has been provided but this is by no means exhaustive. Due consideration should be given to an answer that is correct, but:
 - Uses a different expression from that which appears in the marking guidelines
 - Comes from another 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 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 memo. 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:**
 1. The above could apply to 'analyse' as well.
 2. Note the placing of the tick (√) in the allocation of marks.
13. The allocation of marks must be informed by the nature of the question, cognitive verb used, mark allocation in the marking guidelines and the context of each question.

Cognitive verbs, *such as*:

- 13.1 Advise, name, state, mention, outline, motivate, recommend, suggest, (*list not exhaustive*) do not usually require much depth in candidates' responses. Therefore, the mark allocation for each statement/answer appears at the end.
- 13.2 Describe, explain, discuss, elaborate, compare, distinguish, differentiate, 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. Mark only the FIRST answer where candidates offer more than one answer for SECTION B and C questions that require one answer.

15. **SECTION B**

- 15.1 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.

- 15.2 If two or more facts are written in one sentence, award the candidate FULL credit. Point 15.1 above still applies.
- 15.3 If candidates are required to provide their own examples/views, brainstorm this at the marking centre to finalise alternative answers.

15.4 **Use of the cognitive verbs and allocation of marks:**

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

- Fact 2 marks (or as indicated in the marking guidelines)
- Explanation 1 mark

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

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

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

16. **SECTION C**

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

Introduction	Maximum: 32
Content	
Conclusion	
Insight	8
TOTAL	40

16.2 Insight consists of the following components:

Layout/Structure	Is there an introduction, a body and a conclusion?	2
Analysis and interpretation	<p>Is the candidate able to break down the question into headings/sub-headings/interpret it correctly to show understanding of what is being asked?</p> <p>Marks to be allocated using this guide:</p> <p>All headings addressed: 1 (One 'A')</p> <p>Interpretation (16 to 32 marks): 1 (One 'A')</p>	2
Synthesis	<p>Are there relevant decisions/facts/responses made based on the questions?</p> <p>Marks to be allocated using this guide:</p> <p>No relevant facts: 0 (Two '-S')</p> <p>Some relevant facts: 1 (One '-S')</p> <p>Only relevant facts: 2 (No '-S')</p> <p>Option 1: Where a candidate answers 50% or more of the question with only relevant facts: No '-S' appears in the relevant margin. Award a maximum of TWO (2) marks for synthesis.</p> <p>Option 2: Where a candidate answers less than 50% of the question with only OR some relevant facts; ONE '-S' appears in the left margin. Award a maximum of ONE (1) mark for synthesis.</p> <p>Option 3: Where a candidate answers less than 50% of the question with no relevant facts; two '-S' appear in the left margin. Award a ZERO mark for synthesis.</p>	2
Originality	Is there evidence of examples, recent information, current trends and developments?	2
<p>TOTAL FOR INSIGHT: 8</p> <p>TOTAL MARKS FOR FACTS: 32</p> <p>TOTAL MARKS FOR ESSAY (8 + 32): 40</p>		

- 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 allocated for layout, if the headings **INTRODUCTION** and **CONCLUSION** are not supported by an explanation.

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

- 16.4 The breakdown of marks is indicated at the end of the suggested answer/ marking guidelines to each question.
- 16.5 Mark all relevant facts until the SUB MAX/MAX mark in a subsection has been attained. Write SUB MAX/MAX after maximum marks have been obtained.
- 16.6 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

- 16.7 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.)
- 16.8 If the candidate identifies/interprets the question INCORRECTLY, then he/she may still obtain marks for layout.
- 16.9 If a different approach is used by candidates, ensure that the answers are assessed according to the mark allocation/subheadings as indicated in the marking guidelines.
- 16.10 16.10.1 Award TWO marks for complete sentences. Award ONE mark for phrases, incomplete sentences and vague answers.
- 16.10.2 Where candidates give complete sentences, 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.
- 16.11 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 B✓✓
 1.1.2 A✓✓
 1.1.3 C✓✓
 1.1.4 D✓✓
 1.1.5 D✓✓
 1.1.6 B✓✓
 1.1.7 C✓✓
 1.1.8 C✓✓
 1.1.9 B✓✓
 1.1.10 D✓✓ (10 x 2) (20)
- 1.2 1.2.1 specification✓✓
 1.2.2 dividend✓✓
 1.2.3 debenture holders✓✓
 1.2.4 Jungian✓✓
 1.2.5 administration✓✓ (5 x 2) (10)
- 1.3 1.3.1 H✓✓
 1.3.2 J✓✓
 1.3.3 G✓✓
 1.3.4 A ✓✓
 1.3.5 F✓✓ (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 **ONLY** the **FIRST THREE (3)** questions in this section.

QUESTION 2: BUSINESS ENVIRONMENTS**2.1 Porter's Five Forces model**

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

NOTE: Mark the first FOUR (4) only.

(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 pay out grants as required. ✓✓
- Report to the Director General. ✓✓
- Any other relevant answer related to the role of SETAs in supporting the Skills Development Act.

Max (10)

2.3 BBBEE pillars

- 2.3.1 Supplier development/Enterprise and Supplier development/Preferential procurement✓✓
- 2.3.2 Social responsibility/Socio economic development✓✓
- 2.3.3 Skills development✓✓
- 2.3.4 Management/Employment Equity/Management control✓✓
- 2.3.5 Ownership✓✓

(10)

2.4 Distinction between product development and market development

PRODUCT DEVELOPMENT	MARKET DEVELOPMENT
- Businesses generate new ideas✓ and develop a new product or service.✓	- A process of exploring/finding/ searching new markets✓ for existing products.✓
- The introduction of a new product or service✓ into existing markets.✓	- Businesses sell their existing products✓ to new markets✓/ Involves targeting consumers in a potential market✓ that is outside its normal target market.✓
- A business may need to acquire new technology✓ to develop new products.✓	- Business must research✓ the market it wants to enter.✓
- They improve/change the packaging of current products✓ so that they look and seem different and appeal to the market.✓	- They change the way the products are distributed✓ to reach a different market.✓
- Example: A cell phone manufacturer designs a new phone✓ that can also be used to make internet phone calls.✓	- Example: Finding new markets✓ in other towns and cities.✓
- Any other relevant answer related to product development.	- Any other relevant answer related to market development.
Sub max (4)	Sub max (4)

NOTE: 1. The answer does not have to be in tabular format.
 2. The distinction must be clear.
 3. Award a maximum of FOUR (4) marks if the distinction is not clear/Mark either product development or market development.

Max (8)**2.5 Legislation**

2.5.1 Compensation for Occupational Injuries and Disease Act, 1997 (Act 61 of 1997)/ COIDA. ✓✓

(2)**2.5.2 Negative impact of COIDA on MGM/businesses**

- Claiming processes/procedures✓ can be time consuming for MGM. ✓
- Processes/Procedures required by this Act may be costly✓ as paperwork places an extra administrative burden on MGM/businesses. ✓
- MGM/Employer has to register all their workers/make annual contributions to COIDA✓, which may result in cash flow problems. ✓
- MGM/Employer may be forced to pay heavy penalties✓ if they are found guilty of negligence/not enforcing safety measures. ✓
- Workers who are temporarily/permanently employed in foreign countries✓ are not covered. ✓
- Domestic/Military workers✓ are not covered. ✓
- Any other relevant answer related to the negative impact of COIDA on MGM/businesses.

NOTE: Accept relevant facts, if COIDA was incorrectly identified as an answer in QUESTION 2.5.1.

Max (8)

2.6 Business environment

2.6.1 Secondary sector. ✓

(1)

2.6.2

CHALLENGE	BUSINESS ENVIRONMENT
(a) SEE employees are regularly absent from work ✓ Sub max (1)	Micro ✓✓ Sub max (2)
(b) They buy their raw material from Early Bird Maize Farm which is out of stock sometimes. ✓ Sub max (1)	Market ✓✓ Sub max (2)
(c) The local government has instructed the management of SEE to register their products with the South African Bureau of Standards. ✓ Sub max (1)	Macro ✓✓ Sub max (2)

- NOTE:**
1. Mark the first challenge for each environment only.
 2. If the business environment is not linked to the challenge, mark the challenge only.
 3. Allocate full marks for business environment even if the challenge is incomplete.

Max (9)**2.7 Impact of NCA on businesses****Positives/Advantages**

- The whole credit process is transparent ✓ e.g. both businesses and customers know their responsibilities. ✓
- Lower bad debts ✓ resulting in better cash flow. ✓
- Protects businesses ✓ against non-paying consumers. ✓
- Increases cash sales ✓ because businesses only grant credit to qualifying customers/more customers are buying in cash. ✓
- Stamps out reckless lending ✓ and prevents businesses from bankruptcy. ✓
- Businesses do thorough credit checks ✓ and receive up-to-date documentation from the consumer as proof that they can afford the repayment. ✓
- Leads to more customers ✓ through credit sales as they are now protected from abuse. ✓
- Any other relevant answer related to the positive impact/advantages of the NCA on businesses.

AND/OR

Negatives/Disadvantages

- Business can no longer ✓ carry out credit marketing.✓
- The paperwork and administrative process required by the Act✓ are costly and time consuming.✓
- The business needs to appoint additional staff✓ to deal with the extra administration.✓
- Should the credit agreement be declared reckless✓ the business can forfeit the outstanding debt and the goods.✓
- Businesses that are official credit providers✓, must submit a compliance report every year.✓
- Any other relevant answer related to the negative impact/disadvantages of the NCA on businesses.

Max (8)
[60]

BREAKDOWN OF MARKS

QUESTION 2	MARKS
2.1	4
2.2	10
2.3	10
2.4	8
2.5.1	2
2.5.2	8
2.6.1	1
2.6.2	9
2.7	8
TOTAL	60

QUESTION 3: BUSINESS VENTURES**3.1 Types of UIF benefits**

- Unemployment✓
- Maternity✓
- Sick/Illness/Disability✓
- Adoption✓
- Dependants✓
- Any other relevant answer related to types of UIF benefits.

NOTE: Mark the first FOUR (4) only.

(4 x 1) (4)

3.2 Types of preference shares

3.2.1 Participating√√ (2)

3.2.2 Cumulative√√ (2)

3.3 Other types of preference shares

- Ordinary preference shares√√
- Non-cumulative√√
- Redeemable√√
- Non-redeemable√√
- Non-participating√√
- Convertible√√
- Non-convertible√√

NOTE: 1. Mark the first THREE (3) only.**2. Do not award marks for responses given in QUESTION 3.2.****(3 x 2) (6)****3.4 Functions of the JSE**

- Gives opportunities to financial institutions such as insurance companies√ to invest their funds in shares. √
- Serves as a barometer/indicator√ of economic conditions in South Africa. √
- Keeps investors informed on share prices√ by publishing the share prices daily. √
- Acts as a link√ between investors and public companies. √
- Shares are valued√ and assessed by experts. √
- Small investors are invited to take part in the economy of the country√ through the buying of shares. √
- Venture capital market√ is made possible. √
- Orderly market for securities√ serves as a disciplined market for securities. √
- Encourages√ new investments. √
- Mobilises the funds√ of insurance companies and other institutions. √
- Raises √ primary capital. √
- Regulates market√ for dealing with shares. √
- Plans, researches and advises√ on investment possibilities. √
- Ensures that the market√ operates in a transparent manner. √
- Provides protection√ for investors. √
- Encourages short-term√ investment. √
- Facilitates electronic trading√ of shares/STRATE. √
- Any other relevant answer related to the functions of the Johannesburg Securities Exchange (JSE.)

Max (8)**3.5 Forms of ownership**

3.5.1 Partnership√√ (2)

Motivation

Zama and Quinton are qualified lawyers who have started a business, called Z and Q Attorneys, which lacks continuity. √ (1)

NOTE: Do not award marks for the motivation, if the form of ownership was incorrectly identified. **Max (3)**

3.5.2 Success factors of a partnership and personal liability company

CRITERIA	PARTNERSHIP	PERSONAL LIABILITY COMPANY
Management	- Partners are actively involved in management✓ and may use the ideas of other partners.✓	- PLC is managed by a competent board of directors✓ who may be experts in their fields. ✓
	- Partners have access to expertise of other partners✓ when difficult decisions have to be made. ✓	- Quick decisions can be made✓ even if there is only one director.✓
	- Not all partners need to be actively involved in management✓ and would rather appoint competent managers.✓	
	Any other relevant answer related to management as a success factor.	
	Sub max (2)	Sub max (2)
Taxation	- Partners pay VAT only on relevant products sold/services rendered✓ which reduces tax administration.✓	- PLC only pays tax after business expenses✓ have been deducted. ✓
	- The partnership does not pay income tax✓, only the partners in their personal capacity.✓	- The company pays tax at a fixed rate✓ which can be lower than that of partnerships.✓
		- Image of the business is promoted✓ and attracts investment when companies comply with tax regulations/ laws. ✓
	Any other relevant answer related to taxation as a success factor.	
	Sub max (2)	Sub max (2)
Division of profits	- Fair distribution of profit✓ as this is done according to the contribution of partners.✓	- High profits and good returns to shareholders✓ indicate the success of a company, which increases the value of shares.✓
	- The division of profits between partners may motivate them✓ to make a business a successful venture.✓	- Profits generated can be re-invested✓ into expand business operations.✓
	Any other relevant answer related to division of profits as a success factor.	
	Sub max (2)	Sub max (2)

NOTE: 1. The answer does not have to be in tabular format.**2. Consider similarities if the partnership was incorrectly identified. Max (12)**

3.6 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.

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

Max (6)

3.7.1 Ways in which Ayisha responded to questions at the end of her presentation

- At the end of her presentation she ensured that no member of the audience dominated the discussion. ✓
- She apologised for making an error in her presentation. ✓
- She acknowledged good questions. ✓

NOTE: 1. Mark the first THREE (3) only.

2. Only allocate marks for responses that are quoted from the scenario.

(3 x 1) (3)

3.7.2 Other ways to respond to questions after a presentation

- Ensure that you understand each question/what is being said. ✓✓
- Comment/Rephrase questions if uncertain, before responding. ✓✓
- Listen carefully to each question/Think carefully before responding. ✓✓
- Address questions and not the person. ✓✓
- Remain professional/polite/calm/open/non-aggressive. ✓✓
- Do not get involved in a debate/argument. ✓✓
- Avoid answering difficult questions when the answer is not known. ✓✓
- Address the whole audience and not only the person asking the question. ✓✓
- Promise to follow up on answers you do not know/unsure about. ✓✓
- Any other relevant answer related to other ways to respond to questions after a presentation.

NOTE: Do not allocate marks for responses quoted in QUESTION 3.7.1.

Max (8)

3.8 Investment factors**3.8.1 Inflation rate**

- People are affected by a high inflation rate✓, because their money/purchasing power decreases. ✓
- The return on investment✓ should be higher than the inflation rate. ✓
- Inflation has a positive effect on some investments✓ such as property/shares where the income will increase as inflation increases. ✓
- Any other relevant answer related to inflation rate as a factor that must be considered when making investment decisions.

Max (2)

3.8.2 Investment period

- The investment period can be short, medium and/or long term✓ depending on the investors' needs. ✓
- Short term investments enable investors to access their money✓ on a short period if needed. ✓
- The longer the investment period✓ the higher the returns. ✓
- Any other relevant answer related to investment period as a factor that must be considered when making investment decisions.

Max (2)

3.8.3 Return on investment

- There is a direct link✓ between risk and return. ✓
- The return should be expressed as✓ net after-tax gains on the investment. ✓
- Returns can be in the form of capital gains✓ where the asset appreciates in value. ✓
- The net after-tax return should be higher✓ than the inflation rate. ✓
- High risk investments✓ yield higher returns. ✓
- Any other relevant answer related to return on investment as a factor that must be considered when making investment decisions.

Max (2)

[60]**BREAKDOWN OF MARKS**

QUESTION 3	MARKS
3.1	4
3.2.1	2
3.2.2	2
3.3	6
3.4	8
3.5.1	3
3.5.2	12
3.6	6
3.7.1	3
3.7.2	8
3.8.1	2
3.8.2	2
3.8.3	2
TOTAL	60

QUESTION 4: BUSINESS ROLES**4.1 King Code principles**

- Transparency✓
- Accountability✓
- Responsibility✓

NOTE: Mark the first THREE (3) only.**(3 x 1) (3)****4.2 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 THREE (3) only.**(3 x 1) (3)****4.3 Diversity issues**

- 4.3.1 Culture/Religion✓✓
- 4.3.2 Age✓✓
- 4.3.3 Disability✓✓
- 4.3.4 Language✓✓

Max (8)

4.4 Differences between CSR and CSI

CORPORATE SOCIAL RESPONSIBILITY (CSR)	CORPORATE SOCIAL INVESTMENT (CSI)
- The intention is to change√ business practices.√	- Actively committing money and resources√ to uplift the community.√
- Focus is on increasing image√ and profits.√	- Focus is on upliftment of community√ without return on investment.√
- Ensure that all internal CSR policies/practices√ include stakeholders' interests/environmental issues.√	- Ensure that CSI projects are relevant√ to the needs of communities.√
- Often intended√ as a marketing initiative.√	- Intended to benefit and uplift communities√ through social development.√
- Projects are usually linked to the business√, e.g. a manufacturing business offering to train the unemployed.√	- Projects are external to the business√ and have a strong developmental approach.√
- Any other relevant answer related to Corporate Social Responsibility. Sub max (2)	- Any other relevant answer related to Corporate Social Investment. Sub max (2)

NOTE: 1. The answer does not have to be in tabular format.**2. The differences must be clear.****3. Award a maximum of TWO (2) marks if the differences are not clear/Mark either CSR or CSI.****Max (4)**

4.5 Stages of team development

4.5.1 Forming√√

(2)

Motivation`

They were comfortable with each other during their first meeting. √

(1)

NOTE: Do not award mark for motivation if the stage of team development was incorrectly identified.**Max (3)**

4.5.2 Other stages of teamwork

Storming stage√√

- Teams go through a period of unease/conflict after formation. √
- Different ideas from team members will compete for consideration. √
- Team members open up to each other and confront each other's ideas/perspectives. √
- Tension/Struggle/Arguments occur and upset team members/There may be power struggles for the position of the team leader. √
- In some instances, storming can be resolved quickly, in others, the team never leaves this stage. √
- Many teams fail during this stage as they are not focused on their task. √
- This phase can become destructive to the team/will lower motivation if allowed to get out of control. √
- This stage is necessary/important for the growth of the team. √
- Some team members tolerate each other to survive this stage. √
- Any other relevant answer related to the storming stage of team development.

Stage (2)

Explanation (1)

Sub max (3)

Norming stage/Settling/Reconciliation√√

- Team members form agreement and consensus. √
- Roles and responsibilities are clear and accepted. √
- Processes/Working style/Respect develops. √
- Team members have the ambition to work for the success of the team's goals. √
- Conflict may occur, but commitment and unity is strong. √
- Any other relevant answer related to the norming/settling/reconciliation stage of team development.

Stage (2)
Explanation (1)
Sub max (3)

Performing stage/Working as a team towards a goal√√

- Team members are aware of strategies and aims of the team. √
- They have direction without interference from the leader. √
- Processes and structures are set. √
- Leaders delegate and oversee the processes and procedures. √
- All members are now competent, autonomous and able to handle the decision making process without supervision. √
- Differences among members are appreciated and used to enhance the team's performance. √
- Any other relevant answer related to the performing stage/working as a team towards a goal of team development.

Stage (2)
Explanation (1)
Sub max (3)

Adjourning/Mourning stage√√

- The focus is on the completion of the task/ending the project. √
- Breaking up the team may be traumatic as team members may find it difficult to perform as individuals once again. √
- All tasks need to be completed before the team finally dissolves. √
- Any other relevant answer related to the adjourning/mourning stage of team development.

Stage (2)
Explanation (1)
Sub max (3)

NOTE: Mark the first THREE (3) only.

Max (9)

4.5.3 Implications of equality, respect and dignity on businesses

- Businesses/Team leaders should treat all their employees equally, regardless of their race/colour/age/gender/disability, √√ etc.
- All workers should have access to equal opportunities/positions/resources. √√
- Employers and employees need to comply with legislation with regard to equal opportunities/human rights in the workplace. √√
- Businesses should develop equity programmes/promote strategies to ensure that all employees are treated equally regardless of status/rank/power. √√
- Mission statement should include values of equality/respect. √√
- Training/Information/Business policies should include issues such as diversity/discrimination/harassment. √√
- Employers/Team leaders should respond swiftly and fairly to reported incidents of discrimination in the workplace. √√

- Ensure that employees work in a work environment that is conducive to safety/fairness/free from embarrassment. ✓✓
- Orders/Tasks should be given respectfully and allow the recipient/employee to have a say in the manner in which the task should be performed. ✓✓
- Treat workers with respect/dignity by recognising work well done/the value of human capital. ✓✓
- Any other relevant answer related to the implication of equality, respect and dignity on businesses/team leaders.

Max (6)**4.6 Procedure for dealing with grievance in the workplace**

- An aggrieved employee must verbally report the incident/grievance to his/her supervisor/manager✓, who needs to resolve the issue within 3 to 5 working days.✓
- Should the employee and supervisor not be able to resolve the grievance✓, the employee may take it to the next level of management. ✓
- The employee may move to a more formal process✓ where the grievance must be lodged in writing/completes a business grievance form. ✓
- He/She must receive a written reply✓ in response to the written grievance. ✓
- A grievance hearing/meeting✓ must be held with all relevant parties present. ✓
- Minutes of the meeting must be recorded✓ and any resolution passed must be recorded on the formal grievance form. ✓
- Should the employee not be satisfied✓, then he/she could refer the matter to the highest level of management. ✓
- Top management should organise a meeting with all relevant parties.
- Minutes of this meeting should be filed/recorded✓ and the outcome/decision must be recorded on the formal grievance form. ✓
- Should the employee still not be satisfied, he/she may refer the matter to the CCMA✓ who will make a final decision on the matter. ✓
- Any other relevant answer related to the correct procedure to deal with grievances in the workplace.

NOTE: The procedure may be in any order.**Max (8)****4.7 Ways of contributing to the wellbeing of employees**

- Businesses 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 recommendation related to ways in which businesses can contribute to the wellbeing of their employees.

Max (8)**4.8 Strategies to deal with unethical business practices****4.8.1 Sexual harassment**

- Implement internal complaints and disciplinary procedures. ✓✓
- Educate employers on sexual harassment matters. ✓✓
- Formulate a policy regarding sexual harassment. ✓✓
- Create a good working environment where all employees' rights and dignity are respected. ✓✓
- Internal investigation should be made in order to determine the seriousness of the harassment. ✓✓
- Serious cases/matters on sexual harassment should be reported to the appropriate institutions such as the South African Police Services (SAPS). ✓✓
- Ensure compliance with the law/business code of conduct. ✓✓
- Any other relevant answer related to strategies to deal with sexual harassment as an unethical business practice.

NOTE: Mark the first TWO (2) only.**(2 x 2) (4)****4.8.2 Pricing of goods in rural areas**

- Businesses should be fair and apply reasonable pricing. ✓✓
- Access to rural areas should be increased, so that more products and a bigger variety is available. ✓✓
- Consumers in rural areas should insist on prices being fair and report any unfair pricing. ✓✓
- Entrepreneurship should be encouraged in these areas. ✓✓
- Cost effective ways of transporting the products can be investigated. ✓✓
- Suppliers can work together when delivering products to remote rural areas. ✓✓
- Any other relevant answer related to strategies to deal with pricing of goods in rural areas as an unethical business practice.

NOTE: Mark the first TWO (2) only.**(2 x 2) (4)****[60]****BREAKDOWN OF THE MARKS**

QUESTION 4	MARKS
4.1	3
4.2	3
4.3	8
4.4	4
4.5.1	3
4.5.2	9
4.5.3	6
4.6	8
4.7	8
4.8.1	4
4.8.2	4
TOTAL	60

QUESTION 5: BUSINESS OPERATIONS**5.1 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 close colleagues. ✓
- Conditions of employment, e.g. working hours/leave application process/disciplinary procedures✓, etc.
- Administration details on systems/processes/logistics. ✓
- Discussion of the employment contract and conditions of service. ✓
- Discussion of 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 SIX (6) only.**(6 x 1) (6)****5.2 Selection procedure****Option 1**

- Determine fair assessment criteria on which selection will be based. ✓✓
- Use the assessment criteria to assess all CV's/application forms received during recruitment/Preliminary screening is done by sorting the applications received according to the criteria for the job. ✓✓
- Check that applicants are not submitting false documents such as forged certificates/degrees. ✓✓
- Make a preliminary list of all applicants who qualify for the post. ✓✓
- Screen and check references, e.g. check applicants' criminal records/credit history/social media. ✓✓ etc.
- Conduct preliminary interviews to identify suitable applicants. ✓✓
- Inform all applicants about the outcome of the application. ✓✓
- Compile a shortlist of approximately five people. ✓✓
- Invite the shortlisted applicants/candidates for an interview. ✓✓
- Shortlisted candidates may be subjected to various types of selection tests, e.g. skills test. ✓✓
- A written offer is made to the chosen candidates. ✓✓
- Any other relevant answer related to the selection procedure/steps as an activity of the human resources function.

OR**Option 2**

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

- Conduct interviews with shortlisted candidates. ✓✓
- Offer employment in writing to the selected candidate (s). ✓✓
- Any other relevant answer related to the selection procedure/steps as an activity of the human resources function.

NOTE: Procedure can be in any order.

Max (6)

5.3 Role of the interviewee/applicant during an 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 an interview.

Max (8)

5.4 Salary determination method

5.4.1 Piece meal✓✓ (2)

Motivation

Themba and Thoko are both paid according to the number of units sold. ✓ (1)

NOTE: Do not award mark for motivation if the salary determination method was incorrectly identified.

Max (3)

5.4.2 Impact of fringe benefits on businesses

Positives/Advantages

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

AND/OR

Negatives/Disadvantages

- Fringe benefits are additional costs✓ that may result in cash flow problems. ✓
- Administrative costs increase✓ as benefits need to be correctly recorded for tax purposes. ✓
- Decreases business profits✓, as incentive/package/remuneration costs are higher. ✓
- It can create conflict/lead to corruption✓ if allocated unfairly. ✓
- Workers only stay with the business for fringe benefits✓, and may not be committed/loyal to the tasks/business. ✓
- Businesses who offer employees different benefit plans may create resentment✓ to those who receive less benefit resulting in lower productivity. ✓

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

Max (8)**5.5 Difference between quality performance and quality management**

QUALITY PERFORMANCE	QUALITY MANAGEMENT
- Total performance of each department measured✓ against the specified standards.✓	- It is techniques/tools✓ used to design/improve the quality of a product.✓
- Can be obtained if all departments work together✓ towards the same quality standards.✓	- Can be used for accountability✓ within each of the business functions.✓
- Quality is measured✓ through physical product/statistical output of processes/surveys of the users and/or buyers of goods/services.✓	- Aims to ensure that the quality of goods/services✓ is consistent✓/ Focuses on the means✓ to achieve consistency.✓
- Any other relevant answer related to quality performance.	- Any other relevant answer related to quality management.
Sub max (2)	Sub max (2)

NOTE: 1. The answer does not have to be in tabular format**2. The difference must be clear.****3. Award a maximum of TWO (2) marks if the difference is not clear/Mark either quality performance or quality management.****Max (4)****5.6 Total Quality Management (TQM)****5.6.1 Elements of TQM**

Statement from the scenario	TQM element
- The management of NS always requests their buyers to complete a questionnaire on the quality of their products and services.✓	- Total client/Customer satisfaction.✓✓
- NS has requested quality circles to make suggestions on how to improve the quality of their products.✓	- Team work/Continuous improvement to processes and systems/Monitoring and evaluation of quality processes.✓✓
- Employees are also requested to bring new and innovative ideas on how to satisfy the needs of their clients.✓	- Involvement of all employees/People based management.✓✓
Sub max (3)	Sub max (6)

NOTE: 1. Elements must be linked to the scenario.**2. Award ONE (1) mark for each quote from the scenario without the correct identification of the TQM element.****3. Allocate full marks for the TQM element even if the quote is incomplete.**

Statements (3)

Elements (6)

Max (9)

5.6.2 Importance of quality circles in TQM

- Solve problems related to quality✓ and implement improvements. ✓
- Investigate problems✓ and suggest solutions to management. ✓
- Ensure that there is no duplication✓ of activities/tasks in the workplace. ✓
- Make suggestions for improving systems✓ and processes in the workplace. ✓
- Improve the quality of products/services/productivity✓ through regular reviews of quality processes. ✓
- Monitor/Reinforce strategies✓ to improve the smooth running of business operations. ✓
- Reduce costs✓ of redundancy in the long run. ✓
- Increase employees' ✓ morale/motivation. ✓
- Quality circles discuss ways of improving✓ the quality of work/workmanship. ✓
- Contribute towards the improvement ✓ and development of the organisation. ✓
- Reduce costs/wasteful efforts✓ in the long run. ✓
- Increase the demand✓ for products/services of the business. ✓
- Create harmony✓ and high performance in the workplace. ✓
- Build a healthy workplace relationship✓ between the employer and employee. ✓
- Improve employees' loyalty✓ and commitment to the business and its goals. ✓
- Improve employees' communication✓ at all levels of the business. ✓
- Develop a positive attitude/sense of involvement✓ in decision making processes of the services offered. ✓
- Any other relevant answer related to the importance of quality circles in TQM.

Max (8)**5.7 Ways to improve quality of performance within the purchasing function**

- Buy raw materials in bulk at lower prices. ✓✓
- Select reliable suppliers that render the best quality raw materials/capital goods at reasonable prices. ✓✓
- Place orders timeously and regular follow-ups to ensure 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. ✓✓
- Required quantities should be delivered at the right time and place. ✓✓
- Implement and maintain stock control systems to ensure the security of stock. ✓✓
- Maintain optimum stock levels to avoid overstocking/reduce out-dated stock. ✓✓
- Monitor and report on minimum stock levels to avoid stock-outs. ✓✓
- Effective use of storage space and maintain product quality while in storage. ✓✓
- Involve suppliers in strategic planning/product design/material selection/quality control process. ✓✓
- Ensure that there is no break in production due to stock shortages. ✓✓
- Establish relationships with suppliers so that they are in alignment with the business's vision/mission/values. ✓✓
- Have a thorough understanding of supply chain management. ✓✓
- Any other relevant answer related to ways in which businesses can improve the quality of performance within the purchasing function.

**Max (8)
[60]**

BREAKDOWN OF MARKS

QUESTION 5	MARKS
5.1	6
5.2	6
5.3	8
5.4.1	3
5.4.2	8
5.5	4
5.6.1	9
5.6.2	8
5.7	8
TOTAL	60

QUESTION 6: MISCELLANEOUS TOPICS**BUSINESS ENVIRONMENTS****6.1 Business strategies**

6.1.1 Forward integration/Vertical integration/Integration✓✓

6.1.2 Market penetration/Intensive✓✓

6.1.3 Concentric diversification/Diversification✓✓

Max (6)**6.2 Impact of the LRA on businesses****Positives/Advantages**

- LRA provides for the principles of collective bargaining✓ and puts structures in place with which disputes in the workplace can be settled. ✓
- Promotes a healthy relationship✓ between the employer and employees. ✓
- Provides specific guidelines for employers✓ on correct and fair disciplinary procedures. ✓
- Employers and employees have guidelines✓ regarding correct and fair dismissal procedures. ✓
- Provides mechanisms✓ such as statutory councils/collective bargaining/ CCMA.✓
- Labour disputes are settled quicker✓ and are less expensive. ✓
- Provides protection for employers✓ who embark on lawful lock-outs. ✓
- Employers are entitled to compensation from the Labour Court✓ if they suffered damages as a result of unprotected strikes. ✓
- Workplace forums can add value to businesses✓ if it functions properly. ✓
- Any other relevant answer related to the positive impact/advantages of the LRA on businesses.

AND/OR**Negatives/Disadvantages**

- Employers may have to disclose information about workplace issues to union representatives✓ that could be the core of their competitive advantage. ✓
- Employers may not dismiss employees at will✓, as procedures have to be followed. ✓
- Some businesses may feel that the LRA gives employees too much power✓ as it creates lengthy procedures, e.g. consulting with workplace forums. ✓

- Employers may not get a court interdict✓ to stop a strike. ✓
- Strike actions always result in loss of production✓ for which employers may not claim. ✓
- Some trade unions may not promote the mandate of their members✓ but embark on industrial action, which is harmful to labour relations between employers and employees. ✓
- Many employees and employers✓ do not understand/respect the Labour Relations Act. ✓
- Labour disputes and bargaining council processes become disruptive/ time-consuming✓ and can lead to a decrease in productivity in businesses. ✓
- Many employees take advantage of the right to strike✓ without acknowledging their responsibilities. ✓
- Any other relevant answer related to the negative impact/disadvantages of the LRA on businesses.

NOTE: Award a maximum of TWO (2) marks if the impact is on trade unions only.

Max (8)

BUSINESS VENTURES

6.3 Differences between limited and unlimited liability

LIMITED LIABILITY	UNLIMITED LIABILITY
- Losses are limited✓ to the amount that the owner invested in the business.✓	- If the owner/partner is sued by creditor✓, the owner must pay the debt even if the owner does not have money.✓
- The owner's personal assets are protected✓ against the debts of the business.✓	- The owner's personal assets may be seized✓ to pay for the debts of the business.✓
- Any other relevant answer related to limited liability.	- Any other relevant answer related to unlimited liability.
Sub max (2)	Sub max (2)

**NOTE: 1. The answer does not have to be in tabular format
2. The differences must be clear.
3. Award a maximum of TWO (2) marks if the differences are not clear/Mark either limited liability or unlimited liability.**

Max (4)

6.4 Investments

6.4.1 Unit trust✓✓

(2)

6.4.2 Advantages of unit trust

- The investor has a variety to choose from/a wider range of shares✓ and a lower degree of risk. ✓
- Safe investments✓, as it is managed according to rules and regulations. ✓
- A small amount✓ can be invested per month. ✓
- Easy to invest in✓, as investors simply fill in several forms or invest online. ✓
- Easy to cash in✓ when an investor needs money. ✓

- Fluctuations in unit trust rates of return are often not so severe✓ because of diversity of the investment fund. ✓
- Generally, beats inflation✓ on the medium/long term. ✓
- Offer competitive returns✓ in the form of capital growth and dividend distribution.✓
- Fund managers are knowledgeable/experts/reliable/trustworthy✓ as they are required to be accredited to sell unit trusts. ✓
- Any other relevant answer related to the advantages of unit trusts.

NOTE: 1. Do not award marks for a diverse portfolio managed by a specialist.

2. Accept relevant facts, if unit trust was incorrectly identified in

QUESTION 6.4.1.

Max (6)

6.5 Compulsory insurance

6.5.1 Road Accident Fund/RAF/Road Accident Benefit Scheme/RABS. ✓✓ (2)

6.5.2 Unemployment Insurance Fund/UIF. ✓✓ (2)

BUSINESS ROLES

6.6 Types of problem solving techniques

- Delphi technique✓
- Force-field analysis✓
- Brainstorming✓
- Mind mapping✓
- Nominal group technique✓
- SCAMPER✓
- Forced combinations✓
- Empty chair✓

NOTE: Mark the first FOUR (4) only.

(4x1) (4)

6.7 Advantages of creative thinking in the workplace

- 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 in the workplace.

Max (6)**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/ patent rights. ✓✓
- Hiring honest/trustworthy accountants/financial officers with good credentials. ✓✓
- Regular/Timeous payment of taxes. ✓✓
- Draw up a code of ethics/conduct. ✓✓
- On-going 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 professional, responsible, ethical and effective business practices should be conducted.

Max (6)**BUSINESS OPERATIONS****6.9 Quality of performance****6.9.1 Results of poor implementation of TQM from the scenario**

- NGC received poor publicity due to the low quality of some products. ✓
- Their profits also declined resulting in investors withdrawing their money. ✓

NOTE: 1. Mark the first TWO (2) only.**2. Only allocate marks for responses that are quoted from the scenario.
(2x1) (2)****6.9.2 Impact if TQM is poorly implemented by businesses**

- Lack of training/skills development✓ may lead to poor quality products. ✓
- Decline in sales✓, as returns from unhappy customer's increase. ✓
- Decline in productivity✓, because of stoppage. ✓

- High staff turnover✓, because of poor skills development. ✓
- Unrealistic deadlines✓ may not be achieved. ✓
- Businesses may not be able to make/afford the necessary changes✓ that will satisfy customers' needs. ✓
- Loss of customers✓ may lead to bankruptcy/closure. ✓
- Undocumented quality control systems/processes✓ could result in error/deviations from pre-set quality standards. ✓
- Any other relevant answer related to the impact if TQM is poorly implemented by businesses.

NOTE: Do not allocate marks for responses that are quoted in QUESTION 6.9.1.

Max (6)

6.9.3 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/knowledge.✓✓
- Employers and employees will have a healthy working relationship resulting in happy/productive workers.✓✓
- Increased market share and profitability.✓✓
- Any other relevant answer related to the benefits of a good quality management system.

**Max (6)
[60]**

BREAKDOWN OF MARKS

QUESTION 6	MARKS
6.1	6
6.2	8
6.3	4
6.4.1	2
6.4.2	6
6.5.1	2
6.5.2	2
6.6	4
6.7	6
6.8	6
6.9.1	2
6.9.2	6
6.9.3	6
TOTAL	60

TOTAL SECTION B: 180

SECTION C

Mark **ONLY** the **FIRST TWO (2)** questions in this section.

QUESTION 7: BUSINESS ENVIRONMENTS (BUSINESS STRATEGIES)**7.1 Introduction**

- A strategy is course of action that the business follows to achieve its purpose/objectives. ✓
- The strategic management process is defined as the way an organisation defines its strategy. ✓
- The strategic management process enables managers to make choice of a set of strategies that will enable the business to achieve better performance. ✓
- PESTLE analysis is used to identify and evaluate the factors in the external environment that can influence the business. ✓
- PESTLE analysis enables to businesses to have a better understanding of the external environment and the industry in which it competes. ✓
- Defensive strategies enable business to solve challenges that are posed by the macro environment. ✓
- A business strategy must be evaluated in each stage of operation to measure performance. ✓
- Any other relevant introduction related to the initial stage of the strategic management process/PESTLE analysis/defensive strategies/strategy evaluation. (2x1) (2)

**7.2 Initial stages of the 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 environmental scanning/situational analysis. ✓✓
- Tools available for environmental scanning may include a SWOT and Porter's Five Forces model (industrial analysis tools). ✓✓

OR

OPTION 2

- Review vision statement. ✓✓
- Analyse/Re-examine mission statement. ✓✓
- Conduct an analysis using models such as PORTER'S Five Forces model and SWOT. ✓✓

NOTE:

1. The initial process may be in any order.
2. Mark the first TWO (2) only .
3. Do not award marks for the PESTLE model and the remaining stages of the strategic management process.

Max (4)

7.3 Application of PESTLE model to deal with the challenges in the macro environment

FACTORS	APPLICATION
Political✓	<ul style="list-style-type: none"> - Network and lobby with the NGOs✓ and all consumer rights organisations.✓ - Trade only with countries that have favourable trade agreements✓ with the government.✓ - Review their cash budget ✓ to cater for changes in the inflation rate.✓ - Any other relevant answer related to how ZM can apply political factors to deal with the challenges of the macro environment.
	Sub max (4)
Economic✓	<ul style="list-style-type: none"> - ZM should consider decreasing their profit margin✓ rather than increasing the price of their products.✓ - Negotiate favourable interest rates✓ with creditors.✓ - Negotiate payment terms✓ with suppliers.✓ - Sell/Dispose parts of assets✓ that are no longer profitable.✓ - Any other relevant answer related to how ZM can apply economic factors factors to deal with the challenges of the macro environment
	Sub max (4)
Social✓	<ul style="list-style-type: none"> - Sell substitute products✓ at lower prices.✓ - ZM must be well conversant✓ with the demands/trends of their customers.✓ - Any other relevant answer related to how ZM can apply social factors to deal with the challenges of the macro environment.
	Sub max (4)
Technological✓	<ul style="list-style-type: none"> - ZM must keep up with/be aware of✓ the latest technology.✓ - Train existing/appoint new employees✓ to maintain/use new equipment.✓ - ZM must budget✓ to cater for new technology.✓ - Continuously research✓ on the latest available technology/equipment in the market.✓ - Continuously improve✓ their product designs.✓ - ZM should ensure that their business is geared ✓ for online trading/e-commerce.✓ - ZM should have access to new technologies✓ that could redefine their products.✓ - Compare prices/Select suitable suppliers✓ for new equipment at reasonable prices.✓ - Any other relevant answer related to how ZM can apply technological factors to deal with the challenges of the macro environment.
	Sub max (4)

Legal✓	<ul style="list-style-type: none"> - There are certain laws✓ that affect the business environment in certain industries/market.✓ - Comply with all relevant legislation ✓ that may impact on their business. ✓ - Comply with the legal requirements✓ for operating their business e.g. licence/trade mark registration/patents. ✓ - Budget✓ for high legal establishment costs. ✓ - Any other relevant answer related to how ZM can apply legal factors to deal with the challenges of the macro environment.
Environmental✓	<ul style="list-style-type: none"> - Packaging of their products✓ should be environmentally friendly/may be recyclable.✓ - Measures to dispose waste material✓ must be in place.✓ - Implement recycling measures✓ to prevent pollution of the environment.✓ - Any other relevant answer related to how ZM can apply environmental factors to deal with the challenges of the macro environment.
Sub max (6)	Sub max (4)

NOTE: Each PESTLE element must be linked to the application.

Factors: Max (6)
Application: Max (16)
Max: (22)

7.4 Types of defensive strategies

7.4.1 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). ✓
- Aims at acquiring additional capital. ✓
- Any other relevant answer related to divestiture/divestment as a defensive strategy.

NOTE: Accept unbundling as an alternative answer.

Strategy (2)
Description (2)
Sub max (4)

7.4.2 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. ✓
- Companies in financial difficulty may apply for business rescue to avoid liquidation. ✓
- Any other relevant answer related to liquidation as a defensive strategy.

Strategy (2)
Description (2)
Sub max (4)

7.4.3 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)
Description (2)
Sub max (4)
Max (12)

NOTE: Mark the first THREE (3) only

7.5 Steps in evaluating strategies

- Examine the underlying basis of a business strategy. ✓✓
- Formulate strategies to meet objectives favourably. ✓✓
- Implement strategies using action plans ✓✓, etc.
- Look forward and backwards into the implementation process. ✓✓
- Compare the expected results 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 strategies.

NOTE: Accept steps in any order.

Max (8)

7.6 Conclusion

- The strategic management process is an integral part of managerial accountability for senior managers. ✓✓
- Businesses that apply the PESTLE analysis are able to respond quickly to the external pressures and adapt to them. ✓✓
- Businesses must continuously evaluate strategies in order to change/adapt it according to current demands of the market/industry. ✓✓
- Businesses that successfully monitor and respond to changes in the macro-environment are able to differentiate from the competition and create a competitive advantage. ✓✓
- Defensive strategies are used when a business wants to avoid problems that may arise in future. ✓✓
- It is also a strategy to protect the business from suffering a loss of income/sales/ market share. ✓✓
- Any other relevant conclusion related to the strategic management process/ PESTLE model/defensive strategies/evaluation of strategies.

Max (2)
[40]

QUESTION 7: BREAKDOWN OF MARK ALLOCATION

Details	Maximum	Total
Introduction	2	Max 32
Initial stages of the strategic management process	4	
PESTLE analysis:		
Factors	6	
Application	16	
Types of defensive strategies	12	
Steps for strategy evaluation	8	
Conclusion	2	
INSIGHT		8
Layout	2	
Analysis, interpretation	2	
Synthesis	2	
Originality/Examples	2	
TOTAL MARKS		40

LASO - For each component:

Allocate 2 marks if all requirements are met.

Allocate 1 mark if some requirements are met.

Allocate 0 marks where requirements are not met at all.

QUESTION 8: BUSINESS VENTURES (MANAGEMENT & LEADERSHIP)**8.1 Introduction**

- Good leaders can also be good managers, as both can inspire/energise people and bring about change.√
- The attitude of a leader has an influence on the success and or failure of the business.√
- 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.√
- The democratic and laissez-faire leadership styles can be used in different situations to influence employees.√
- Any other relevant introduction related to management and leadership/role of personal attitudes/democratic and laissez-faire leadership styles/application of democratic and laissez faire leadership styles.

(2 x 1) (2)**8.2 Differences between management and leadership**

MANAGEMENT	LEADERSHIP
<ul style="list-style-type: none"> - Guides human behaviour.√√ - Communicates through management functions, e.g. line function.√√ - Administers plans/programs/tasks to reach targets.√√ - Controls systems and procedures to get the job done.√√ - Focuses on how and when.√√ - Focuses on the bottom line/short/medium/long term.√√ - A person becomes a manager because of the position in which he/she is appointed.√√ - Manages the process of getting things done by exercising responsibility. - Managers have power because of the position of authority into which they are appointed.√√ - Enforce rules on subordinates/Ensure that tasks are completed.√√ - Instructional in their approach.√√ - Task orientated.√√ - Manage by planning/organising/leading/control. √√ - Does things right.√√ - Any other relevant answer related to management. 	<ul style="list-style-type: none"> - Influences human behaviour.√√ - Communicates by means of interaction/behaviour/vision/values/charisma.√√ - Innovates/Encourage new ideas to increase productivity.√√ - Inspires staff to trust and support each another.√√ - Focuses on what and why.√√ - Focuses on the horizon/long term.√√ - Leaders are born with natural/instinctive leadership skills.√√ - Guides/Leads people to become active participants. - Leaders have power/influence because of his/her knowledge/skills/intelligence. √√ - Always trying to find more efficient ways of completing tasks.√√ - Motivational/Inspirational in their approach √√ - People orientated.√√ - Lead by example/trust/respect.√√ - Does the right things.√√ - Any other relevant answer related to leadership.
Sub max (6)	Sub max (6)

NOTE: 1. The answer does not have to be in tabular form but the differences must be clear.**2. Mark the first THREE (3) only.****3. Award a maximum of SIX (6) marks if the differences are not clear/ mark either management or leadership only.****Max (12)**

8.3 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.

NOTE: Do not allocate marks for “promoting a good team spirit.”

Max (10)

8.4 Impact of democratic and laissez-faire/free reign leadership styles on businesses**8.4.1 Democratic****Positives/Advantages**

- The leader allows the employees to participate in the decision making process✓, so they feel empowered/positive. ✓
- Staff gives a variety of ideas/inputs/feedback/viewpoints✓ that can lead to innovation/improved production methods/increased sales. ✓
- Clear/Two way communication✓ ensures group commitment to final decision(s). ✓
- Authority is delegated✓ which can motivate/inspire workers to be more productive. ✓
- Complex decisions can be made✓ with inputs from specialists/skilled workers. ✓
- Any other relevant answer related to the positive impact/advantages of the democratic leadership style on businesses.

AND/OR**Negatives/Disadvantages**

- Incorrect decisions may be made✓ if staff is inexperienced/not fully informed. ✓
- Decision making may be time consuming✓ because stakeholders have to be consulted. ✓
- Employees may feel discouraged✓ if their opinions/inputs are not considered. ✓
- Leaders can rely too much on the input of the followers✓ and fail to make a final decision. ✓
- Not effective in times of crisis✓/when quick decisions need to be made. ✓
- Some employees only pretend to participate in decision making✓ and their feedback may not always be accurate. ✓
- Any other relevant answer related to the negative impact/disadvantages of a democratic leadership style on businesses.

Sub max (8)

8.4.2 Laissez-faire/Free reign Positives/Advantages

- Workers/Followers are allowed✓ to make decisions on their own work/ methods.✓
- Subordinates have maximum freedom✓ and can work independently. ✓
- Leader motivates workers by trusting them✓ to do things themselves/on their own. ✓
- Authority is delegated✓, which can be motivating/empowering for competent workers/increase productivity. ✓
- Subordinates are experts✓ and know what they want/can take responsibility for their actions. ✓
- Suitable for coaching/mentoring✓ to motivate employees to achieve more/better things. ✓
- It can be empowering for competent followers✓ as they are completely trusted to do their job. ✓
- Individual team members may improve✓/develop leadership skills. ✓
- Any other relevant answer related to the positive impact/advantages of a laissez-faire leadership style on businesses.

AND/OR

Negatives/Disadvantages

- Lack of clear direction/leadership✓ may be demotivating to employees. ✓
- Employees can be held responsible for their own work✓ which may lead to underperformance. ✓
- Could lead to conflict✓ when some team members act as leaders and dictate to other team members. ✓
- Workers are expected to solve their own✓ conflict situations. ✓
- Productivity may be compromised✓ with a lack of tight control over workers not meeting deadlines. ✓
- Productivity might be low✓, if employees lack the necessary knowledge or skills.✓
- Any other relevant answer related to the negative impact/disadvantages of laissez-faire leadership style on businesses.

Sub max (8)
Max (16)

8.5 Situations in which the democratic and laissez faire leadership styles can be applied in the workplace

8.5.1 Democratic leadership style

This leadership style can be used when:

- Group members are skilled and eager to share their ideas. ✓✓
- The leader does not have all the information needed to make a decision and employees have valuable information to contribute. ✓✓
- Cooperation is needed between a leader and a team. ✓✓
- Decisions need to be looked at from several perspectives. ✓✓
- Any other relevant answer related to situations in which the democratic leadership style may be applied in the workplace.

Sub max (4)

8.5.2 Laissez-faire/ Free reign

This leadership style can be used when:

- Subordinates are experts and know what they want/can take responsibility for their actions. ✓✓
- The leader is very busy and delegation of tasks will increase productivity. ✓✓
- Team members need to improve/develop leadership skills. ✓✓
- Suitable when employees are highly experienced and know more about the task than the leader. ✓✓
- Any other relevant answer related to a situation in which laissez-faire/free-reign leadership style may be applied in the workplace.

Sub max (4)

Max (8)

8.6 Conclusion

- Managers can also be successful leaders if they do not only focus on the task at hand, but also the people/workers who will execute the task. ✓✓
- Leaders who understand various leadership styles may be able to lead effectively and handle any situation. ✓✓
- A leader who is positive/enthusiastic/energetic will inspire his followers to improve/empower/uplift themselves to achieve their own personal goals. ✓✓
- The democratic leadership style encourages innovative ideas and boosts the morale of workers. ✓✓
- The laissez-faire leadership style provides experienced employees with the opportunity for persona/career growth. ✓✓
- The style used depends on the personality of the leader and nature of the business. ✓✓
- Any other relevant conclusion related to management and leadership/role of personal attitudes/democratic and laissez-faire leadership styles/application of democratic and laissez-faire leadership styles.

Max (2)

[40]

QUESTION 8: BREAKDOWN OF MARK ALLOCATION

Details	Maximum	Total
Introduction	2	Max 32
Differences between leadership and management	12	
Role of personal attitude in successful leadership	10	
Impact of democratic and laissez-faire/free-reign styles	16	
Application of democratic and laissez-faire leadership styles.	8	
Conclusion	2	
INSIGHT		8
Layout	2	
Analysis, interpretation	2	
Synthesis	2	
Originality/Examples	2	
TOTAL MARKS		40

LASO - For each component:

Allocate 2 marks if all requirements are met.

Allocate 1 mark if some requirements are met.

Allocate 0 marks where requirements are not met at all.

QUESTION 9: BUSINESS ROLES (ECONOMIC RIGHTS, AND ENVIRONMENTAL ISSUES)**9.1 Introduction**

- Economic rights form part of human rights that must be observed in the workplace. ✓
- Business operations may have a negative impact on the environment if there are no preventative measures put in place. ✓
- Businesses who have more than twenty employees must appoint one/more health and safety representatives after consultation with employees. ✓
- Employers and employees have the responsibility of ensuring that workplace environment is free of hazardous material. ✓
- Any other relevant introduction related to economic rights/responsibilities of employers and employees in protecting the workplace environment/roles of health and safety representatives/ways to protect the environment and human health.

(2 x 1) (2)**9.2 Economic rights of employees in the workplace**

- Free from forced labour. ✓✓
- Free to accept or choose work. ✓✓
- Fair wages/Equal pay/Equal pay for work of equal value. ✓✓
- Reasonable limitation of working hours. ✓✓
- Safe and healthy working conditions. ✓✓
- Join/form trade unions. ✓✓
- Right to participate in a legal strike. ✓✓
- Any other relevant answer related to the economic rights of employees in the workplace.

Max (10)**9.3 Responsibilities of employers and employees in protecting the workplace environment****Responsibilities of employers**

- Provide and maintain all the equipment✓ that is necessary to perform the work. ✓
- Keep the systems to ensure that there will be no harmful impact✓ on the health and safety of workers. ✓
- Reduce/Remove dangers to workers✓ and provide personal protective clothing. ✓
- Ensure that that the workers' health is not damaged✓ by hazards resulting from production/processing/storage/transportation of materials or equipment. ✓
- Employers must know where potential dangers might be✓ and take measures to eliminate or limit the harm. ✓
- Workers must be informed/instructed/trained/and supervised✓ to limit potential dangers to them✓/Emergency exit door signs✓ should be visible to all employees.✓
- Equipment must be used under the supervision✓ of a designated trained worker.✓
- Comply with safety laws which✓ seek to promote healthy working environment. ✓
- Any other relevant answer related to the responsibilities of employers in protecting the workplace environment.

Sub max (6)

Responsibilities of employees

- Must take care of their own health✓ and safety in the workplace. ✓
- Co-operate and comply with the rules and procedures✓ e.g. wear prescribed safety clothing. ✓
- Report unsafe✓ or unhealthy conditions. ✓
- Report accidents✓ to the employer by the end of the shift. ✓
- Use prescribed✓ safety equipment. ✓
- Take reasonable care✓ of their own safety. ✓
- Inform the employer of any illness✓ that may affect the ability to work. ✓
- Any other relevant answer related to the responsibilities of employees in protecting the workplace environment.

Sub max (6)

Max (12)**9.4 Roles of health and safety representatives in protecting the workplace environment**

- 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. ✓
- Work 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 roles of health and safety representatives in protecting the workplace environment.

Max (12)**9.5 Ways to protect the environment and human health**

- Laws and regulations should be adhered to so that profits are not generated at the expense of the environment. ✓✓
- Pollution and other environmental issues should always be considered in all business activities, e.g. safe disposal of waste/dumping of toxic waste✓✓, etc.
- Become involved in environmental awareness programs. ✓✓
- The environment can be protected by altering production techniques in favour of cleaner and greener technologies. ✓✓
- Water for human consumption should be tested before it is used. ✓✓
- Promote nature conservation by looking after natural resources. ✓✓
- Minimise pollution, by re-using, reducing and recycling. ✓✓
- Reduce consumption of goods/services which are environmentally unfriendly. ✓✓
- Register/Engage with recognised institutions/bodies that promote green peace. ✓✓

- Physical working conditions should always be worker friendly, safe and promote occupational health. ✓✓
- Physical working conditions, e.g. adequate lighting/ventilation should be available and functional. ✓✓
- Machines must be serviced/maintained regularly. ✓✓
- Educate people about hygiene issues. ✓✓
- Encourage employees to do regular health checks. ✓✓
- Any other relevant answer related to ways businesses can protect the environment and promote human health.

Max (12)**9.6 Conclusion**

- Businesses should be cognisant of the economic rights of employees and strive to promote them. ✓✓
- Businesses must ensure that the health and safety representatives have necessary facilities/assistance/ training in order to represent their members effectively. ✓✓
- Businesses should assess/control/address all the physical, chemical and biological factors in the environment. ✓✓
- Environmental and human health are closely linked as human health depends on environmental health. ✓✓
- A polluted environment results in poor human health. ✓✓
- Employees must take responsibility for their own safety and avoid unnecessary injuries. ✓✓
- Any other relevant conclusion related to economic rights/responsibilities of employers and employees in protecting the workplace environment/roles of health and safety representatives/ways to protect environment and human health.

Max (2)**[40]****QUESTION 9: BREAKDOWN OF MARK ALLOCATION**

Details	Maximum	Total
Introduction	2	Max 32
Economic rights of employees	10	
Responsibilities of employers and employees in protecting the workplace environment	12	
Roles of health and safety representatives in protecting the workplace environment	12	
Ways to protect the environment and human health	12	
Conclusion	2	
INSIGHT		8
Layout	2	
Analysis, interpretation	2	
Synthesis	2	
Originality/Examples	2	
TOTAL MARKS		40

LASO – For each component:

Allocate 2 marks if all requirements are met.

Allocate 1 mark if 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**

- The aim of internal recruitment is to find the right employee for a specific job. ✓
- The right employee will be the one with the right skills/qualifications/competency to fill vacancies in a business. ✓
- Employers and employees should adhere to the terms and conditions of the employment contract. ✓
- It is important that the business places the right person in the right job. ✓
- Training is a planned organised activity where employees gain knowledge and skills to improve their abilities/job performance. ✓
- The human resource function should ensure that all training programmes are conducted within the framework of the Skills Development Act to develop the skills of the employees. ✓
- Any other relevant introduction related to internal recruitment/legal requirements of the employment contract/placement procedure/implications of the Skills Development Act on the human resources function. (2 x 1) (2)

10.2 Impact of internal recruitment**Positives/Advantages**

- The business recruits from existing employees✓ through promotions/transfer from inside the business. ✓
- Opportunities for promotion reward good work✓ and motivate current employees. ✓
- Staff morale and productivity increases✓ if suitable staff members are promoted regularly. ✓
- Current employees understand✓ how the business operates. ✓
- The business knows the candidate✓, his/her personality, strengths and weaknesses. ✓
- Reliable/Key staff members are retained✓ if they are promoted/ transferred within the business. ✓
- Detailed, reliable information on candidates✓ can be obtained from supervisors/employee records. ✓
- Recruitment process is faster/less expensive✓ if the candidates are known. ✓
- Any other relevant answer related to the positive impact/advantages of internal recruitment.

AND/OR**Negatives/Disadvantages**

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

Max (16)

10.3 Legal requirements of the employment contract

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

Max (14)**10.4 Placement procedure**

- TFS should outline specific responsibilities/expectations of the new position. ✓✓
- Determine the successful candidate's strengths/weaknesses/skills/ interests by subjecting him to various psychometric tests. ✓✓
- Determine the relationship between the position and the competencies of the new candidate. ✓✓
- Any other relevant answer related to the placement procedure.

Max (6)**10.5 Implications of the Skills Development Act on the human resource 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. ✓
- 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 (10)

10.6 Conclusion

- Employees are one of the most important resources in any business, therefore businesses should check if the current staff has the potential to fulfill a new role. ✓✓
- The relationship between the employer and employee should be guided by the employment contract ✓✓
- The human resources manager must support the placement process by providing ongoing support throughout the probation period to employees who are newly placed in a position. ✓✓
- A correct placement procedure will ensure that skilled/competent employees are retained. ✓✓
- The human resources function has to co-ordinate/facilitate skills development in the workplace to ensure a competent staff. ✓✓
- Any other relevant conclusion related to internal recruitment/legal requirements of the employment contract/placement procedure/implications of the Skills Development Act on the human resources function.

Max (2)
[40]

QUESTION 10: BREAKDOWN OF MARK ALLOCATION

Details	Maximum	Total
Introduction	2	Max 32
Impact of internal recruitment	16	
Legal requirements of the employment contract	14	
Placement procedure	6	
Implications of the SDA on the human resources function	10	
Conclusion	2	
INSIGHT		8
Layout	2	
Analysis, interpretation	2	
Synthesis	2	
Originality/Examples	2	
TOTAL MARKS		40

LASO - For each component:

Allocate 2 marks if all requirements are met.

Allocate 1 mark if some requirements are met.

Allocate 0 marks where requirements are not met at all.

TOTAL SECTION C: 80
GRAND TOTAL: 300