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Basic Education
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SENIOR CERTIFICATE EXAMINATIONS/ NATIONAL SENIOR CERTIFICATE EXAMINATIONS

BUSINESS STUDIES P1

2021

MARKING GUIDELINES

MARKS: 150

These marking guidelines consist of 25 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
Chief Marker:	Pink
Internal Moderator:	Orange
DBE Moderator:	Turquoise

2. Candidates' responses must be in full sentences for **SECTIONS B and C**. However, this would depend on the nature of the question.

3. A comprehensive marking guideline has been provided but this is by no means exhaustive. Due consideration should be given to an answer that is correct but:

- Uses a different expression from that which appears in the marking guideline
- Comes from another credible source
- Original
- A different approach is used

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

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

8. In an indirect question, the theory as well as the response must be relevant and related to the question.
9. Correct numbering of answers to questions or sub questions is recommended in SECTIONS A and B. However, if the numbering is incorrect, follow the sequence of the candidate's responses. Candidates will be penalised if the latter is not clear.
10. No additional credit must be given for repetition of facts. Indicate with an 'R'.
11. The differentiation between 'evaluate' and 'critically evaluate' can be explained as follows:
 - 11.1 When 'evaluate' is used, candidates are expected to respond in either a positive/negative manner or take a neutral (positive and negative) stance, e.g. **Positive:** *'COIDA eliminates time and costs spent√ on lengthy civil court proceedings.√'*
 - 11.2 When 'critically evaluate' is used, candidates are expected to respond in either a positive/negative manner or take a neutral (positive and negative) stance. In this instance candidates are also expected to support their responses with more depth, e.g. *'COIDA eliminates time and costs spent√ on lengthy civil court proceedings√, because the employer will not be liable for compensation to the employee for injuries sustained during working hours as long as it can be proved that the business was not negligent.√'*
- NOTE:**
 1. The above could apply to 'analyse' as well.
 2. Note the placing of the tick (√) in the allocation of marks.
12. The allocation of marks must be informed by the nature of the question, cognitive verb used, mark allocation in the marking guideline and the context of each question.

Cognitive verbs, such as:

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

14. SECTION B

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

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

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

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

14.4 Use of the cognitive verbs and allocation of marks:

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

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

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

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

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

15. SECTION C

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

Introduction	Maximum: 32
Content	
Conclusion	
Insight	8
TOTAL	40

15.2 Insight consists of the following components:

Layout/Structure	Is there an introduction, paragraphs, and a conclusion?	2
Analysis and interpretation	Is the candidate able to break down the question into headings/subheadings/interpret it correctly to show understanding of what is being asked? Marks to be allocated using this guide: All headings addressed: 1 (One 'A') Interpretation (16 to 32 marks): 1 (One 'A')	2
Synthesis	Are there relevant decisions/facts/responses made based on the questions? Marks to be allocated using this guide: Option 1: Only relevant facts: 2 marks (No '-S') Where a candidate answers 50% or more (two to four sub-questions) of the question with only relevant facts; no '-S' appears in the left margin. Award the maximum of TWO (2) marks for synthesis. Option 2: Some relevant facts: 1 mark (One '-S') Where a candidate answers less than 50% (only one sub-question) of the question with only OR some relevant facts; one '-S' appears in the left margin. Award a maximum of ONE (1) mark for synthesis. Option 3: Some relevant facts: 1 mark (One '-S') Where a candidate writes FOUR questions, but one sub-questions of the question with no relevant facts; one '-S' appears in the left margin. Award a maximum of ONE (1) mark for synthesis. Option 4: No relevant facts: 0 marks (Two '-S') Where a candidate answers less than 50% (only one sub-question) of the question with no relevant facts; two '-S' appears in the left margin. Award a ZERO mark for synthesis.	2
Originality	Is there evidence of examples based on recent information, current trends and developments?	2
TOTAL FOR INSIGHT:		8
TOTAL MARKS FOR FACTS:		32
TOTAL MARKS FOR ESSAY (8 + 32):		40

- NOTE:**
- 1. No marks will be awarded for contents repeated from the introduction and conclusion.**
 - 2. The candidate forfeits marks for layout if the words INTRODUCTION and CONCLUSION are not stated.**
 - 3. No marks will be awarded for layout, if the headings INTRODUCTION and CONCLUSION are not supported by an explanation.**

- 15.3 Indicate insight in the left-hand margin with a symbol e.g. ('L, A, -S and/or O').
- 15.4 The breakdown of marks is indicated at the end of the suggested answer/ marking guideline to each question.
- 15.5 Mark all relevant facts until the SUB MAX/MAX mark in a subsection has been attained. Write SUB MAX/MAX after maximum marks have been obtained, but continue reading for originality "O".
- 15.6 At the end of each essay indicate the allocation of marks for facts and marks for insight as follows: (L – Layout, A – Analysis, S – Synthesis, O – Originality) as in the table below.

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

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

SECTION A**QUESTION 1**

- 1.1 1.1.1 B✓✓
 1.1.2 C✓✓
 1.1.3 A✓✓
 1.1.4 C✓✓
 1.1.5 D✓✓

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

- 1.2 1.2.1 opportunity✓✓
 1.2.2 some control✓✓
 1.2.3 learnership✓✓
 1.2.4 headhunting✓✓
 1.2.5 performance✓✓

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

- 1.3 1.3.1 F✓✓
 1.3.2 H✓✓
 1.3.3 I✓✓
 1.3.4 G✓✓
 1.3.5 J✓✓

(5 x 2) **(10)****TOTAL SECTION A: 30****BREAKDOWN OF MARKS**

QUESTION 1	MARKS
1.1	10
1.2	10
1.3	10
TOTAL	30

SECTION B**Mark the FIRST TWO answers only.****QUESTION 2: BUSINESS ENVIRONMENTS****2.1 Provisions of leave as stipulated in the BCEA**

- Annual leave✓
- Sick leave✓
- Maternity leave✓
- Parental leave✓
- Family responsibility leave✓

NOTE: Mark the first TWO (2) only.**(2 x 1) (2)****2.2 Rights of employees in terms of the Labour Relations Act/LRA**

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

Max (6)**2.3 PESTLE elements from given statements**

- 2.3.1 Technological✓✓
- 2.3.2 Environmental✓✓
- 2.3.3 Economic✓✓

(6)**2.4 Purpose of the Compensation for Occupational Injuries and Diseases Amendment Act/COIDA**

- Provides comprehensive protection to employees who get injured/contract diseases✓ in the course of performing their duties.✓
- COIDA applies to all casual/full-time workers who become ill/injured/disabled/die✓ due to a workplace accident/disease.✓
- It excludes workers who are guilty of wilful misconduct/workers working outside South Africa✓ for at least twelve months/members of the SA Defence Force/Police services.✓
- It provides for the establishment of a Compensation Board✓ whose function is to advise the Minister of Labour on the application/provisions of COIDA.✓
- Medical expenses/Other types of compensation are paid to employees and/or their families✓ depending on the type/severity of the injuries.✓
- Employers have to pay a monthly amount to the Compensation Fund✓ depending on the number of employees/the level of risk they are exposed to.✓
- Provides compensation for employees/families for injuries or death✓ occurred while carrying out their duties.✓
- Any other relevant answer related to the purpose of COIDA.

Max (6)

2.5 National Credit Act**2.5.1 Penalties for non-compliance with the NCA from the scenario**

- The National Credit Regulator (NCR) imposed a fine on Money Bank for reckless granting of credit. ✓
- MB was instructed to bear all the costs related to the removal of the names of blacklisted clients from the credit bureau. ✓

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

(2 x 1) (2)**2.5.2 Positive impact of National Credit Act/NCA on businesses**

- 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. ✓
- Credit bureau information is made available to businesses ✓ to check the credit worthiness of consumers before granting credit. ✓
- 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 NCA on businesses.

NOTE: Do not award marks for negative responses.

Max (6)**2.6 Types of defensive strategies****Divestiture/ Divestment ✓✓**

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

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

Liquidation ✓✓

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

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

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

Retrenchment ✓✓

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

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

NOTE: Mark the first TWO (2) only.

Max (6)

2.7 Ways in which businesses could comply with the Consumer Protection Act/CPA

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

Max (6)
[40]

BREAKDOWN OF MARKS

QUESTION 2	MARKS
2.1	2
2.2	6
2.3	6
2.4	6
2.5.1	2
2.5.2	6
2.6	6
2.7	6
TOTAL	40

QUESTION 3: BUSINESS OPERATIONS**3.1 Aspects that should be included in an employment contract**

- Personal details of the employee.✓
- Details of the business/employer e.g. name/address, etc.✓
- Job title/Position.✓
- Job description e.g. duties/ working conditions.✓
- Job specification e.g. formal qualifications/willingness to travel.✓
- Date of employment/Commencement of employment.✓
- Place where 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 the contract/Details of termination.✓
- Probation period.✓
- Signatures of both the employer and employee.✓
- List of documents that form part of the contract, e.g. appointment letter/code of conduct/ethics.✓
- Disciplinary policy, e.g. rules and disciplinary procedure for unacceptable behaviour.✓
- Any other relevant answer related to aspects that should be included in an employment contract.

NOTE: Mark the first FOUR (4) only.

(4 x 1) (4)

3.2 Benefits of induction for businesses

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

- Realistic expectations for new employees as well as the business are created.√√
- New employees may feel part of the team resulting in positive morale/motivation.√√
- Employees may have a better understanding of business policies regarding ethical/professional conduct/procedures/CSR. √√
- Any other relevant answer related to the benefits of induction for businesses.

Max (6)**3.3 Recruitment****3.3.1 Components of a job analysis from the scenario**

COMPONENTS OF A JOB ANALYSIS	MOTIVATIONS
1. Job specification√√	The advertisement stated that the prospective candidate should have a relevant formal qualification.√
2. Job description√√	The bookkeeper must be able to draw up financial statements.√
Submax (4)	Submax (2)

- NOTE:**
- 1. Award marks for the components of a job analysis even if the quote is incomplete.**
 - 2. Do not award marks for the motivations if the components of a job analysis were incorrectly identified.**

Max (6)**3.3.2 Advantages of external recruitment for businesses**

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

Max (4)**3.4 Meaning of quality management**

- The process of managing all activities needed to ensure a business produces√ goods and services of consistently high standard. √
- Refers to techniques/tools used√ to design/ improve the quality of a product. √
- Can be used for accountability√ within each of the business functions√.
- Aims to ensure that the quality of goods/services√ is consistent√/Focuses on the means√ to achieve consistency.√
- Any other relevant answer related to the meaning of quality management.

Max (4)

3.5 Total quality management**3.5.1 Results of poor implementation of TQM by IBM**

- The employees of Ikhaya Bricks Manufacturer are not adequately trained, resulting in the production of poor quality products.✓
- IBM is experiencing a decline in sales as more goods are returned by unhappy customers.✓

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

(2 x 1) (2)

3.5.2 Impact of TQM if poorly implemented

- Setting unrealistic deadlines that may not be achieved.✓✓
- Decline in productivity, because of stoppages.✓✓
- IBM may not be able to make necessary changes to satisfy the needs of customers.✓✓
- The reputation of the business may suffer because of faulty/poor quality goods✓✓
- Customers will have many alternatives to choose from and the impact could be devastating to businesses.✓✓
- Investors might withdraw their investment, if there is a decline in profits.✓✓
- Bad publicity due to poor quality products supplied.✓✓
- High staff turnover because of poor skills development.✓✓
- Undocumented quality control systems/processes could result in error or deviations from pre-set quality standards.✓✓
- Any other relevant answer related to the impact of TQM if poorly implemented by businesses/IBM.

NOTE: Do not award marks for responses quoted in QUESTION 3.5.1.

Max (4)

3.6 Contribution of the administration function to the success of the business

- Fast and reliable data capturing✓ and processing systems.✓
- Make reliable information available✓ to management on time.✓
- Make relevant information available✓ for quick decision-making.✓
- Handle complaints quickly✓ and effectively.✓
- Use modern technology✓ efficiently.✓
- Implement effective risk management policies✓ to minimise business losses.✓
- Quality assurance/Control/Evaluation✓ is recorded accurately.✓
- All documentation is kept neatly✓ and orderly in a safe place.✓
- Easy to recall✓ and find information/documentation.✓
- Financial documents are kept up to date✓ and recorded accurately.✓
- All systems and processes ✓ are documented.✓
- Any other relevant answer related to how the quality of performance of the administration function can contribute to the success of the business.

Max (4)

3.7 Impact of adequate financing and capacity on large businesses**Positives/Advantages**

- Large businesses have sufficient financing✓ to test everything before implementing.✓
- They can afford to have systems in place✓ to prevent errors in processes/defects in raw materials/products.✓
- Able to afford product research/market researchers✓ to gather information about products/customers✓/Large businesses can fund programmes ✓ aimed at improving quality processes✓
- Can afford to purchase quality raw materials✓ and equipment.✓
- Any other relevant answer related to the positive impact/advantages of adequate financing and capacity as a TQM element on large businesses.

AND/OR**Negatives/ Disadvantages**

- If the demand for a business product increases/orders begin coming in faster than expected✓, the business lacks the capital required to fund the production of the stock to fill the orders.✓
- These rapidly growing businesses can consume large amounts of capital✓ as they try to balance normal operations and expansion.✓
- Any other relevant answer related to the negative impact/disadvantages of adequate financing and capacity as a TQM element on large businesses.

Max (6)
[40]

BREAKDOWN OF MARKS

QUESTION 3	MARKS
3.1	4
3.2	6
3.3.1	6
3.3.2	4
3.4	4
3.5.1	2
3.5.2	4
3.6	4
3.7	6
TOTAL	40

QUESTION 4: MISCELLANEOUS TOPICS**BUSINESS ENVIRONMENTS****4.1 Role of SETAs**

- Develop sector 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.√√
- Collect levies as required by the Skills Development Act.√√
- 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 establish 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.√√
- Identify suitable workplaces for practical work experience.√√
- Report to the Director General.√√
- Any other relevant answer related to the role of SETAs.

Max (4)**4.2 Business sectors and business strategies****4.2.1 Business sectors from the scenario**

	BUSINESS SECTORS	MOTIVATIONS
Carel Televisions (CT)	Secondary√√	Carel Televisions specialise in the manufacturing of smart television sets.√
Thuli Distributors (TD)	Tertiary√√	They signed a contract with Thuli Distributors (TD) to deliver their products to customers.√
	Submax (4)	Submax (2)

- NOTE:**
1. Award marks for the business sectors even if the quote is incomplete.
 2. Do not award marks for the motivations if the business sectors were incorrectly identified.

Max (6)**4.2.2 Advantages of intensive strategies**

- Increased market share√ reduces the business's vulnerability to actions of competitors.√
- Increase in sales/income√ and profitability.√
- Improved service delivery√ may improve business image.√
- Businesses may have more control√ over the prices of products/services.√
- Gain loyal customers√ through effective promotion campaigns.√
- Decrease in prices√ may influence customers to buy more products.√

- Regular sales to existing customers✓ may increase.✓
- Eliminate competitors✓ and dominate market prices.✓
- Enable businesses to focus on markets/well researched quality products✓ that satisfy the needs of customers.✓
- Any other relevant answer related to the advantages of intensive strategies.

Max (4)

4.3 **Ways in which businesses could apply enterprise and supplier development /ESD as a BBBEE pillar in the workplace**

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

Max (6)

BUSINESS OPERATIONS

4.4 **Salary determination methods**

- Piecemeal✓
- Time-related✓

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

4.5 **Interview**

4.5.1 **Role of the interviewer before the interview from the scenario**

- She prepared a set of questions that will be asked during the interviews.✓
- Suki also booked a suitable venue for the interviews.✓

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

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

(2 x 1) (2)

4.5.2 **Purpose of an interview as a human resource activity**

- Obtains information about the strengths✓ and weaknesses of each candidate.✓
- Helps the employer in choosing/making an informed decision✓ about the most suitable candidate.✓
- Matches information provided by the applicant✓ to the job requirements.✓
- Creates an opportunity where information about the business✓ and applicant can be exchanged.✓
- Determines a candidate's✓ suitability for the job.✓

- Evaluates the skills/personal characteristics✓ of the applicant.✓
- Any other relevant answer related to the purpose of an interview as a human resource activity.

Max (6)**4.6 Importance of quality circles as part of continuous improvement to processes and systems**

- Solve problems related to quality✓ and implement improvements.✓
- Investigate problems✓ and suggest solutions to management.✓
- Ensure that there are 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.✓
- Increase employees' morale✓ and motivation.✓
- Quality circles discuss ways of improving✓ the quality of work/workmanship.✓
- Contribute towards the improvement✓ and development of the organisation.✓
- Reduce costs of redundancy/wasteful efforts✓ in the long run.✓
- Increase the demand✓ for products/services of the business.✓
- Create harmony✓ and high performance in the workplace.✓
- Build a healthy workplace relationship✓ between the employer and employee.✓
- Improve employees' loyalty/commitment✓ to the organisational goals.✓
- Improve employees' communication✓ at all levels of the business.✓
- Develop a positive attitude/sense of involvement✓ in decision making processes of the services offered.✓
- Any other relevant answer related to the importance of quality circles as part of continuous improvement to processes and systems.

Max (4)**4.7 Benefits of a good quality management system**

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

Max (6)
[40]

BREAKDOWN OF MARKS

QUESTION 4	MARKS
4.1	4
4.2.1	6
4.2.2	4
4.3	6
4.4	2
4.5.1	2
4.5.2	6
4.6	4
4.7	6
TOTAL	40

TOTAL SECTION B: 80**SECTION C****Mark the FIRST question only.****QUESTION 5: BUSINESS ENVIRONMENTS (BUSINESS STRATEGIES)****5.1 Introduction**

- Businesses should always develop strategies as they operate in a dynamic environment that poses many challenges.✓
- Integration strategies enable businesses to establish power relations with their suppliers and distributors.✓
- Businesses that are able to identify the power of suppliers can devise strategies to deal with their suppliers.✓
- The Porter's Five Forces model enables businesses to shift the power of competitors/threat of substitutes in their favour.✓
- A constant evaluation of business strategies allows businesses to review their goals and develop additional strategies.✓
- Any other relevant introduction related to the steps in developing a strategy/integration strategies/Porter's Five Forces model/steps when evaluating strategies.

Any (2 x 1) (2)**5.2 Steps in developing a strategy**

- Application of SWOT analysis/PESTLE/Porter's Five Forces/environmental scanning of the business environments.✓✓
- Formulate strategies to meet objectives/Develop measurable strategic goals/objectives.✓✓
- Implement strategies using action plans✓✓
- Evaluate strategies/Compare the expected performance with the actual performance/Measure business performance in order to determine the reasons for deviations and analyse these reasons✓✓,
- Any other relevant answer related to the steps in developing a strategy.

NOTE: Accept the steps in any order.**Max (8)**

5.3 Types of integration strategies**Forward integration/Forward vertical integration**

- A business combines with or takes over its distributors.
- Involves expansion of business activities to gain control over the direct distribution of the products.
- Increases profitability as the distributor/intermediary/middleman is excluded.
- Any other relevant answer related to forward integration/forward vertical integration as an integration strategy.

Strategy (2)
Discussion (4)
Submax (6)

Backward integration/Backward vertical integration

- A business combines with or takes over its suppliers.
- Aims at decreasing the business's dependency on the supplier
- Enables businesses to cut costs and have influence over the prices/quality/quantity of raw materials.
- Any other relevant answer related to backward integration/backward vertical integration as an integration strategy.

Strategy (2)
Discussion (4)
Submax (6)

Horizontal integration

- A business takes control of/incorporates other businesses in the same industry/which produce/sell the same goods/services.
- The aim is to reduce the threat of competition /substitute products/services.
- Increases the market share/sales and profits.
- Suitable for businesses that operates in multiple geographical areas through joint ventures/licencing/franchising.
- Any other relevant answer related to horizontal integration as an integration strategy.

Strategy (2)
Discussion (4)
Submax (6)

NOTE: Mark the first THREE (3) only.

Max (16)

5.4 Application of Porter's Five Forces model to analyse the market environment**5.4.1 Power of suppliers**

- Suppliers that deliver high quality products may have power over the business.
- Assess the power of the suppliers in influencing 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.
- Identify the kind of power suppliers' have in terms of the quality of products/services/reliability/ability to make prompt deliveries, etc.
- Any other relevant answer related to how businesses could apply the power of suppliers to analyse their position in the market environment.

Submax (4)

5.4.2 Power of competitors/Competitive rivalry

- Competitors selling the same/similar products/services✓ may have a greater impact on the market of the business.✓
- 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.✓
- Some businesses have the necessary resources to start price wars✓ and continue selling at a loss until some/all competitors leave the market.✓
- Any other relevant answer related to how businesses could apply the power of competitors/competitive rivalry to analyse their position in the market environment.

Submax (4)

5.4.3 Threat of substitution/Substitutes

- Establish whether the sellers of substitute products✓ have improved their product/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.✓
- If the business sells unique products✓ it will not be threatened by substitute products.✓
- Assess if customers are using substitute products/services✓ and determine reasons for using substitutes.✓
- Any other relevant answer related to how businesses could apply the threat of substitution/substitutes to analyse their position in the market environment.

Submax (4)

Max (12)**5.5 Steps when evaluating strategies**

- Examine the underlying basis of a business strategy.✓✓
- Look forward and backward into the implementation process.✓✓
- Compare the expected performance with the actual performance.✓✓
- Measure the business performance in order to determine the reasons for deviations and analyse these reasons.✓✓
- Take corrective action so that deviations may be corrected.✓✓
- Set specific dates for control and follow up.✓✓
- Draw up a table of the advantages and disadvantages of a strategy.✓✓
- Decide on the desired outcome.✓✓
- Consider the impact of the strategic implementation in the internal and external environments of the business.✓✓
- Any other relevant answer related to steps that businesses should consider when evaluating strategies.

NOTE: Accept steps in any order.**Max (10)**

5.6 Conclusion

- Developing a strategy enables businesses to stay ahead of their competitors and increase sales/profitability.√√
- Integration strategies enable businesses to offer better products/services and dominate the market.√√
- The implementation of integration strategies allows businesses to reduce the high costs of raw materials determined by the suppliers.√√
- The application of the Porter's Five Forces model guides businesses on how to analyse the power of each force in the market.√√
- Strategy evaluation enables businesses to deal with challenges in implementing new strategies.√√
- Any other relevant conclusion related to the steps in developing a strategy/ integration strategies/Porter's Five Forces model/steps when evaluating strategies.

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

QUESTION 5: BREAKDOWN OF MARK ALLOCATION

DETAILS	MAXIMUM	TOTAL
Introduction	2	Max 32
Steps in developing a strategy	8	
Types of integration strategies	16	
Application of Porter's Five Forces model: <ul style="list-style-type: none"> ○ Power of suppliers ○ Power of competitors/Competitive rivalry ○ Threat of substitution/Substitutes 	12	
Steps when evaluating strategies.	10	
Conclusion	2	
INSIGHT		8
Layout	2	
Analysis/Interpretation	2	
Synthesis	2	
Originality/Examples	2	
TOTAL MARKS		40

LASO – For each component:

Allocate 2 marks if all requirements are met.

Allocate 1 mark if some requirements are met.

Allocate 0 marks where requirements are not met at all

QUESTION 6: BUSINESS OPERATIONS (QUALITY OF PERFORMANCE)**6.1 Introduction**

- Quality control enables business to reduce defective products and yield a better return on investment or improve their image.✓
- Quality assurance allows businesses to identify product defects at an early stage.✓
- The purchasing function must follow the correct procedures when making procurement and handling stock.✓
- The marketing function should conduct on-going research to identify current needs/trends of customers.✓
- The aim of total quality management is to satisfy consumers' needs beyond their expectations.✓
- Continuous improvement to processes and systems require businesses to be innovative in their approach.✓
- The effective implementation of TQM may give businesses a competitive advantage over other businesses.✓
- Any other relevant introduction related to quality control/quality assurance/quality indicators for the purchasing/marketing function/ impact of continuous improvement to processes and systems/ways in which TQM can reduce the cost of quality.

Any (2 x 1) (2)**6.2 Differences between quality control and quality assurance**

QUALITY CONTROL	QUALITY ASSURANCE
- Inspection of the final product to ensure that it meets the required standards.✓✓	- Inspection carried out during and after the production process.✓✓
- Includes setting targets/measuring performance and taking corrective measures.✓✓	- Ensures that the required standards have been met at every stage of the process.✓✓
- Checking raw materials/employees/machinery/workmanship/products to ensure that high standards are maintained.✓✓	- Ensures that every process is aimed at getting the product right the first time/prevents mistakes/defects/delays/shortcomings from happening again.✓✓
	- The 'building in' of quality as opposed to 'checking for' quality.✓✓
- Any other relevant answer related to quality control.	- Any other relevant answer related to quality assurance.
Submax (4)	Submax (4)

- NOTE:**
1. The answer does not have to be in a tabular format.
 2. The differences do not have to link, but must be clear.
 3. Award a maximum of FOUR (4) marks if the differences are not clear/Mark either quality control or quality assurance only.

Max (8)

6.3 Quality indicators for business functions**6.3.1 Quality indicators for the purchasing function**

- Businesses should buy raw materials/products 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/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 shortages.✓
- 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 the quality indicators for the purchasing function.

Submax (8)

6.3.2 Quality indicators for the marketing function

- Winning customers by satisfying their needs/wants✓ and building positive relationships.✓
- Adhering to ethical advertising practices✓ when promoting products/services.✓
- Identifying a competitive advantage✓ to focus/improve on marketing strengths.✓
- Differentiating products✓ in order to attract more customers.✓
- Constantly reviewing✓ value issues.✓
- Communicating effectively with customers✓ to get feedback about their experience of products sold/services rendered.✓
- Co-ordinating distribution✓ with production and advertising strategies.✓
- Using pricing techniques✓ to ensure a competitive advantage.✓
- Determine gaps between customer expectations and actual experiences✓, so that problems/unhappiness may be diagnosed and addressed.✓
- Making adjustments/changes to products/services✓ based on feedback from customers/results of market research.✓
- Using aggressive advertising campaigns✓ to sustain/increase the market share.✓
- Any other relevant answer related to quality indicators for the marketing function.

Submax (8)

Max (16)

6.4 Impact of continuous improvement to processes and systems on large businesses**Positives/Advantages**

- Large businesses have more resources ✓ to check on quality performance in each unit/department/business function. ✓
- Enough capital resources are available for new equipment ✓ required for processes and systems. ✓
- Large businesses have a person dedicated ✓ to the improvement of processes and systems. ✓
- Willing to take risk on/try new processes and systems ✓ because they are able to absorb the impact of losing money. ✓
- They can afford to use the services of quality circles ✓ to stay ahead of their competitors. ✓
- Large businesses use the PDCA model ✓ to continuously plan/do/check/act on new/revised processes and systems. ✓
- Any other relevant answer related to the positive impact/advantages of continuous improvement to processes and systems as a TQM element on large businesses.

AND/OR**Negatives/Disadvantages**

- Large scale manufacturing ✓ can complicate quality control. ✓
- Processes and systems take time and effort to be implemented in large businesses ✓ as communication/buy-in/distrust may delay the implementation process. ✓
- Face the risk of changing parts of the business ✓ that are actually working well. ✓
- Not all negative feedback from employees and customers is going to be accurate ✓, which may result in incorrect/unnecessary changes to processes and systems. ✓
- Any other relevant answer related to the negative impact/disadvantages of continuous improvement to processes and systems as a TQM element on large businesses.

Max (12)**6.5 Ways in which TQM can reduce the cost of quality**

- Introduce quality circles to discuss ways of improving the quality of work/workmanship. ✓✓
- 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 roles in quality management. ✓✓
- Develop work systems that empower employees to find new ways of improving quality. ✓✓
- Work closely with suppliers to improve the quality of raw materials/inputs. ✓✓
- Improve communication about 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 (10)**6.6 Conclusion**

- Businesses implement quality control and quality assurance in their quest for zero defects and sustainability.√√
- The quality of raw materials/products that are purchased may influence the quality of performance of other departments.√√
- The marketing department needs to communicate their research findings to all departments so that customer satisfaction becomes a joint effort.√√
- Continuous improvement to processes and systems enables businesses to produce quality products which will meet the customer needs.√√
- The reduction in the cost of quality allows businesses to reduce prices of products which will lead to an increase in profitability/market share.√√
- Any other relevant conclusion related to quality control/quality assurance/quality indicators for the purchasing/marketing function/impact of continuous improvement to processes and systems/ways in which TQM can reduce the cost of quality.

**Any (1 x 2) (2)
[40]****QUESTION 6: BREAKDOWN OF MARK ALLOCATION**

DETAILS	MAXIMUM	TOTAL
Introduction	2	Max 32
Differences between quality control and quality assurance	8	
Quality indicators for the business functions: <ul style="list-style-type: none"> ○ Purchasing ○ Marketing 	16	
Impact of continuous improvement to processes and systems as a TQM element on large businesses	12	
Ways in which TQM can reduce the cost of quality	10	
Conclusion	2	
INSIGHT		8
Layout	2	
Analysis/Interpretation	2	
Synthesis	2	
Originality/Examples	2	
TOTAL MARKS		40

LASO – For each component:

Allocate 2 marks if all requirements are met.

Allocate 1 mark if some requirements are met.

Allocate 0 marks where requirements are not met at all

TOTAL SECTION C: 40**GRAND TOTAL: 150**