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# basic education

Department:  
Basic Education  
**REPUBLIC OF SOUTH AFRICA**

## **NATIONAL SENIOR CERTIFICATE**

**GRADE 12**

**BUSINESS STUDIES P1**

**NOVEMBER 2021**

**MARKING GUIDELINE**

**POINTS: 150**

**This marking guideline consists of 26 pages.**

**NOTES TO MARKERS****INTRODUCTION**

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

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

1. For marking and moderation purposes the following colors are recommended:

Marker:	Red
Senior Nasienier:	Green
Deputy Chief Marker:	Brown / Black
Chief Marker:	Pink
Internal moderator:	Orange
DBE moderator:	Turquoise

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

3. Comprehensive marking guidelines are provided, but they are by no means exhaustive. Proper consideration must be given to an answer that is correct, but:

- Use a different expression than that given in the marking guideline
- Coming from another reliable source
- Original is
- Use a different approach

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

4. Take note of other related answers provided by candidates, related to a specific question and allocate marks accordingly. (In the case where the answer is unclear or indicates a degree of comprehension, sub-marks should be awarded, for example one mark instead of the maximum of two marks.)
5. The word 'Submax' is used to facilitate the allocation of marks within a question or subquestion.
6. The purpose of circling marks on the right (guided by 'max' in the outline of the marks) is to ensure consistency and accuracy in marking the scripts and moderation process.
7. Subtotals of questions should be written in the right margin. Circle the subtotals, as indicated when allocating marks. It must be guided by 'max' in the marking guideline of marks. Only the total for each answer should appear in the left margin next to the appropriate question number.
8. In an indirect question, the theory and the answers must be relevant and related to the question.

9. Correct numbering of answers to questions or sub-questions in SECTIONS A and B is strongly recommended. If the numbering is incorrect, follow the order of the candidate's answers. Candidates will be penalized if the latter is not clear.
10. No additional credit should be given for repeating facts. Indicate with an 'H'.
11. The difference between 'evaluate' and 'critical evaluation' can be explained as follows:

11.1 When 'evaluate' is asked, candidates are expected to answer in either a positive / negative way or to take a neutral (positive and negative) point of view, e.g. **Positive:** 'COIDA reduces time and costs spent ✓ on lengthy civil litigation. ✓'

11.2 When asked for 'critical evaluation', candidates are expected to respond in either a positive / negative way or to take a neutral (positive and negative) point of view. In this case, candidates are also further expected to support their answers with deeper insight, e.g. 'COIDA reduces time and costs ✓ spent on lengthy civil litigation ✓ because the employer will not be liable to pay compensation to the employee if injuries were sustained during working hours, as long as the business can prove he was not negligent not. '✓'

**PLEASE NOTE:** 1. The above may also apply to 'analyze'.  
2. Note the placement of the mark (✓) in the allocation of marks.

12. The allocation of marks must be guided by the nature of the question, cognitive verb used, mark allocation in the marking guideline and the context of each question.

Cognitive verbs, *as*:

12.1 Advise, name, describe in broad outline, motivate, recommend, suggest, (*list not complete*) usually does not require much depth in candidates' answers. The breakdown of marks for each statement / answer will therefore appear at the end thereof.

12.2 Define, describe, explain, discuss, expand, distinguish / show productions, differentiate, compare, tabulate, design, analyze, evaluate, critically evaluate (*list not complete*) requires more in-depth understanding, application and reasoning. The marks must therefore be awarded more objectively to ensure that assessment takes place according to the established norms, so that uniformity, consistency and fairness can be achieved.

13. Mark only the FIRST answer where candidates give more than one answer in SECTIONS B and C where only one answer is asked.

## 14. SECTION B

14.1 If, for example, FIVE facts are required, check the candidate's FIRST FIVE answers and ignore the rest of the answers. Indicate this by drawing a line through the unmarked section or using the word 'Cancel'.

**PLEASE NOTE:**

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

14.2 If two facts are written in one sentence, give FULL credit to the candidate. Point 14.1 still applies.

14.3 If candidates are expected to give their own examples / opinions, argue at the marking center in order to find the alternative answers finalize and consult the Internal Moderator at the DBE for approval.

### 14.4 Use of cognitive verbs and allocation of marks:

14.4.1 Where the number of facts is specified, questions that require candidates to 'describe / discuss / explain', it can be marked as follows:

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

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

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

14.5 **ONE mark can be awarded for answers that are easy to recall, that require one word as an answer or that are quoted directly from a scenario / case study. This applies specifically to SECTIONS B AND C (where applicable).**

## 15. SECTION C

15.1 The mark breakdown for the essay-type questions is as follows:

Introduction	<b>Maximum: 32</b>
Contents	
Deduction	
Insight	<b>8</b>
<b>TOTAL</b>	<b>40</b>

## 15.2 Insight consists of the following components:

Structure / Layout	Is there an introduction, paragraphs and a conclusion?	<b>2</b>
Analysis	Is the candidate able to analyze / interpret the question in headings / subheadings correctly so that an understanding of what is being asked is shown? Marks awarded according to the guide below: All headings addressed: 1 (One 'A') Interpretation (16 to 32 marks): 1 (One 'A')	<b>2</b>
Synthesis	Have relevant decisions / facts / answers been made based on the questions? Option 1: <b>Relevant facts only: 2 marks (No '-S')</b> Where a candidate answered 50% or more (two to four sub-questions) of the question with only relevant facts, no '-S' appears in the left margin. Allocate the maximum of TWO (2) marks for synthesis. Option 2: <b>'n Some relevant facts: 1 point (One '-S')</b> Where a candidate answered less than 50% (only one sub-question) of the question with only OR a few relevant facts, one '-S' appears in the left margin. Allocate a maximum of ONE (1) mark for synthesis. Option 3: <b>'n Some relevant facts: 1 point (One '-S')</b> Where a candidate answers FOUR sub-questions, but one / two / three sub-questions with no relevant facts; one '-S' appears in the left margin. Allocate a maximum of ONE (1) mark for synthesis. Option 4: <b>No relevant facts: 0 marks (Two '-S')</b> Where a candidate answered less than 50% (only one sub-question) of the question with no relevant facts, two '-S' appear in the left margin. Allocate a ZERO POINT for synthesis.	<b>2</b>
Originality	Is there evidence of examples based on current information, current trends and developments?	<b>2</b>
<b>TOTAL FOR INSIGHT:</b>		<b>8</b>
<b>TOTAL POINTS FOR FACTS:</b>		<b>32</b>
<b>TOTAL POINTS FOR ESSAY (8 + 32):</b>		<b>40</b>

**PLEASE NOTE:**1. No marks will be awarded for content repeated from the introduction and conclusion.

2. The candidate forfeits marks for interpretation if the words INTRODUCTION and CONCLUSION do not appear.

No marks will be awarded for interpretation if the headings INTRODUCTION and CONCLUSION / CONCLUSION are not supported by an explanation.

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

- 15.4 The components of insight are indicated at the end of the proposed answer / marking guideline for each question.
- 15.5 Check all relevant facts until the SUBMAX / MAX marks have been obtained for each subsection. Write 'SUBMAX' / 'MAX' after getting maximum marks, but read on for originality 'O'.
- 15.6 At the end of each essay, indicate the allocation of points for facts and points for insight as follows: (S - Structure, A - Analysis, S - Synthesis, O - Originality) as indicated in the table below.

CONTENTS	MARKS
Facts	<b>32 (max.)</b>
S	<b>2</b>
A	<b>2</b>
S	<b>2</b>
O	<b>2</b>
<b>TOTAL</b>	<b>40</b>

- 15.7 When awarding marks for facts, take note of the submaximum indicated, especially if candidates do not use the same subheadings. Remember headings and subheadings are encouraged and contribute to insight (structure / logical flow / sequence) and indicate clarity of thought. (See MARK EXPLANATION at the end of each question.)
- 15.8 If the candidate identifies / misinterprets the question, he / she still receives marks for the layout.
- 15.9 If a different approach is used by candidates, make sure that answers are assessed in accordance with the mark allocation / subheadings as indicated in the marking guidelines.
- 15.10 15.10.1 Allocate TWO marks for complete sentences. Allocate ONE mark for phrases / sentences, incomplete sentences and vague answers.
- 15.10.2 With effect from November 2015, the TWO marks will not necessarily be shown at the end of each completed sentence.  
Points (✓) will be separated and indicated next to each fact, e.g.  
'Product development is a growth strategy ✓, where companies strive to introduce new products in existing markets.✓
- This will be guided 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) points for facts shown in the marking guidelines as headings do not necessarily apply to every question. This will be determined by the nature of the question.

**SECTION A****QUESTION 1**

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

(5 x 2)      **(10)**

1.2      1.2.1 SETAs ✓✓  
             1.2.2 market development✓✓  
             1.2.3 safety rules✓✓  
             1.2.4 total customer satisfaction✓✓  
             1.2.5 quality circles✓✓

(5 x 2)      **(10)**

1.3      1.3.1 D✓✓  
             1.3.2 F✓✓  
             1.3.3 H✓✓  
             1.3.4 B✓✓  
             1.3.5 I✓✓

(5 x 2)      **(10)**

**TOTAL SECTION A:      30**

**EXPLANATION OF MARKS**

QUESTION 1	MARKS
<b>1.1</b>	<b>10</b>
<b>1.2</b>	<b>10</b>
<b>1.3</b>	<b>10</b>
<b>TOTAL</b>	<b>30</b>



**SECTION B****Mark only the FIRST TWO questions.****QUESTION 2: BUSINESS ENVIRONMENTS****2.1 Forces of Porter's Five Forces Model**

- Bargaining power of suppliers / Power of suppliers ✓
- Bargaining power of buyers / Power of buyers ✓
- Threat / Barriers for new entrants to the market ✓
- Power of competitors / Competitive competition ✓
- Threat of substitution / Substitutes ✓ **NOTE:**

**Check only the first FOUR (4).****(4 x 1) (4)****2.2 Benefits of intensive strategies**

- Increase in sales / revenue / profitability due to 'n variety of advertising campaigns.✓✓
- Increase regular sales to existing customers.✓✓
- Gain customer loyalty through effective promotional campaigns.✓✓
- Improved service delivery can 'n have a positive impact on sales / increase sales.✓✓
- Eliminate competitors and dominate market prices.✓✓
- Reduction in prices can influence customers to buy more products.✓✓
- Businesses can have more control over the prices of products / services.✓✓
- Enables the business to focus on markets / thoroughly researched quality products that satisfy customers' needs.✓✓
- Increased market share reduces the business's vulnerability to competitors' actions.✓✓
- Any other relevant answer related to the benefits of intensive strategies.

**Max (4)****2.3 Defensive strategies from the scenario**

2.3.1 Alienation / Disconnection / Disinvestment ✓✓

**(2)****Motivation:**

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

**(1)**

**PLEASE NOTE: No marks are awarded for the motivation if the type of strategy was incorrectly identified.**

**Max (3)****2.3.2 Other types of defensive strategies****Retrenchment ✓✓**

- Termination of employment contracts of employees for operational / operational reasons.✓
- Reducing the number of product lines / Closing certain sections can lead to certain workers becoming redundant / redundant.✓
- Any other relevant answer related to retrenchment as a defensive strategy.

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

**OR****Liquidation** ✓✓

- Sale of all assets to pay creditors due to lack of capital / cash flow.✓
- Sell the entire business in order to pay a fair price to shareholders for their shares.✓
- Creditors are allowed to apply for compulsory liquidation in order to settle their claims.✓
- Companies in financial distress / difficulty can apply for business rescue to avoid liquidation.✓
- Any other relevant answer related to liquidation as a defensive strategy.

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

**NOTE: 1. Check only the FIRST answer.**

**No points will be awarded for Alienation /  
Unbinding / Disinvestment.**

**Max (3)**

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

- Businesses can be fined✓ for refusing to file the claim / violation of the Act.✓
- Businesses can be forced to make large payments✓ if they have not taken the necessary precautions according to the Act.✓
- They may be forced to pay any repair costs✓ required by the Compensation Fund.✓
- Employees can take businesses to court✓ because they are not registered with the Commissioner of the Compensation Fund.✓
- If businesses are found guilty of any offense✓, they will pay large fines / face jail time.✓
- Any other relevant answer related to the penalties that businesses may face for non-compliance with COIDA.

**Max (6)**

**2.5 Types of leave from the scenario**

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

PLEASE NOTE:

**1. Mark only the first TWO (2).**

**Allocate marks for the types of leave even if the quotes were incomplete.**

**No marks will be awarded for the motivations if the types of leave were incorrectly identified.**

**4. Accept answers in any order.**

**Max (6)**

**2.6 Rights of employees in terms of the Labor Relations Act / LRA**

- Employees can belong to a trade union✓ of their choice.✓
- May strike legally✓ as an antidote to grievances.✓
- Refer unresolved workplace disputes / disputes✓ to the CCMA.✓
- Refer unresolved CCMA disputes / disputes✓ to the Labor Court on appeal.✓
- Request union representatives to assist / represent employees✓ in grievance / disciplinary hearings.✓
- Trade union representatives can take a reasonable amount of time off work, for a fee✓, to pay attention to trade union duties.✓
- stig Establish a workplace forum where a business has 100 or more employees✓ to solve / address work-related issues.✓
- Any other relevant answer related to the rights of employees in terms of the LRA.

**Max (6)****2.7 Application of Ownership and Enterprise and Supplier Development / OBE as BBBEE pillars****2.7.1 Ownership**

- Businesses should include black people in shareholdings / partnerships / franchises.✓✓
- Encourage small, black investors to invest in large companies and share in ownership.✓✓
- More opportunities must be created for black people to become owners / entrepreneurs.✓✓
- Establish joint ventures with small black-owned businesses to share business risks.✓✓
- Any other relevant answer related to ways in which businesses can apply ownership as a BBBEE pillar in the workplace.

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

- Businesses need to create jobs because OVO encourages local manufacturing.✓✓
- Identify black-owned suppliers who are capable of delivering goods and services.✓✓
- Services can be outsourced to BBBEE compliant providers.✓✓
- Invest / support black-owned SMMEs by contributing loans / donations / consulting services / advice / entrepreneurship programs. ✓✓
- Develop business skills of small / black suppliers, e.g. sales techniques, legal advice. ✓✓
- Support small suppliers' cash flow by offering them preferential payment terms.✓✓
- Encourage SMMEs to use their own business initiatives to make themselves sustainable.✓✓
- Develop and implement a supplier development plan / supplier chain.✓✓
- Any other relevant answer related to ways in which businesses can apply enterprise and supplier development / OBE as a BBBEE pillar in the workplace.

**Max (4)**  
**[40]**

**OUTSETTINGTING OF POINTS**

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

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

- Piecework✓
- Time related✓

**NOTE: Check only the first TWO (2).**

**(2 x 1) (2)**

**3.2 Meaning of placement**

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

**NOTE: No marks must be awarded for the placement procedure.**

**Max. (4)**

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

- Preliminary interviews were conducted because many people applied for the vacant position.✓
- LO invited the shortlisted candidates for interviews.✓ **PLEASE**

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

**Allocate marks only for answers quoted from the scenario.**

**(2 x 1) (2)**

**3.3.2 Role of the interviewer during the interview**

- Allocate equal amount of time✓ for each candidate.✓
- Introduce the members of the interview panel✓ to each applicant / candidate.✓
- Make the candidate✓ feel at ease.✓
- Explain the purpose of the interview✓ to the panel and the candidate.✓
- Ask / ask the same questions✓ to all the candidates. ✓
- Write down the candidate's answers✓ for future reference.✓
- Do not mislead / place the candidate✓ under 'n false impression.✓
- Avoid discriminatory / controversial✓ types of questions✓,
- Provide an opportunity for the candidate✓ to ask questions.✓
- Conclude the interview by thanking the candidate✓ for attending the interview.✓
- Any other relevant answer related to the role of the interviewer during the interview.

**Max (6)****3.4 Impact of fringe benefits on businesses****Positives / Benefits**

- Attractive fringe benefit packages✓ can lead to higher employee retention / reduced employee turnover.✓
- Attract qualified / skilled / experienced employees✓ who can contribute positively to the business's goals / objectives.✓
- Improve productivity✓ leading to higher profitability.✓
- It increases employee satisfaction / loyalty / morale✓ because they are willing to go the extra mile.✓
- Businesses save money✓ because fringe benefits can be deducted from tax.✓
- Benefits can be used as leverage✓ during salary negotiations.✓
- Any other relevant answer related to the positive impact / benefits of fringe benefits on businesses.

**EN / OF****Negatives / Disadvantages**

- Businesses that can not offer fringe benefits✓ do not succeed in attracting skilled workers.✓
- Businesses that offer different benefit plans✓ can cause unhappiness to those who receive less benefits which can lead to lower productivity.✓
- It can lead to conflict / corruption✓ if it is allocated unfairly / unfairly.✓
- fringe benefits are additional costs✓ that can lead to cash flow problems.✓
- Reduce business profit✓, because fringe benefits / package / compensation costs are higher.✓
- Administrative costs increase✓ because fringe benefits must be recorded correctly for tax purposes.✓
- Workers only stay with the business for the sake of the fringe benefits✓, and are not always committed / loyal to the task / business.✓
- Businesses must pay advisers / attorneys✓ to help them put together fringe benefit plans that comply with legislation.✓
- Errors in benefit plans✓ can lead to very expensive court cases / legal fines.✓
- Any other relevant answer related to the negative impact / disadvantages of fringe benefits on businesses.

**Max (6)**

**3.5 Quality indicators of the public relations function**

- Quick handling of negative publicity / less / less / no incidents of negative publicity.✓✓
- Provide regular / positive press releases.✓✓
- Implement sustainable corporate social investment / CSI programs.✓✓
- Good results / Positive feedback from public surveys on the business's image.✓✓
- High standards of internal publicity / appearance of buildings / professional telephone etiquette. ✓✓
- Delivery of quality goods / services that can promote the brand / image to key stakeholders / customers / suppliers / government / service providers.✓✓
- Compliance with current legislation such as BEE compliance.✓✓
- Any other relevant answer related to the public relations function quality indicators.

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

STEPS OF BDKH MODEL	MOTIVATION
1. Plan	They have developed ideas to improve their processes and systems.✓
2. Do✓✓	DB has decided to implement the changes on a small scale.✓
Submax (4)	Submax (2)

**NOTE: 1. Mark only the first TWO (2) steps of the BDKH model.****Allocate marks for the steps of the BDKH model even if the quotations were incomplete.****No marks will be awarded for the motivations if the steps of the BDKH model were incorrectly identified.****4. Accept answers in any order.****Max (6)****3.7 Impact of total quality management / TGB if poorly implemented**

- Set unrealistic deadlines✓ that can not be achieved.✓
- Employees are not adequately trained✓ leading to low quality products.✓
- Decrease in productivity✓, due to interruptions.✓
- Businesses can not make the necessary changes to products / services✓ in order to satisfy the needs of the customers.✓
- The business's reputation / image can suffer damage✓ due to poor quality / faulty products.✓
- Customers will have many alternatives to choose from✓ and the impact can be devastating for the business.✓
- Investors can withdraw their investments✓, if there is a decrease in profits.✓
- Decrease in sales✓, because more products are returned by dissatisfied customers.✓
- High staff turnover✓ due to poor skills development.✓
- Undocumented / Uncontrolled quality control processes / systems✓ can lead to errors / deviations from predetermined quality standards.✓
- Any other relevant answer related to the impact of TGB if businesses implement it poorly.

**Max (6)**

**3.8 Difference between quality control and quality assurance**

<b>QUALITY CONTROL</b>	<b>QUALITY INSURANCE</b>
- System that ensures that the desired quality is obtained by inspecting the final product.√√	- Controls performed during and after the production process.√√
- Ensure that the final product meets the required standards.√√	- Ensure that the required standards are met during each phase of the process.√√
- Process that ensures that products are continuously manufactured according to high standards.√√	- Processes put in place to ensure the quality of products / services / systems meet predetermined standards with minimal defects / delays / shortcomings. √√
- Control of raw materials / employees / machinery / workforce / products to ensure that high standards are maintained.√√	- Ensure that every process is aimed at getting the product right the first time and prevent mistakes from being repeated.√√
- Involves setting goals / measuring performance and taking affirmative action measures. √√	- Has to do with the 'built-in' of quality as opposed to the 'checking' of quality. √√
- Any other relevant answer related to quality control.	- Any other relevant answer related to quality assurance.
Submax (2)	Submax (2)

- PLEASE NOTE:**
- 1. The answer does not have to be in tabular format.**
  - 2. The difference does not have to be connected but must be clear.**
  - 3. Allocate a maximum of TWO (2) marks, if the difference is not clear / See only whether quality control or quality assurance after.**

**Max (4)**  
**[40]**

**OUTSETTING OF POINTS**

<b>QUESTION 3</b>	<b>MARKS</b>
<b>3.1</b>	<b>2</b>
<b>3.2</b>	<b>4</b>
<b>3.3.1</b>	<b>2</b>
<b>3.3.2</b>	<b>6</b>
<b>3.4.</b>	<b>6</b>
<b>3.5</b>	<b>4</b>
<b>3.6</b>	<b>6</b>
<b>3.7</b>	<b>6</b>
<b>3.8</b>	<b>4</b>
<b>TOTAL</b>	<b>40</b>

**QUESTION 4: MISCELLANEOUS TOPICS****BUSINESS ENVIRONMENTS****4.1 Consumer rights as stipulated in the Consumer Protection Act / WMA**

- Right to choose✓
- Right to privacy✓
- Right to fair and equitable trading practices✓
- Right to disclosure and information✓
- Right to fair and responsible marketing✓
- Right to fair value, good quality and safety✓
- Right to liability by suppliers✓
- Right to fair, equitable and reasonable terms and conditions✓
- Right to equality in the consumer market✓

**PLEASE NOTE 1. Mark only the first THREE (3).****2. Only award points for consumer rights as mentioned above.****(3 x 1) (3)****4.2 Business sectors and their environments****4.2.1 Tertiary sector✓✓****(2)****Motivation**

Khanya Communications offers internet services for different clients.✓

**(1)****PLEASE NOTE: No marks are awarded for the motivation if the sector was misidentified.****Max (3)****4.2.2 Challenges and business environment from the scenario**

<b>CHALLENGES (4.2.2)</b>	<b>BUSINESS ENVIRONMENTS (4.2.3)</b>
1. Their employees participated in a legal strike as a result of unsuccessful salary negotiations.✓	Micro✓
2. Regular load shedding forced KK to close earlier on certain days.✓	Macro
3. KK also ceded many customers to Greg Kommunikasjon, which offers similar services at lower prices.✓	Mark✓
<b>Max (3)</b>	<b>Max (3)</b>

**LET 1. Mark only the first THREE (3).****WELL: 2. If the business environment is not linked to the challenge, only check the challenge.****Allocate marks for the business environment even if the challenge has not been fully addressed.****4. Accept steps in any order.**



**4.3 Funding of SOOOs**

- Skills development levies are paid by employers✓ to SARS, as a collection agent for the government.✓
- Employees with a salary account exceeding R500 000 per year✓ must pay one percent (1%) of their annual salary as a levy.✓
- The various SETAs receive 80% of the levy for organizational expenses✓ and 20% are paid over to the National Skills Fund.✓
- Donations / Grants received✓ from the public / businesses / CSI programs.✓
- Surplus funds✓ of government institutions.✓
- Funds received✓ for the rendering of their services.✓
- Any other relevant answer related to how SOOOs are funded.

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

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

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

- Internal e-mails / Intranet / website to staff✓
- Word of mouth / Staff meetings✓
- Business newsletters / circulars to staff✓
- Internal / management references✓
- Office notice boards✓
- Internal bulletins✓
- Recommendations by current employees✓
- Head hunting within the business / organization's database✓
- Any other relevant answer related to the sources of internal recruitment.

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

- Lisa, the manager of the human resource function at Giant Traders, expects to pay the same to employees who do work of equal value.✓

Lisa was requested to post a summary of the Employment Equity Act (WGI) for easy access and referral upon receipt.✓

**PLEASE NOTE: 1. Mark only the first TWO (2).****Allocate marks only for answers from the scenario quoted****(2 x 1) (2)**

**4.6.2 Other implications of the WGI on the human resource function**

- Compile employment plans✓ that indicate how affirmative action will be implemented.✓
- Ensure that affirmative action✓ promotes diversity in the workplace.✓
- The human resources manager must treat employees fairly / fairly✓ and promote / create equal opportunities in the workplace✓.
- Retraining / Development / Training of designated groups✓ through skills development programs.✓
- Define the appointment process clearly✓, so that all parties are thoroughly informed.✓
- Appoint / Appoint a manager who will ensure that the equal employment plan✓ is implemented / monitored regularly.✓
- Report to the Department of Labor on the progress✓ with the implementation of the equality plan.✓
- Perform medical / psychometric tests✓ in a fair way on workers / when deemed necessary.✓
- Ensure that the workplace reflects the demographics✓ of the country at all levels.✓
- Restructure / Analyze current employment policies / practices / procedures✓ to accommodate previously disadvantaged groups✓
- Any other relevant answer related to other implications of the WGI on the human resource function.

PLEASE NOTE: **No marks must be awarded for answers quoted in QUESTION 4.6.1.**

**Max (4)**

**4.7. Benefits of a good quality management system**

- Efficient customer service can be rendered✓, leading to increased customer satisfaction.✓
- Time and resources✓ are used efficiently.✓
- Increases productivity due to proper time management✓ / use of high quality resources.✓
- Products / Services are continuously improved✓, which leads to greater customer satisfaction.✓
- Vision and mission / Enterprise goals✓ can be achieved.✓
- A business has a competitive advantage✓ over its competitors.✓
- Continuous training will continuously improve the quality of employees' skills / knowledge✓
- Employers and employees will have a healthy working relationship✓ which results in happy / productive workers.✓
- Larger market share / more customers✓ improved profitability.✓
- Improve the business image ^ because there are fewer faulty products / returns.✓
- Any other relevant answer related to the benefits of a good quality management system.

**Max (4)**

**4.8 Impact of continuous skills development / education and training as a TGB element****Positives / Benefits**

- Large businesses have a human resources department✓ dedicated to skills training and development.✓
- Human resource experts ensure that training programs are aimed at increasing customer satisfaction.
- Ability to afford specialized / skilled employees✓
- Large businesses conduct skills audits to determine the skill / education levels of staff✓ that can positively influence the quality of products.✓
- Is able to hire qualified trainers ✓ to train employees on a regular basis.✓
- Any other relevant answer related to the positive impact / benefits of continuous skills development / teaching and training as a TGB element on large businesses.

**EN / OF****Negatives / Disadvantages**

- Poor communication system in large businesses✓ can prevent effective training from taking place.✓
- Trained employees may leave the company for better jobs✓ after acquiring more skills.✓
- Employees become demotivated ✓ if they do not receive recognition for training.✓
- Employees who specialize in narrowly defined positions✓ can become frustrated / demotivated.✓
- Employees may not be aware of the skill level they must have✓ to reach their targets.✓
- It can be difficult to monitor / evaluate the effectiveness of the training✓✓
- Any other relevant answer related to the negative impact / disadvantages of continuous skills development / teaching and training as a TGB element on large businesses.

**Max (6)**  
**[40]****OUTSETTING OF POINTS**

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

**TOTAL SECTION B: 80**

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

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

**Any (2 x 1) (2)****5.2 Strategic management process****OPTION 1**

- There must be a clear vision / mission statement / measurable / realistic goal in place. ✓✓
- Identify opportunities / weaknesses / strengths / threats by doing an environmental / situation analysis.✓✓
- Instruments available for environmental analysis may include an SSGB analysis / Porter's Five Forces model / PESTWO analysis / industrial analysis tool.✓✓
- Formulate alternative strategies to respond to the challenges.✓✓
- Develop (an) action plan (s) that must include the tasks to be performed / deadlines to be met / resources to be obtained✓✓.
- Implement selected strategies by passing them on to all stakeholders / organizing business resources / motivating staff.✓✓
- Continuous evaluation / monitoring / measurement of strategies to take affirmative action.✓✓
- Any other relevant answer related to the process of strategic management.

**OR****OPTION 2**

- Review / Analyze / Retest their vision / mission statement.✓✓
- Perform an environmental analysis using models such as SSGB / PESTWO / Porter's Five Forces. ✓✓
- Formulate a strategy, such as a defensive / retrenchment strategy.✓✓
- Implement a strategy, use a template as an action plan.✓✓
- Control / Evaluate / Monitor the implemented strategy to identify gaps / deviations in the implementation.✓✓
- Take corrective steps to ensure that goals / objectives are achieved.✓✓
- Any other relevant answer related to the process of strategic management.

**Max. (12)**

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

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

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

**Horizontal diversification✓✓**

- The business adds new products or services that are not related to existing products✓ but that can be attractive to existing customers.✓
- Occurs when a business acquires or merges with a business that is at the same production stage✓, but that offers a different product.✓
- Any other relevant answer related to horizontal as a diversification strategy.

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

**Conglomerate Diversification✓✓**

- The business adds new products or services that are not related to existing products✓ that can attract new groups of customers.✓
- Conglomerate diversification means that a business grows into new products, services and markets. ✓
- Occurs when a business wants to increase its product range and target markets ✓
- Any other relevant answer related to conglomerate as a diversification strategy.

Strategy (2)  
Explanation (2)  
Submax. (4)  
**Max. (12)**

**NOTE: Check only the first THREE (3)****5.4 Challenges posed by the PESTWO factors****5.4.1 Economic**

- High inflation / Interest rate can reduce the market share of businesses✓ if customers can not afford high prices✓ / Increase in tax ✓ will lead to less customer spending.✓
- Loans can be expensive✓ due to high interest rates. ✓
- Fluctuations in foreign currencies✓ may restrict imports. ✓
- Any other relevant answer related to how the economic factor as a PESTWO element poses challenges for businesses. Submax. (4)

**5.4.2 Social**

- Customers may not be able to afford products✓ due to low income levels / high unemployment. ✓
- Businesses may not be familiar with the language of their customers. ✓
- Some businesses' sales may decrease✓ because customers prefer to spend their money on medical bills / expenses. ✓
- High crime rate can affect trading hours of businesses✓ leading to a declining profit. ✓
- Any other relevant answer related to how the social factor as a PESTWO element poses challenges for businesses.

Submax (4)

**5.4.3 Technologies**

- Businesses may not keep up / are not aware of✓ the latest technology.✓
- Employees may not have the skills✓ to operate / maintain new technology / equipment.✓
- Businesses may not be able to afford new technology✓✓
- May not be able to afford / handle online transactions / e-commerce✓
- Any other relevant answer related to how the technological factor as a PESTWO element poses challenges for businesses.

Submax. (4)

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

- Borrow money from financial institutions when interest rates are favorable.✓✓
- Businesses should consider lowering their profit margins rather than increasing the cost of their products.✓✓
- Consider exchange rates when trading with other countries.✓✓
- Negotiate favorable interest rates with creditors.✓✓
- Negotiate payment terms with suppliers.✓✓
- Sell / Dispose of assets that are no longer profitable.✓✓
- Any other relevant answer related to the ways in which businesses can address the challenges of the economic factor as a PESTWO element.

Submax. (4)

**Social**

- Sell substitute products at lower prices due to low levels of income distribution / Employ people from the local community.✓✓
- Learn local languages / Appoint employees who can speak the local language well.✓✓
- Businesses need to be very well informed about the demand / trends of their customers.✓✓
- Any other relevant answer related to the ways in which businesses can address the challenges of the social factor as a PESTWO element.

Submax. (4)

**Technologies**

- Ongoing research on the latest available technology / equipment on the market.✓✓
- Businesses need to train existing employees / hire new employees to use / maintain new equipment. ✓✓
- Compare prices / Choose suitable suppliers for new equipment at reasonable prices.✓✓
- Businesses need to be ready for online trading / e-commerce.✓✓
- Any other relevant answer related to the ways in which businesses can address the challenges of the technological factor as a PESTWO element.

Submax. (4)

**LET  
WELL:****Allocate marks for recommendations that are linked to the challenges in QUESTION 5.4.****Allocate marks for RELEVANT recommendations that are not linked to the challenges.****Max. (12)**

**5.6 Deduction**

- All levels of management must be involved in the strategic management process to ensure successful implementation of business strategies.✓✓
- The diversification strategies can help businesses increase sales and market share of the organization.✓✓
- 'An in-depth analysis of the challenges posed by economic and social factors can enable businesses to stay ahead of their competitors.✓✓
- Businesses need to know how to use the latest technological developments to meet the needs of the current customer.✓✓
- The effective implementation of the PESTWO factors ensures that businesses find ways to address the challenges posed by the external environment.✓✓
- Any other relevant conclusion related to the strategic management process / types of diversification strategies / challenges for economic / social / technological PESTWO factors / ways in which businesses can deal with these challenges.

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

**EXPLANATION OF MARKS**

<b>DETAILS</b>	<b>MAXIMUM</b>	<b>TOTAL</b>
Introduction	<b>2</b>	<b>Max. 32</b>
Strategic management process	<b>12</b>	
Types of diversification strategies	<b>12</b>	
Challenges presented by the PESTWO factors <ul style="list-style-type: none"> <li>o Economic</li> <li>o Social</li> <li>o Technological</li> </ul>	<b>10</b>	
Ways in which businesses can handle the challenges of the PESTWO factors	<b>12</b>	
Deduction	<b>2</b>	
INSIGHT		
Layout	<b>2</b>	<b>8</b>
Analysis, interpretation	<b>2</b>	
Synthesis	<b>2</b>	
Originality / Examples	<b>2</b>	
<b>TOTAL POINTS</b>		<b>40</b>

SASO - for each component:

Give 2 marks if all the requirements have been met. Give 1 mark if some requirements have been met. Give 0 marks where requirements have not been met at all.

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

The correct recruitment procedure enables businesses to conduct a proper job analysis that will be used to identify suitable candidates for the vacancy. ✓

- The external recruitment method enables businesses to grow because they can recruit locally and abroad. ✓
- A proper induction process enables employers and new employees to have a common understanding of the expected outputs and performance. ✓
- A legal employment contract eliminates misinterpretation regarding the terms and conditions of employment. ✓
- Any other relevant introduction related to the recruitment procedure / impact of external recruitment / benefits of induction / legal requirements of the employment contract.

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

- The human resource manager must evaluate the job / prepare the job analysis that includes the job specification / job description / in order to identify the recruitment needs. ✓✓

The human resource manager (HRM) must prepare the job description in order to determine the responsibilities / key performance areas that are related to the nature of the job. ✓✓

- The human resource manager must indicate the job specification / description / key performance areas to attract suitable candidates. ✓✓
- Choose the recruitment method, such as internal / external, to target / reach the suitable applicants / candidates. ✓✓

Vacancies can be advertised internally via internal email / verbal / staff announcements. ✓✓

- If internal recruitment is unsuccessful, external recruitment must be considered. ✓✓
- If external recruitment is selected, relevant recruitment sources such as recruitment agencies / tertiary institutions / newspapers must be approached. ✓✓
- An Advertisement must be prepared with the relevant information such as the name of the company / contact details / contact person, ✓✓.
- Place the ad in the appropriate media that will ensure that the best candidate will apply. ✓✓
- Any other relevant answer related to the recruitment procedure.

**Max. (10)****6.3 Impact of external recruitment****Positive / Benefits**

- New candidates bring new talents / ideas / experience / skills ✓ to the business. ✓
- There is a larger pool ✓ candidates from which to choose. ✓
- It can help the business comply with affirmative action ✓ and BBBEE targets. ✓
- Reduce unhappiness / conflict among current employees ✓ who applied for the position. ✓
- There is a better chance of finding a suitable candidate with the necessary skills / qualifications / abilities ✓ who does not need much training / development which reduces costs. ✓
- Any other relevant answer related to the positive impact / benefits of external recruitment on businesses.

**EN / OF**



**Negatives / Disadvantages**

- Information on CVs / from referees ✓ may not be reliable.✓
- Many unsuitable applications ✓ can slow down the selection process.✓
- New candidates usually take longer to adapt✓ to a new work environment.✓
- External sources can be expensive✓, e.g. recruitment agencies' fees / advertisements in newspapers and magazines.✓
- The selection process may not be effective✓ because 'n incompetent candidate can be selected.✓
- Recruitment process takes longer✓ as 'n background must be investigated.✓
- In-service training may be required✓ which reduces productivity during training. ✓
- External recruitment may limit promotion / growth opportunities✓ which can lead to resentment among employees.✓
- Any other relevant answer related to the negative impact / disadvantages of external recruitment on businesses.

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

- Let new employees adapt quickly✓ and work efficiently.✓
- Ensure that new employees understand rules / restrictions✓ in the business.✓
- New employees can build relationships with co-workers✓ leading to good teamwork.✓
- Make new employees feel comfortable / welcome in the workplace✓, which reduces anxiety / uncertainty / fear.✓
- The results obtained during the induction process✓ create a basis for focused training.✓
- Increase quality of performance / productivity✓ that promotes the efficient use of working methods / resources. ✓
- Reduce the need for further training✓ and development.✓
- Employees will be familiar with organizational structure✓; the different departments with their supervisors and low-level managers.✓
- Opportunities are created for new employees✓ so that they can experience / explore different departments.✓
- New employees will understand their roles / responsibilities✓ with regard to safety regulations and rules.✓
- New employees will know the layout of the building / factory / offices / where everything is ✓, which saves production time.✓
- Learn more about the business so that new employees understand their roles / responsibilities✓ in order to be more efficient.✓
- Company policies on conduct / procedures / safety and security / employment contract / terms of employment / working hours / leave✓ are communicated.✓
- Realistic expectations for new employees✓ as well as for the business are created.✓
- New employees feel part of the team✓ which leads to positive morale and motivation.✓
- Employees have a better understanding of business policy✓ on ethical / professional conduct / procedures / CSR. ✓
- Reduce staff turnover ✓ because employees are properly oriented. ✓
- Any other relevant answer related to the benefits of induction for businesses.

**Max. (12)**

**6.5 Legal requirements of the employment contract**

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

**Max. (10)****6.6 Deduction**

- Businesses must be thoroughly familiar with the recruitment procedure to cover expenses for the use of the services of recruitment agencies restrict. √√
- Businesses need to analyze the negative impact of external recruitment and thus turn it into new business opportunities / growth. √√
- Properly-oriented new employees are more likely to provide valuable input for the business's recovery strategies.√√
- A legal employment contract must comply with the Basic Conditions of Employment Act. √√
- Any other relevant conclusion related to the recruitment procedure / impact of external recruitment / benefits of induction / legal requirements of the employment contract.

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

**QUESTION 6: EXPLANATION OF MARKS**

<b>DETAILS</b>	<b>MAXIMUM</b>	<b>TOTAL</b>
Introduction	<b>2</b>	<b>Max. 32</b>
Recruitment Procedure	<b>10</b>	
Impact of external recruitment on businesses	<b>14</b>	
Benefits of induction for businesses	<b>12</b>	
Legal requirements of the employment contract	<b>10</b>	
Deduction	<b>2</b>	
<b>INSIGHT</b>		<b>8</b>
Layout	<b>2</b>	
Analysis / Interpretation	<b>2</b>	
Synthesis	<b>2</b>	
Originality / Examples	<b>2</b>	
<b>TOTAL POINTS</b>		<b>40</b>

SASO - for each component:

Give 2 marks if all the requirements have been met. Give 1 mark if some requirements have been met. Give 0 marks where requirements have not been met at all.

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