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Basic Education
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NATIONAL SENIOR CERTIFICATE

GRADE 12

BUSINESS STUDIES

FEBRUARY/MARCH 2014

MEMORANDUM

MARKS: 300

This memorandum consists of 32 pages.

NOTES TO MARKERS

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

Marker:	Red
Senior Marker:	Green
Deputy Chief and Chief Marker:	Black/Brown/Pink
Internal Moderator:	Orange

2. The numbering of assessment standards is in accordance with the principle of progression from Grades 10 to 12, e.g. the first assessment standard is 12.1.2.
3. Candidates' responses must be in full sentences for SECTIONS B and C. This would depend on the nature of the question.
4. A comprehensive memorandum has been provided but this is by no means exhaustive. Due consideration should be given to an answer that is correct but:
- Uses a different expression from that which appears in the memorandum
 - Comes from another source
 - Is correct and original
 - Relates to another applicable LO or AS

NOTE: There are no alternative answers for SECTION A.

5. Please take note of other relevant answers provided by candidates and allocate marks accordingly. (In cases where the answer is unclear or indicates some understanding, part-marks should be awarded, for example, one mark instead of the maximum of two marks.)
6. The word 'sub-max' is used to facilitate the allocation of marks within a question or sub-question.
7. 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 calculations.
8. In an indirect question, the theory as well as the response must be relevant and related to the question.

9. SECTION B

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

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

9.2 If two facts are written in one sentence, award the candidate FULL credit. Point 9.1 above still applies.

9.3 If candidates are required to provide their own examples/views, brainstorm this at the marking centre to finalise alternative answers.

9.4 **USE OF THE COGNITIVE VERB AND ALLOCATION OF MARKS**

9.4.1 All questions that require candidates to 'explain and discuss' a specified number of facts will be marked as follows:

- Heading 2 marks
- Explanation 1 mark or as indicated in the memorandum.

The 'heading' and 'explanation' are given separately to facilitate mark allocation.

9.4.2 If the number of facts is not specified, the candidate must be informed by the nature of the question and the maximum marks allocated.

9.5 With effect from October/November 2014, ONE mark will be awarded for answers that are easy to recall, require one word answers or are quoted directly from a scenario/case study. This applies to Sections B and C in particular.

10. **SECTION C**

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

Introduction	Maximum: 32
Content	
Conclusion	
Insight	8
TOTAL	40

10.2 Insight consists of the following components:

Layout/Structure: (Is there an introduction, body, proper paragraphs and a conclusion?)	2
Analysis and interpretation: (Learners' ability to break down the question to show understanding of what is being asked.)	2
Synthesis: (What parts to the question would you have included in the answer? Are there decisions made from a combination of relevant points?)	2
Originality: (Examples, recency of information, current trends and developments.)	2
TOTAL FOR INSIGHT:	8
TOTAL MARKS FOR FACTS:	32
TOTAL MARKS FOR ESSAY (8 + 32)	40

- NOTE:**
1. No marks will be awarded for contents repeated from the introduction and conclusion.
 2. The candidate forfeits marks for layout if the words **INTRODUCTION** and **CONCLUSION** are not stated.
 3. **Synthesis:** 0 = mostly irrelevant facts (not related to topic)
1 = some irrelevant facts
2 = no irrelevant facts

- 10.3 Indicate insight in the left-hand margin with a symbol e.g. ('L, A, S and/or O')
- 10.4 The components of insight are indicated at the end of the suggested answer for each question.
- 10.5 Mark all relevant facts until the **MAXIMUM** mark in a subsection has been attained. Write **MAX** after maximum marks have been obtained.
- 10.6 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

NOTE: The mark allocation for insight may vary for each essay.

- 10.7 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.)
- 10.8 If the candidate identifies/interprets the question **INCORRECTLY**, then he/she may still obtain marks for layout.
- 10.9 If a different approach is used by candidates, ensure that the answers are assessed according to the mark allocation/subheadings as indicated in the memorandum.
11. Take particular note of the repetition of facts. Indicate with a R.
12. Subtotals to questions must be written in the right-hand margin. Circle the subtotals as indicated by the allocation of marks. This must be guided by 'max' in memo. Only the total for each question should appear in the left-hand margin next to the appropriate question number.

13. Award TWO marks for complete sentences. Award ONE mark for phrases, incomplete sentences and vague answers.
14. Please note that with effect from 2012 (final examination) no marks will be awarded for indicating Yes (✓✓)/No (✓✓) in evaluation type questions requiring substantiation or motivation. (Applicable for Section B and C.)
15. With effect from November 2013, no marks will be allocated if the headings 'Introduction, Conclusion,' etc. in 'Layout' as part of 'Insight' is not supported by an explanation.

SECTION B**QUESTION 2**

2.1

2.1.1 LO1 AS4 Acronym of SETA

- Sector Education and Training Authority.√√ (1 x 2) (2)

2.1.2 LO1 AS4 Roles/Functions of SETA

- Manage the learnership and training√√ in each SETA/sector.√
- Ensure that the skill requirements of different sectors are identified√√ to establish training needs.√
- Ensure that training is of appropriate quality√√ to improve employability.√
- Responsible for skills programmes to improve skills of current workers√√ to increase productivity.√
- Assist unemployed people to enter the job market√√ by providing skills programmes.√
- Provide accreditation to facilitators and service providers√√ who meet the training requirements.√
- Collect funds for various sectors √√ for implementing skills development programmes.√
- Distribute funds to various SETAs√√ for the successful implementation of the Skills Development Act.√
- Implement learnerships and skills programmes/replaces the tradition of apprenticeships√√ to gain practical experience.√
- Develop a sector skills plan√√ to determine the training needs of each sector.√
- Report to the Director General√√ on all matters concerning the administration and progress of learnerships.√
- Support the development of training material√√ that is relevant to the needs of different sectors√
- Register learnership agreements√√ so that workers may receive a qualification that is recognised by the industry.√
- Any other relevant answer related to the roles/functions of SETA's.

NOTE: Mark first THREE (3) only.

(Any 3 x 3) (9)

(Max) (8)

2.1.3 LO1 AS4 Examples of SETAs

- AgriSETA/Agriculture Sector Education and Training Authority.√√
- BankSETA/Banking Sector Education and Training Authority.√√
- CATHSSETA/Culture, Arts, Tourism, Hospitality and Sports Sector Education and Training Authority.√√
- CETA/Construction Education and Training Authority.√√
- CHIETA/Chemical Industries Education and Training Authority.√√
- EWSETA/Energy and Water Sector Education and Training Authority.√√
- ETDP SETA/Education, Training and Development Practices Sector Education and Training Authority.√√
- FASSET SETA/Financial and Accounting Services Sector Education and Training Authority.√√
- FP&MSETA/Fibre Processing & Manufacturing Sector Education and Training Authority.√√

- FOODBEV SETA/Food and Beverages Manufacturing Industry Sector Education and Training Authority.√√
- HWSETA/Health and Welfare Sector Education and Training Authority.√√
- INSETA/Insurance Sector Education and Training Authority.√√
- LGSETA/Local Government Sector Education and Training Authority.√√
- MERSETA/Manufacturing Engineering and Related Services Sector Education and Training Authority.√√
- MICT SETA/Media, Information and Communication Technologies Sector Education and Training Authority.√√
- MQA SETA/Mining Qualification Authority.√√
- PSETA/Public Services Sector Education and Training Authority.√√
- SASSETA/Safety and Security Sector Education and Training Authority.√√
- SERVICES SETA/Services Sector Education and Training Authority.√√
- TETA SETA/Transport Education and Training Authority.√√
- W&RSETA/Wholesale and Retail Sector Education and Training Authority.√√
- Any other legislated example of SETAs.

NOTE: Mark first TWO (2) only.

(Any 2 x 2) (4)

2.2 LO2 AS5 Steps in formulating

- Determine a vision or mission and/or adapt the existing ones.√√
- Identify threats and weaknesses/challenges in order to formulate the business strategy.√√
- Determine the strong points as well as the opportunities of the business.√√
- Set long and short term goals that will enable the enterprise to achieve its mission and vision.√√
- Develop different strategies to address all challenges in the business environment.√√
- Choose the best strategy that will suit the specific challenge/threat.√√
- Implement the strategies.√√
- Monitor/Evaluate the strategies.√√
- Any other relevant answer related to the steps in formulating business strategies.

(Max) (8)

2.3 LO1 AS5 Business Sector

2.3.1 Tertiary sector.√√

(1 x 2) (2)

2.3.2 LO1 AS5

CHALLENGE	ENVIRONMENT	EXTENT OF CONTROL
- Unhappy employees.√√ - Employees not paid for operating the night drives.√√ (2)	Micro√√ (2)	- Full control√√ - Big Five Tourist Farm can follow the terms and conditions of the Basic Conditions of Employment Act regarding overtime payment.√√ (2)
- Sleepwell Ltd (Furniture wholesaler) does not have enough stock/Availability of stock.√√ (2)	Market√√ (2)	- Limited control √√ - Big Five Tourist Farm may choose the supplier they wish to buy from.√√ (2)

Sub max for challenge (4)

Sub max for environment (4)

Sub max for extent of control (4)

(Max) (12)

2.4 LO2 AS7

Purpose of Road Accident Fund (RAF)

- Provide cover for drivers of motor vehicles√ against claims by persons injured in accidents in which the driver of the motor vehicle is at fault.√
- It provides compensation for persons injured√ in a motor vehicle accident.√
- It provides compensation for the dependants√ of a person killed in an accident.√
- Only losses suffered due to bodily injuries√ or the death of a person will be compensated.√
- Damages/loss of property√ will not be compensated.√
- After August 2008, a maximum of R160 000 per year√ may be claimed as loss of income by drivers and passengers.√
- Persons injured in accidents may use private health care√, but the RAF will only pay out public health care rates√ /the difference√ can be claimed from their personal medical aid funds.√
- Any other relevant answer related to the purpose of the Road Accident Fund (RAF).

Sub max (6)

Funding of the Road Accident Fund (RAF)

- The Road Accident Fund is funded by a levy √ on fuel (diesel and petrol).√
- These funds are deposited into the Motor Vehicle Accident Fund (MVAF)√ and claims are paid out of this fund.√
- Any other relevant answer related to the funding of the Road Accident Fund (RAF).

Sub max (4)

(Max) (10)

2.5

2.5.1 **LO2 AS8 Form of ownership**

Partnership.√√

(1 x 2) (2)

2.5.2 **LO2 AS8 Tender for government contracts****POSITIVE**

- The business is not too big and James and Son could give personal attention to supplying computers to the government.√√
- Both partners are managers and may contribute different managerial skills.√√
- Vacancies can create jobs for previously disadvantaged workers which will favour their tender application.√√
- Any other relevant answer in favour of James and Son tendering for government contracts.

NEGATIVE

- Partnership does not have legal status/no continuity, so the government will be reluctant to do business with James and Son.√√
- It will be difficult for James and Son to compete with larger companies in the tender process.√√
- James and Son may have low BBBEE scoring as they do not have previously disadvantaged individuals in management/ownership.√√
- Any other relevant answer related as to why James and Son may not be successful in tendering for government contracts. (Any 2 x 2) (4)

2.6 **LO1 AS3 Effects of crime**

- Clients will avoid businesses that are situated in high-crime areas.√ This has a negative influence on the sales/rate of turnover of businesses.√
- Businesses must increase their expenses√ to take precautionary measures like taking out insurance, installing alarm systems, employing security guards, etc.√
- Extra expenses decrease the profit√, which may result in the closing down of the business/retrenchment.√
- Injuries and death of skilled workers as a result of crime√ has a financial burden on business.√
- Shoplifting contributes to a decrease in profit√ as extra measures must be put in place to address this.√
- Foreign investors may not invest/ may disinvest in South African businesses√, because of the high crime rate.√
- Any other relevant answer related to the effect of crime on South African businesses.

(Max) (8)

[60]

BREAKDOWN OF MARKS

QUESTION 2	MARKS
2.1.1	2
2.1.2	8
2.1.3	4
2.2	8
2.3.1	2
2.3.2	12
2.4	10
2.5.1	2
2.5.2	4
2.6	8
TOTAL	60

QUESTION 3**3.1 LO2 AS6 Factors when preparing for a presentation**

- Decide on the purpose of the presentation√ and list the objectives.√
- Establish the main points that you are going to use√ to have a logical structure.√
- Consider the background of the audience√ and use appropriate methods to address them.√
- Visit the venue for the presentation,√ e.g. to determine what equipment is available.√
- Consider the time frame for the presentation√ so that all important points are covered.√
- Plan the format of the presentation√ e.g. verbal/non-verbal, explanation, discussion.√
- Prepare for the feedback session√ e.g. possible questions from the delegates/audience.√
- Prepare graphics√ such as tables/diagrams/graphs.√
- Rehearse√ so that you are confident.√
- Make sure that information is relevant and accurate√ in order for it to be useful to the delegates/audience.√
- Make sure you are fully conversant with the content√ and the objectives of the presentation.√
- Any other relevant answer related to preparation of the presentation.

(Max) (10)

3.2 LO3 AS6 Functions of workplace forum

- Makes provision for democracy in the workplace,√√ by providing for employee participation in decision making.√
- Protects employees against discrimination in the workplace√√ by ensuring equal treatment of all its employees.√
- Protects the fundamental human rights of the workers in the workplace√√ by acting as a watchdog for workers' human rights.√
- Promotes efficiency and productivity in the workplace√√ by resolving disputes/disagreements.√
- Must be consulted by the employer√√ when decisions are taken regarding issues such as restructuring at the workplace.√

- Promotes the interest of the employees√√ by negotiating with management on matters affecting employees.√
- Prevents conflict√√ by effectively handling grievances.√
- Protects the employees against unfair dismissals√√ by representing employees during hearings.√
- Be actively involved in collective bargaining√√ on issues such as conditions of employment/remuneration.√
- Looks after the welfare of the employees√√by ensuring a safe working environment.√
- Consults with employees and employers√√ on all workplace related issues before implementing new policies.√
- Any other relevant answer related to the functions of a workplace forum.

NOTE: Mark first THREE (3) only. (Any 3 x 3) (9)

(Max) (8)

3.3 LO2 AS7

ASPECT	UNIT TRUST	FIXED DEPOSIT
Risk	- Low/medium risk√√, - The portfolio is managed by experts.√√ (2)	- Low risk√√ - The principle amount, interest rate and period are generally fixed.√√ (2)
Period of investment	- Medium to long term√√ - Units may be sold at any time√√ (2)	- Short, medium or long term.√√ - Period can vary from 8 days to a number of years.√√ - It is determined when a deposit is made and may not be changed after that, unless it is cancelled before the term expires.√√ (2)
Return on investment (ROI)	- Can be dividends, interest, or a combination of both.√√ - Depends on the form of investment in which the fund has invested.√√ - Depends on market conditions.√√ (2)	- Interest only√√ - Interest can be capitalised (re-invested) over the period of the investment√√ - Compound interest could be used to earn higher returns.√√ (2)

Sub max for unit trust (6)

Sub max for fixed deposit (6)

(Max) (12)

3.4

3.4.1 **LO3 AS6 Causes of conflict**

- Mr Peters/The human resources manager seldom meets with his employees to give feedback.√√
- Mr Peters/The human resources manager does not listen to his employees' inputs/ autocratic leader.√√
- Favouritism resulted in Mr Peters/the human resource manager promoting the assistant manager/Tom without the necessary skills and experience.√√
- The assistant manager/Tom allocated computers to three of the employees only, because they supported him with his appointment.√√
- The lack of resources/There is not enough money to provide new equipment for everybody.√√
- Any other relevant cause of conflict from the scenario. (3 x 2) (6)

3.4.2 **LO3 AS6 Resolving conflict**

- Mr Peters/The human resources manager must have regular meetings/ meetings at fixed times to give feedback.√√
- Mr Peters/ The human resources manager must consider the employees' inputs before making important decisions/change to a more democratic leadership style. √√
- Mr Peters/The human resources manager should promote workers with the relevant skills and experience/Mr Peters should use a transparent recruitment and selection process for promotion purposes.√√
- Tom should allocate resources on a fair/transparent basis, e.g. only where or when the need arises for new equipment. √√
- Managers must draw up budgets to manage/control finances.√√
- Any other relevant answer related to how the conflict at JFK Ltd can be resolved. (Max) (8)

3.5 **LO3 AS3**

3.5.1 Unethical√√

3.5.2 Unprofessional√√

3.5.3 Unprofessional√√

3.5.4 Unethical√√

(4 x 2) (8)

3.6 **LO2 AS5 Inclusivity**

Positives:

- Businesses will appoint/promote qualified workers regardless of their age/gender/culture/race/disability.√√
- Businesses may benefit from a diverse management team, because of their different perspectives.√√
- A diverse workforce has a variety of ideas and solutions that can solve problems more efficiently.√√
- Ideas/Experiences/Skills of a diverse workforce may result in a larger variety of products and services being produced.√√
- Management that embrace/encourage diversity in the workplace may inspire/motivate employees resulting in higher profitability and sustainability. √√
- Businesses that have a diverse workforce may attract more customers resulting in higher sales and profitability.√√
- Leads to creativity and makes a business more globally competitive.√√
- Improves the image/reputation of the business and this will attract local and foreign investments.√√

Negatives:

- A diverse work force may increase conflict, because of different attitudes towards work ethics.√√
- It is expensive to implement inclusivity, as special provisions must be made, e.g. wheelchair ramps/translating business documents into more languages.√√
- It may be time consuming to coach/mentor/train the previously disadvantaged individuals.√√
- Any other relevant answer related to how inclusivity benefits businesses.

(Max) (8)

[60]**BREAKDOWN OF MARKS**

QUESTION 3	MARKS
3.1	10
3.2	8
3.3	12
3.4.1	6
3.4.2	8
3.5	8
3.6	8
TOTAL	60

QUESTION 4**4.1 LO1 AS4 Pillars of BBBEE**

OPTION 1

- Management.√√
- Ownership.√√
- Skills development.√√
- Employment equity.√√
- Preferential procurement/Suppliers.√√
- Enterprise development.√√
- Corporate Social Investment (CSI)/Social responsibility.√√ (Any 2 x 2) (4)

OPTION 2

Alternative classification of BBBEE pillars:

- Direct empowerment √√
- Human resources development√√
- Indirect empowerment√√

OPTION 3:

New amended BBBEE elements:

- Ownership
- Management control
- Skills development
- *Enterprise and *supplier development
- Socio-economic development

- NOTE: 1. Mark first TWO pillars only.
2. * Denotes two separate pillars.

4.2 LO3 AS8 Characteristics of a successful team

- Members have a common desire√ to achieve goals.√
- Members support each other√ e.g. verbal encouragement/listening to the concerns of others.√
- Members show mutual respect and trust√ by not undermining each other.√
- Team has clear tasks√ and deadlines.√
- Has clearly defined realistic√ and achievable goals.√
- Members are committed to the team√ even if their personal goals are sacrificed.√
- Each member knows his/her role(s) and responsibilities√ and stays focussed.√
- Members make decisions together√ and work hard towards implementing their decisions.√
- Open communication lines√ between members on a regular basis.√
- Have necessary skills√ and respect each other's skills.√
- Members share success of the team√ and are willing to sacrifice personal recognition.√
- Any other relevant answer related to the characteristics of successful teams.

NOTE: Mark first FIVE (5) only.

(Any 5 x 2) (10)

4.3 LO4 AS4 Labour law**4.3.1 Basic Conditions of Employment Act, 1998 (Act 55 of 1998)√√ / Basic Conditions of Employment Act√√ / Act 55 of 1998√√****NOTE: BCEA.√**

(1 x 2) (2)

4.3.2 LO4 AS4 Days of sick leave

- 36 days paid sick leave in a period of 3 years (36 months).√√
- 12 days paid sick leave per year (in a cycle of 3 years).√√

(Max) (4)

4.3.3 LO4 AS4 Advice on dismissal

- Mr Snell was supposed to ask Mr Themba to present a medical certificate for the days that he was absent from work.√√
- If Mr Themba did not present the medical certificate, Mr Snell should have followed proper disciplinary procedure, e.g. first, second and final warnings.√√
- Mr Themba is entitled to sick leave with evidence, e.g. a medical certificate.√√
- Mr Themba cannot be charged for insubordination if he presented a medical certificate.√√
- Mr Themba must lodge a formal dispute.√√
- If the outcome of the formal dispute is not successful, Mr Themba can refer the matter to the CCMA.√√
- If the matter is still not resolved, Mr Themba can refer it to the Labour Appeal Court.√√
- Any other relevant advice relating to the settling of Mr Themba's dismissal.

(Max) (8)

4.4 **LO4 AS3**

INTERNAL RECRUITMENT	EXTERNAL RECRUITMENT
<p>Definition:</p> <ul style="list-style-type: none"> - Staff recruited from within the business/Offers the job to existing employees.√√ - Any other relevant definition related to internal recruitment. <p style="text-align: right;">Sub max (2)</p>	<p>Definition:</p> <ul style="list-style-type: none"> - A suitable employee is recruited from outside the business/Advertise the position in an external source.√√ - Any other relevant definition related to external recruitment. <p style="text-align: right;">Sub max (2)</p>
<p>Examples:</p> <ul style="list-style-type: none"> - Notice board: Vacancies within the organisation are put on notice boards.√√ - Inside contracting: When the business has a short term need it can use existing employees to do the job.√√ - Supervisor's recommendations: Supervisors know their employees and can nominate them for a specific job.√√ - Any other example related to internal recruitment. <p style="text-align: right;">Sub max (2)</p>	<p>Examples:</p> <ul style="list-style-type: none"> - Employment agencies: The business instructs a recruitment agency to find suitable candidates. - The current trend is to outsource recruitment.√√ - Walk-ins: Prospective employees apply directly at the enterprise in the hope that a vacancy exists.√√ - Referrals: Present employees refer candidates from outside the business/Head-hunting: Top professionals are approached with offers/Educational institutions: Schools, colleges, technikons and universities provide opportunities to recruit potential candidates.√√ - Any other example related to external recruitment. <p style="text-align: right;">Sub max (2)</p>

NOTE: The example must illustrate the difference.

Sub Max for internal recruitment (2 + 2) (4)

Sub Max for external recruitment (2 + 2) (4)

(Max) (8)

4.5 **LO4 AS6 General management function and quality of performance**

- Proper planning√√ by setting goals and objectives for the business.√
- Effective organising√√ by ensuring that all departments have the necessary resources.√
- Leads the business organisation√√ by demonstrating effective leadership.√
- Controls all processes in a business√√ by detecting deviations and taking corrective measures.√
- Communicates the vision/mission of a business to all the employees√√ so that everyone can focus on achieving the objectives of the business.√
- Takes disciplinary action against employees if the need arises√√ by following proper disciplinary procedures.√
- Involves employees in decision making processes√√ by ensuring their commitment in working towards the goals of the business.√

- Motivates all employees√√ by acknowledging good performance/fair remuneration.√
- Delegates tasks to competent employees√√ but remaining accountable for outcomes.√
- Any other relevant answer related to how general management can influence the quality of performance.

NOTE: Mark first THREE (3) only.

(Any 3 x 3) (9)

(Max) (8)

4.6 LO4 AS4 Key attributes to be included in questions for interview

- Excellence in organisational skills.√√
- Experience with project management.√√
- Knowledge of the industry.√√
- Ability to solve complex problems.√√
- Ability to work in a team.√√
- Compassion for fellow human beings.√√
- In-depth knowledge of a particular topic.√√
- Ability to persuade subordinates to co-operate.√√
- Ability to apply creative thinking.√√
- Any other relevant key contribute that must be included in possible questions for a managerial position.

NOTE: Mark first THREE (3) only.

(Any 3 x 2) (6)

4.7 LO3 AS10 Strategies for improving performance

- Developing the skills of the employees.√√
- Paying fair salaries/wages.√√
- Implementing team building exercises.√√
- Conducting performance appraisal.√√
- Coaching and mentoring of employees.√√
- Motivating employees.√√
- Providing incentives.√√
- Any other relevant strategy to improve performance of the work force.

NOTE: Mark first FIVE (5) only.

(Any 5 x 2) (10)

[60]

BREAKDOWN OF MARKS

QUESTION 4	MARKS
4.1	4
4.2	10
4.3.1	2
4.3.2	4
4.3.3	8
4.4	8
4.5	8
4.6	6
4.7	10
TOTAL	60

TOTAL SECTION B: 180

SECTION C**QUESTION 5 (LO1 AS4)****5.1 Introduction**

- Many consumers overspend when buying on credit.√
- The National Credit Act was put in place to improve the debt of both businesses and consumers.√
- The Act ensures that credit is used in a way that adds value to customers' lives.√
- If consumers/customers are not using credit carefully, they may become over-indebted.√
- Any relevant introduction related to the National Credit Act. (Any 3 x 1) (3)

5.2 Analysis of statement

- Government controls credit to prevent businesses from closing down prematurely and to protect customers from spending unnecessarily.√
- Economic stability and growth is maintained when government encourages businesses and consumers to be prudent when buying on credit.√
- Businesses that have financial stability may attract local and foreign investment in South Africa.√
- Any other relevant analysis of the statement related to the National Credit Act. (Any 1 x 2) (2)

**NOTE: 1. Take particular note of the repetition of facts in the analysis.
2. Allocate a maximum of 5 marks when the analysis of the statement is included in the introduction.**

5.3 Purpose of the National Credit Act

- Protects the consumer against unfair credit agreements,√ e.g. charging interest rates well above the maximum stipulated by law.√
- Introduces a single functional system of regulations√ that will apply to all credit activities.√
- Ensures that all credit providers and credit consumers√ are treated equally.√
- Encourages responsible√ borrowing.√
- Justifies rights and responsibilities√ for consumers and credit providers.√
- Discourages careless granting of credit by service providers√ to unsuspecting consumers.√
- Regulates the interest rate to be charged by service providers√ to consumers.√
- Makes provision for the establishment√ of the National Credit Regulator (NCR).√
- Makes provision for the establishment√ of a credit register (database).√
- Any other relevant answer related to the aims/purpose of the Act (NCA). (Max) (10)

5.4 Impact of NCA on business/service providers**Advantages (Positives)**

- Encourages more prudent buying from suppliers.√√
- The whole credit process is transparent.√√
- Lower bad debts as credit is granted after proper credit checking.√√
- Better cash flow, because there is control over debtors.√√
- Increases cash sales as more customers tend to buy for cash.√√
- Gains goodwill and loyalty from the consumers.√√
- Any other relevant answer related to the advantages/positives of the National Credit Act to business/services providers.

Disadvantages (Negatives)

- Decrease in credit sales due to customer loss/economic decline (downturn).√√
- May not easily be granted overdraft/credit facilities.√√
- Creditors may not pester customers to agree to a credit agreement telephonically or through visits at home.√√
- More working capital is needed due to higher administrative costs.√√
- Businesses profit could decline, because they can no longer depend on customers who had easy access to credit.√√
- Misinterpretation of the Act may lead to huge losses, e.g. increased bad debts.√√
- Failure to abide by all the provisions of the Act might result in a lawsuit, e.g. granting credit to a customer whose name is under review.√√
- Paperwork and administrative processes are costly and time consuming.√√
- Any other relevant answer related to disadvantages/negatives of the NCA to businesses/service providers.

NOTE: 1. Allocate marks for advantages (positives) and/or disadvantages (negatives).

2. No sub max.

(Max) (10)

5.5 Impact of NCA on customers/clients**Advantages (Positives)**

- Protects customers against unfair credit practices.√√
- Ensures that customers have a better understanding of credit agreements.√√
- Protects customers from receiving credit that they are not able to repay.√√
- Supports customers who do not understand the risk of becoming over-indebted.√√
- Protects customers by restricting trading hours for direct sales.√√
- Provides for debt counselling to help customers restructure their debts.√√
- Any other relevant answer related to the advantages/positives of NCA to customers.

Disadvantages (Negatives)

- Customers who are blacklisted cannot access credit.√√
- May lead to a drop in the standard of living, because credit is refused.√√
- Over-indebted customers may have to pay extra for the services of debt counsellors.√√
- Over-indebted customers may be exploited by micro lenders.√√
- Any other relevant answer related to the disadvantages/negatives of the NCA to customers.

NOTE: 1. Allocate marks for advantages (positives) and/or disadvantages (negatives).

2. No sub max.

(Max) (10)

5.6 Consumer rights in terms of the National Credit Act

The right to:

- Apply for credit√ and to be free from discrimination.√
- Obtain reasons√ for credit being refused.√
- Receive pre-agreement documentation√ before concluding any credit transaction.√
- Fair√ and responsible marketing. √
- Choose which goods they will buy√ and return such goods if they are not satisfied. √
- Receive Information√ in plain and understandable language.√
- Receive documents√ as required by the Act.√
- Access and challenge√ credit records and information.√
- Any other relevant answer related to consumer rights.

(Max) (8)

5.7 Conclusion

- Customers have the responsibility to take ownership of credit by honouring the payment.√√
- This Act allows and enables responsible lending and eliminates reckless borrowing.√√
- Any other relevant conclusion related to NCA.

(Any 1 x 2) (2)

- NOTE:**
1. A fact may be relevant in more than one sub-topic. e.g. purpose and advantages: award marks accordingly.
 2. Candidates should be awarded marks when examples demonstrate understanding.
 3. If another approach is used in answering this question, take into consideration the sub max's as indicated above.

BREAKDOWN OF MARK ALLOCATION

DETAILS	MAXIMUM	TOTAL
Introduction and Analysis	5	Max 32
Purpose of the National Credit Act	10	
Impact of the NCA on businesses	10	
Impact of the NCA on customers	10	
Consumers rights in terms of NCA	8	
Conclusion	2	
INSIGHT		
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.

[40]

QUESTION 6 (LO2 AS4)**6.1 Introduction**

- Joe is hardworking/uses all his energy to complete a job.√
- Only works for himself, so he is motivated to be successful.√
- Thorough knowledge of the operations of the business will lead to sustainability and profitability.√
- Good entrepreneurial characteristics and a well organised/managed business will be successful/sustainable/profitable.√
- Any other relevant introduction related to entrepreneurial characteristics/sustainability/profitability. (Any 3 x 1) (3)

6.2 Entrepreneurial characteristics/qualities

- Ability to make sound decisions√ depends on prior knowledge and experience.√
- Ability to think creatively/do things in a new way√ to solve problems.√
- Believes in own abilities√ so that they can reach their goals.√
- Willingness to take risks√ and to make difficult decisions.√
- Takes responsibility for his/her actions√ and accepts positive and negative outcomes.√
- Motivates/directs people√ to create a positive working environment.√
- Concerns for the well-being of the workforce√ by showing interest in personal issues.√
- Has self-discipline√ and remains focussed.√
- Has a positive attitude√ and will not be discouraged by setbacks.√
- Can formulate the mission and vision√ and links it with the aims of the business.√
- Changes difficulties into challenges√ and has the ability to be resilient.√
- Has a clear vision√ and is able to achieve long term goals.√
- Flexible√ - has the ability to adapt to change.√
- Good management√ and communication skills.√
- Ability to see an opportunity√ and to change it into a profitable business.√
- Good planner√ and organiser.√
- Any other relevant answer related to the characteristics/qualities of an entrepreneur.

NOTE: Mark first FIVE (5) only.**(Max) (10)**

6.4 Sustainability and profitability of the business with regard to Joe's plans to tender for large contracts

Sustainability of the business	<ul style="list-style-type: none"> - Obtaining large tenders may lead to a successful and sustainable business.√√ - Joe's business will be able to exist in the long term if he gets large contracts.√√ - Obtaining a government tender may expose Joe to other business opportunities.√√ - Obtaining large contracts may result in creating more jobs/employment opportunities.√√ - Any other relevant answer related to the sustainability of Joe's business <p style="text-align: right;">Sub max (4)</p>
Profitability of the business	<ul style="list-style-type: none"> - Careful funding of the large projects may ensure a sound return on Joe's business investment.√√ - If Joe's business obtains large contracts, he will earn more income resulting in higher profits.√√ - Large contracts may attract more investors, which may enable Joe's business to expand.√√ - Any other relevant answer related to the profitability of Joe's business <p style="text-align: right;">Sub max (4)</p>

**NOTE: 1. The above facts must be related to tendering.
2. Candidates could argue from a qualifying/not qualifying (for tenders) point of view.**

Max (8)

6.5 Conclusion:

- Joe must manage his business more efficiently so that he can be able to finish his projects on time/reach deadlines.√√
 - Joe will improve the sustainability/profitability of his business, if he organises his projects effectively to take on more contracts.√√
 - Any other relevant conclusion related to entrepreneurial characteristics/ managing business problems in order to be more successful/sustainable/ profitable.
- (Any 1 x 2) (2)

**NOTE: 1. Candidates should be awarded marks when examples demonstrate understanding.
2. If another approach is used in answering this question, take into consideration the sub max's as indicated above.**

BREAKDOWN OF MARKS

DETAILS	MAXIMUM	TOTAL
Introduction	3	Max 32
Entrepreneurial characteristics	10	
Identifying and explaining of business problem areas in case study and making applicable recommendations	18	
Comment on sustainability and profitability	8	
Conclusion	2	
INSIGHT		
Layout		2
Analysis, interpretation		2
Synthesis		2
Originality, examples		2
TOTAL MARKS		40

LASO – For each component:

Allocate 2 marks if all requirements are met.

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

Allocate 0 marks where requirements are not met at all.

[40]

QUESTION 7 (LO3 AS4)**7.1 Introduction**

- Leaders have vision for their businesses.√
- Leaders encourage workers through motivation.√
- Leaders who take calculated risks are able to make use of profitable opportunities.√
- Managers are able to manage the business effectively.√
- Any other relevant introduction related to leadership and management.

(Any 3 x 1) (3)

7.2 Analysis of the statement

- Leaders who make unpopular/difficult decisions still act with integrity, if their decisions were made with good intentions.√√
- Unpopular decisions are necessary to get the job done and achieve business objectives.√√
- The integrity/humility of leaders may be influenced by their ability to make unpopular decisions.√√
- Any other relevant analysis of the statement related to the integrity/humility of leadership.

(Any 2 x 1) (2)

- NOTE:**
1. Take particular note of the repetition of facts in the analysis.
 2. Allocate a maximum of 5 marks when the analysis of the statement is included in the introduction.

7.3 Distinguish between leadership and management

MANAGEMENT	LEADERSHIP
Demands respect, authority and wants to control.√√	Invites and motivates freedom of speech and inspires trust.√√
Gives orders/instructions.√√	Seeks to empower/facilitates employees.√√
Thinks that they know all the answers.√√	Asks the right questions to get to the right answers.√√
Focuses on the task.√√	Focuses on individuals/groups.√√
Focuses on the implementation of policies.√√	Focuses on motivating workers to help with the implementation processes.√√
Follows/Implements the vision of the enterprise.√√	Provides a vision for the enterprise.√√
Minimises and controls risk.√√	Always on the lookout for business opportunities.√√
Ensures that profit targets are met.√√	Strategises to increase profitability.√√

Any other relevant distinction between management and leadership.

(Max) (6)

7.4

7.4.1 Consensus leadership

Positives:

- Has the expertise and needs to consult with the subordinates.√√
- Involves the subordinates in decision-making/policy formulation/problem solving.√√
- Seeks opinions and ideas from subordinates, but the leader remains accountable and has the authority to make the final decision.√√
- Wins the support of the subordinates because they feel part of the team.√√
- Better decisions are made, because of various inputs.√√
- New leaders may benefit from ideas obtained from experienced subordinates.√√

Negatives:

- This leadership style is time-consuming especially when urgent decisions have to be made.√√
- Some leaders are reluctant to use this style, because they may view it as a sign of weakness to ask for advice from subordinates.√√
- Leaders who do not consider the inputs from subordinates may discourage any future inputs.√√
- Any relevant answer related to the evaluation of the Consensus leadership style.

Sub max (6)

Application:

- This leadership style is useful when the leader and the subordinates need to contribute towards decision making.√√
- May be used when making decisions that affect the whole business.√√
- Cannot be applied in urgent/quick decision making.√√
- Applied only if subordinates have necessary knowledge/information to contribute towards decisions.√√
- Applied when the leader knows the problem, but does not have all the information to make a final decision.√√
- Any relevant application of the Consensus leadership style.

Sub max (2)
(Max) (8)

7.4.2 Charismatic leadership style**Positives:**

- This leadership style is used when management has identified low morale amongst employees.√√
- The leader uses personal charm/inspiration rather than power and authority to influence or lead subordinates.√√
- Serves as a role model and people follow him/her.√√
- Has vision and is able to communicate well with others.√√
- Praises subordinates, even for little success achieved.√√
- Has good values that may lead the company to greater success.√√
- Charismatic leaders have faith and believe in themselves, that is why they inspire their subordinates.√√

Negatives:

- Charismatic leaders are tolerant of challenges, because they want to make subordinates feel special/happy.√√
- Perceive themselves as irreplaceable.√√
- May not always be objective in assessing employees' capabilities as they are focussing on making them feel good.√√
- Any other relevant answer related to the evaluation of the Charismatic leadership style.

Sub max (6)

Application:

- This style is commonly used by politicians, religious leaders and business teams.√√
- Applied when an organisation is undergoing change.√√
- Used as a method to motivate employees.√√
- Applied when the leader gives recognition to employees for good performance.√√
- Applied when developing the skills of the work force.√√
- Any other relevant application of the Charismatic leadership style.

Sub max (2)
(Max) (8)

7.4.3 Autocratic leadership style**Positives:**

- Gives directives and instructions as a way of communicating with subordinates.√√
- This leadership style can be used when urgent/quick decisions must be made.√√
- Works well with inexperienced employees.√√
- Deadlines may be met, as work is completed according to the leader's specification.√√

Negatives:

- Can de-motivate subordinates/followers.√√
- Makes all decisions alone with little or no consideration for the inputs of subordinates.√√
- Subordinates are told what to do and how to do it without being given the opportunity to give inputs or make suggestions.√√
- Employees' inputs and innovations may be lost.√√
- Any other relevant answer related to the evaluation of the Autocratic leadership style.

Sub max (6)

Application:

- Used in crisis situations, e.g. disaster relief management.√√
- Applied when implementing business policies/government legislation.√√
- Used when all the information is available to solve the problem.√√
- Used when dealing with employees who are not cooperative in the workplace.√√
- Any other relevant application of the Autocratic leadership style.

Sub max (2)

(Max) (8)

7.4.4 Transactional leadership style**Positives:**

- Assumes that people are motivated by reward and punishment.√√
- Communicates clearly what is required from subordinates and how subordinates will be awarded for following orders.√√
- Subordinates are awarded for completing their tasks successfully.√√
- A formal system of discipline is usually in place.√√
- When the transactional leader allocates work, subordinates are considered to be fully responsible for the work.√√
- Minimises errors as it focuses on objectives/standards/policies/procedures/evaluation/correctness of performance.√√

Negatives:

- Subordinates are considered to be personally at fault, when things go wrong.√√
- Subordinates are punished for their failure to complete tasks.√√
- This leadership style is not flexible, as it is based on standards/policies/procedures/correctness of performance.√√

- Any other relevant answer related to the evaluation of the Transactional leadership style.

Sub max (6)

Application:

- Applied when motivating employees through a system of rewards and punishment.√√
- Applied when employees do not meet acceptable standards.√√
- Applied when sub-ordinates are new/do not know their roles.√√
- Any other relevant application of the Transactional leadership style.

Sub max (2)
(Max) (8)

7.5 Conclusion

- Not all people are able to be both leaders and managers.√√
- It is very important for the success of a business to have managers and leaders with certain qualities.√√
- Any other relevant conclusion on leadership and management.

(Any 1 x 2) (2)

- NOTE:**
1. Candidates should be awarded marks when examples demonstrate understanding.
 2. If another approach is used in answering this question, take into consideration the sub max's as indicated above.

BREAKDOWN OF MARK ALLOCATION

DETAILS	MAXIMUM	TOTAL
Introduction and Analysis of the statement	5	Max 32
Distinguish between leadership and management	6	
Evaluation and application of leadership styles:		
Consensus leadership style	8	
Charismatic leadership style	8	
Autocratic leadership style	8	
Transactional leadership style	8	
Conclusion	2	
INSIGHT		
Layout		2
Analysis, interpretation		2
Synthesis		2
Originality, examples		2
TOTAL MARKS		40

LASO – For each component:
Allocate 2 marks if all requirements are met.
Allocate 1 mark if only some of the requirements are met.
Allocate 0 marks where requirements are not met at all.

[40]

QUESTION 8 (LO4 AS3)**8.1 Introduction**

- Trade Unions are established with the aim of regulating employer-employee relations through collective bargaining.✓
- Workers have more power when they are a unified force.✓
- Workers use trade unions as a tool for collective bargaining and negotiating better working conditions.✓
- Any other relevant introduction related to the Labour Relations Act and trade unions. (Any 3 x 1) (3)

8.2 Provisions of the Labour Relations Act:

- Registration of trade unions and employers' organisations✓ to give structure to labour relations.✓
- Procedures of collective bargaining and collective agreements✓ to regulate industrial relations.✓
- Establishment of the Commission for Conciliation, Mediation and Arbitration (CCMA)✓ to resolve labour disputes.✓
- Establishment of grievance procedures✓ through conciliation, arbitration, adjudication or industrial action.✓
- Provision for the establishment of workplace forums in the workplace✓ to promote employee participation in decision making.✓
- Allocation of specific rights to registered trade unions✓, e.g. allowing the trade unions to practice their rights in the work place.✓
- Provide for employees' rights✓, such as freedom of association.✓
- Any other relevant explanation of the provisions of the Labour Relations Act. Max (10)

8.3 Roles and/or functions of trade unions**Role of trade unions**

- Monitor the fair treatment of workers✓ at the workplace.✓
- Improve the social security of workers✓ e.g. negotiate for better working conditions and terms of employment.✓
- Resolve employee grievances and disputes✓ by representing employees during hearings.✓
- Improve working relationship✓ between employers and employees.✓
- Prevent the retrenchment of workers,✓ by participating in decision-making on restructuring.✓
- Ensure that workers share in the profits of the business✓ in the form of salary increases and bonuses etc.✓
- Strengthen union power✓ by increasing membership.✓
- Any other relevant answer related to the role of trade unions.

Functions of trade unions

- Ensure that there is equal treatment,√ e.g. gender equality in the work place.√
- Participate in collective bargaining processes,√ e.g. engage in bilateral negotiations with employer organisations.√
- Negotiate for better working conditions√ e.g. fair salaries, wages and benefits.√
- Ensure that members have fringe benefits/perks√ e.g. pension/ provident fund.√
- Ensure that employees belong to a medical aid scheme√ and that employers contribute towards it.√
- Negotiate with government and other stakeholders√ to ensure the best possible deal for workers.√
- Ensure protection of members' rights in the workplace√ e.g. the right to freedom of association/movement/speech.√
- Any other relevant answer related to the function of trade unions.

**NOTE: 1. Some facts may be repeated.
2. Award marks once only.**

Max (16)

8.4 **Impact of the LRA on labour relations in business**

Advantages (Positives)

- Regulates the organisational rights of trade unions as seen by the number of protected strikes.√√
- Promotes and facilitates collective bargaining at the workplace.√√
- Promotes employee participation in decision-making through workplace forums.√√
- Supports and regulates the constitutional right of employees to strike, within reasonable limitations/also regulates lockouts in a similar manner.√√
- Establishes the Labour Court and Labour Appeal Court as superior courts.√√
- Provides a clear framework for collective and dispute resolution with the CCMA.√√
- Brings order and predictability to negotiations with employees.√√
- Protects the employee's rights to engage in trade unions.√√
- Protects employees against unfair dismissal.√√

Disadvantages (Negatives)

- Businesses must follow lengthy legal procedures before dismissing employees.√√
- This act gives more powers to employees through trade unions.√√
- It can lead to lower productivity and profitability.√√
- Unrealistic demands could lead to indefinite strikes.√√
- Prolonged strikes in the business could eventually lead to bankruptcy.√√
- Any other relevant answer related to the impact of the LRA on labour/industrial relations in business.

**NOTE: There may be some overlaps between roles/functions of trade unions and the impact of LRA on labour/industrial relations.
Accept when it applies in context.**

Max (10)

8.5 Conclusion:

- Trade unions play an effective role in the well-being of employees.√√
- Membership of trade unions is vital for all employees in order to be protected in terms of human rights/inclusivity/fair labour practice.√√
- Any other relevant conclusion related to the Labour Relations Act and trade unions.

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

- NOTE: 1. A fact may be relevant in more than one sub-topic. e.g. roles/functions and positives/negatives of trade unions: award marks accordingly.**
- 2. Candidates should be awarded marks when examples demonstrate understanding.**
- 3. If another approach is used in answering this question, take into consideration the sub max's as indicated above.**

BREAKDOWN OF MARK ALLOCATION

DETAILS	MAXIMUM	TOTAL
Introduction	3	Max 32
Provisions of the Labour Relations Act	10	
Role/Function of trade unions	16	
Impact of LRA on labour relations in business	10	
Conclusion	2	
INSIGHT		
Layout		2
Analysis, interpretation		2
Synthesis		2
Originality, examples		2
TOTAL MARKS		40

LASO – For each component:
Allocate 2 marks if all requirements are met.
Allocate 1 mark if only some of the requirements are met.
Allocate 0 marks where requirements are not met at all.

[40]

TOTAL SECTION C: 80
GRAND TOTAL: 300