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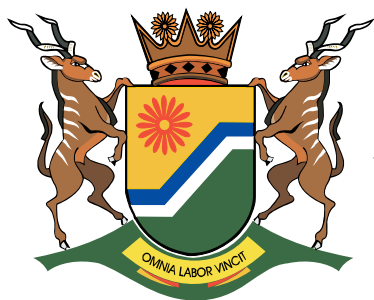
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GRADE 12

BUSINESS STUDIES P1

SEPTEMBER 2022

MARKING GUIDELINE

MARKS: 150

This marking guidelines consist of 31 pages.

NOTES TO MARKERS

1. Candidates' responses must be in full sentences for SECTIONS B and C. However, this would depend on the nature of the question.
2. Comprehensive marking guidelines have been provided but this is by no means exhaustive. Due consideration should be given to an answer that is correct, but:
 - Uses a different expression from that which appears in the marking guideline
 - Comes from another source
 - Is original
 - A different approach issued

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

3. 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.
4. The word 'Submax' is used to facilitate the allocation of marks within a question or sub-question.
5. The purpose of circling marks (guided by 'max' in the breakdown of marks) on the right-hand side is to ensure consistency and accuracy in the marking of scripts as well as for calculation and moderation purpose.
6. Subtotals to questions must be written in the right-hand margin. Circle the subtotals as indicated by the allocation of marks. This must be guided by 'max' in the marking guideline. Only the total for each question should appear in the left-hand margin next to the appropriate question numbers.
7. In an indirect question, the theory as well as the response must be relevant and related to the question.
8. Incorrect numbering of answers to questions or sub-questions in SECTIONS A and B will be severely penalised. Therefore, correct numbering is strongly recommended in all sections.
9. No additional credit must be given for repetition of facts. Indicate with an R.
10. Note that no marks will be awarded for indicating Yes/No in evaluation type questions requiring substantiation or motivation. (Applicable to SECTIONS B and C.)

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

- 11.1 When 'evaluate' is used, candidates are expected to respond in either a positive/negative manner or take a neutral (positive and negative) stance, e.g. **Positive:** 'COIDA eliminates time and costs spent✓ on lengthy civil court proceedings.'✓
- 11.2 When 'critically evaluate' is used, candidates are expected to respond in either a positive/negative manner or take a neutral (positive and negative) stance. In this instance, candidates are also expected to support their responses with more depth, e.g. 'COIDA eliminates time and costs spent✓ on lengthy civil court proceedings✓, because the employer will not be liable for compensation to the employee for injuries sustained during working hours as long as it can be proved that the business was not negligent.'✓

NOTE: 1. The above could apply to 'analyse' as well.
2. Note the placing of the tick (✓) in the allocation of marks.

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

Cognitive verbs, such as:

- 12.1 Advise, name, state, mention, outline, motivate, recommend, suggest, (list not exhaustive) do not usually require much depth in candidates' responses. Therefore, the mark allocation for each statement/answer appears at the end.
- 12.2 Describe, explain, discuss, elaborate, compare, distinguish, differentiate, justify, devise, analyse, evaluate, critically evaluate (list not exhaustive) require a greater depth of understanding, application and reasoning. Therefore, the marks must be allocated more objectively to ensure that assessing is conducted according to established norms so that uniformity, consistency and fairness are achieved.

13. Mark only the FIRST answer where candidates offer more than one answer for SECTION B and C questions that require one answer.

14. **SECTION B**

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

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

- 14.2 If two facts are written in one sentence, award the candidate FULL credit. Point 14.1 above still applies.
- 14.3 If candidates are required to provide their own examples/views, brainstorm this to come up with alternative answers.

14.4 Use of the cognitive verbs and allocation of marks:

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

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

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

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

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

15. SECTION C

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

Introduction	Maximum: 32
Content	
Conclusion	
Insight	8
TOTAL	40

15.2 Insight consists of the following components:

Layout/Structure	Is there an introduction, body, proper paragraphs and a conclusion?	2
Analysis and interpretation	Is the candidate able to break down the question into headings/subheadings/interpret it correctly to show understanding of what is being asked?	2
Synthesis	<p>Are there relevant decisions/facts/responses made based on the questions?</p> <p>Option 1: Only relevant facts: 2 marks (No '-S') Where a candidate answers 50% or more (two to four sub-questions) of the question with only relevant facts; no '-S' appears in the left margin. Award the maximum of TWO (2) marks for synthesis.</p> <p>Option 2: Some relevant facts: 1 mark (One '-S') Where a candidate answers less than 50% (only one sub-question) of the question with only OR some relevant facts; one '-S' appears in the left margin. Award a maximum of ONE (1) mark for synthesis.</p> <p>Option 3: Some relevant facts: 1 mark (One '-S') Where a candidate writes FOUR sub-questions, but one/two/three sub-question with irrelevant facts; one '-S' appears in the left margin. Award a maximum of ONE (1) mark for synthesis..</p> <p>Option 4: No relevant facts: 0 mark (Two '-S') Where a candidate answers less than 50% (only one sub-question) of the questions with no relevant facts; two '-S' appears in the left margin. Award a ZERO mark synthesis.</p>	2
Originality	Is there evidence of one or two examples, not older than two (2) years, that are based on recent information, current trends and developments?	2
TOTAL FOR INSIGHT:		8
TOTAL MARKS FOR FACTS:		32
TOTAL MARKS FOR ESSAY (8 + 32)		40

NOTE:

- No marks will be awarded for contents repeated from the introduction and conclusion.
- The candidate forfeits marks for layout if the words INTRODUCTION and CONCLUSION are not stated.

3. No marks will be allocated for layout, if the headings 'INTRODUCTION and CONCLUSION are not supported by an explanation.

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

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

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

SECTION A (COMPULSORY)

QUESTION 1

1.1

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

(5×2) (10)

1.2

- 1.2.1 National Credit Act✓✓
- 1.2.2 retrenched✓✓
- 1.2.3 selection✓✓
- 1.2.4 continuous improvement to processes and systems ✓✓
- 1.2.5 threat✓✓

(5×2) (10)

- 1.3.1 J✓✓
- 1.3.2 G✓✓
- 1.3.3 I✓✓
- 1.3.4 A✓✓
- 1.3.5 C✓✓

(5×2) (10)

**TOTAL SECTION A
BREAKDOWN OF MARKS** (30)

QUESTION 1	MARKS
1.1	10
1.2	10
1.3	10
TOTAL	30

SECTION B

QUESTION 2: BUSINESS ENVIRONMENTS**2.1 Intensive strategies**

- Market penetration. ✓
- Market development ✓
- Product development ✓

NOTE: Mark the first THREE (3) only**(3x1) (3)****2.2 The role of SETAs in supporting the Skills Development Act**

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

Max (6)**2.3 Porter's Five Forces model from statements**

2.3.1 Power of competitors/Competitive rivalry ✓✓

2.3.2 Threat of substitution/substitutes ✓✓

2.3.3 Power of buyers ✓✓

(6)**2.4 Penalties of no-compliance with the Skills Development Act**

- Businesses that do not pay the Skills Development Levy ✓ may not offer learnerships/claim grants from the SDA. ✓
- A labour inspector could order the business to stop operating ✓ should the business be found guilty of illegal practices. ✓
- Businesses will be fined ✓ if they fail to comply with the SDA. ✓
- Any other relevant answer related to penalties of no-compliance to the

Skills Development Act.

Max (4)**2.5 Diversification strategy from the scenario****2.5.1 Horizontal diversification** ✓✓**(2)****Motivation**

VCM decided to combine with Bargain Bed Manufacturers to include a new product line. ✓

(1)

NOTE: Do not award marks for the motivation if the type of strategy was incorrectly identified.

2.5.2 Advantages of diversification strategies

- Increase sales ✓ and business growth. ✓
- Improves the business brand ✓ and image ✓.
- Reduces the risk ✓ of relying only on one product. ✓
- More products can be sold ✓ to existing customer and additional more new markets can be established. ✓
- Businesses gain more technological capabilities ✓ through product modification. ✓
- Diversification into a number of industries or product line ✓ can help create a balance during economic fluctuations. ✓
- Business produces more output ✓ using less inputs as one factory may be used to manufacture more products. ✓
- Any other relevant answer related to advantages of diversification strategies.

Max (4)**2.6 Challenges posed by PESTLE factors to businesses****2.6.1 Economic factors**

- High inflation/Interest rate may decrease the market share of business ✓ as customers cannot afford high prices/Increase in taxes will result in lower customer spending ✓
- Loans may be expensive ✓ due to high interest rates. ✓
- Fluctuations in foreign currency ✓ may restrict import. ✓
- Any other relevant answer related to how the economic factor pose a challenge to businesses

Max (4)

2.6.2 Environmental factors

- Chemicals/Ingredients in business' products✓ may be harmful to customers✓
- Measures to dispose of business waste✓ may be expensive. ✓
- Packaging of some products ✓may not be environmentally friendly may not be recyclable. ✓
- Any other relevant answer related to how the environment factor as a PESTLE factor pose a challenge to businesses.

Max**(4)****2.7 Ways in which businesses can comply with Basic Conditions of Employment Act.**

- Workers should only work 9 hours per day in a 5 day work week. /8 hours per day in a 6 day work week./Overtime should not exceed 10 hours per week.✓✓
- Workers can take up to six weeks paid sick leave during a 36-month cycle✓✓
- Workers must receive double if they work during public holidays/Sunday✓✓
- They must have a break of 60 minutes after five hours of work✓✓
- Businesses should not employ children under the age of 16.✓✓
- Any other relevant answer related to ways in which businesses can comply with Basic Conditions of Employment Act.

Max**(6)****[40]****BREADOWN OF MARK ALLOCATION**

QUESTION	MARKS
2.1	3
2.2	6
2.3	6
2.4	4
2.5.1	3
2.5.2	4
2.6.1	4
2.6.2	4
2.7	6
TOTAL	40

QUESTION 3: BUSINESS OPERATIONS**3.1 Examples of fringe benefits**

- Pension fund✓
- Medical Aid✓
- Provident fund✓
- Funeral benefits✓
- Car/Travel/Housing/Cell phone/Clothing allowance✓
- Performance based incentives✓
- Issuing of bonus shares✓
- Staff discount/Free or low-cost meal/Canteen facilities✓
- Any other relevant answer related to examples of fringe benefits.

NOTE: Mark the first TWO (2) only**(2x1) (2)****3.2 Role of the interviewee during the interview**

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

Max (6)**3.3 Recruitment method from the scenario****(2)****3.3.1 Internal recruitment✓✓****3.3.2 Advantages of Internal recruitment**

- Cheaper/Quicker ✓to fill the post. ✓
- Provides opportunities for career paths✓ within the business. ✓
- Reduces the chances of losing employees✓, as future career prospects are available ✓
- Placement is easy✓, as management knows the employees' skills/personality/ experience/strengths. ✓
- The employee already has an understanding of how the business

operates. /√ Induction/Training is not always necessary. √

- Detailed, reliable information can be obtained√ from the supervisors/
Employee records. √
- Any other relevant answer related to the advantages of internal
recruitment.

Max (4)

3.4 Selection procedure

Option 1

- Determine fair assessment criteria√on which selection will be based. √
- Applicants must submit the application forms√/curriculum vitae and
certified copies of personal documents/IDs/proof of qualifications, etc.√
- Sort the received documents√/CVs according to the
assessment/selection criteria.√
- Screen/Determine which applications meet the minimum job
requirements √and separate these from the rest.√
- Preliminary interviews are conducted √if many suitable applications were
received.√√
- Reference checks should be made√ to verify the contents of CV's, e.g.
contact previous employers to check work experience. √
- Compile a shortlist√of potential candidates identified.√
- Shortlisted candidates may be subjected to various types of selection
tests√ e.g. skills tests, etc.√
- Invite shortlisted candidates√ for an interview.√
- A written offer is made to the selected candidate.√
- Inform unsuccessful applicants about the outcome√ of their application.√
/Some adverts indicate the deadline√ for informing only successful
candidates.√

OR

Option 2

- Receive documentation, √e.g. application forms and sort it according to
the criteria of the job. √
- Evaluate CVs and create a shortlist√/Screen the applicants.√
- Check information in the CVs√ and contact references.√
- Conduct preliminary sifting interviews √ to identify applicants who are not
suitable for the job, although they meet all
requirements.√
- Assess/Test candidates who have applied for senior positions√/to ensure
the best candidate is chosen. √
- Conduct interviews√ with shortlisted candidates. √
- Offer employment in writing √ to the selected candidate(s).√
- Any other relevant answer related to the selection procedure.

Max (6)

3.5 **Differences between quality management and quality performance**

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

NOTE: 1. The answer does not have to be in tabular format.**2. The difference does not have to link, but must be clear****3. Award a maximum of TWO (2) marks if the difference is not clear/Mark either quality management or quality performance only.****Max (4)**

3.6

BUSINESS FUNCTIONS	MOTIVATIONS
1 Purchasing✓✓	ZM ensures that there is no interruption in production due to stock shortages. ✓
2 Public relations✓✓	They also handle complaints quickly and effectively✓.
Submax (4)	Submax (2)

NOTE: 1 Mark the first TWO (2) only.**2 Award marks for the business functions even if the motivations were incomplete.****3 Do not award marks for the motivations if the business functions were incorrectly identified.****Max (6)**

3.7 Quality indicators of the financial function

- Obtain capital from the most suitable✓/available/reliable sources. ✓
- Negotiate better interest rates✓ in order to keep financial cost down. ✓
- Draw up budgets✓ to ensure sufficient application of monetary resources.
- Keep financial records up to date✓ to ensure timely/accurate tax payments. ✓
- Analyse strategies✓ to increase profitability. ✓
- Invest surplus funds✓ to create sources of passive income. ✓
- Implement financial control measures✓/systems to prevent fraud.✓
- Implement credit granting✓/debt collecting policies to monitor cash flow. ✓
- Draw up accurate financial statements✓ timeously/regularly. ✓
- Accurately analyse and interpret✓ financial information. ✓
- Invest in strategies that will assist the business ✓ to remain profitable. ✓
- Avoid over/under-capitalisation ✓ so that financial resources will be utilised effectively✓.
- Any other relevant answer related to quality indicators of the financial function.

Max (4)**3.8 Benefits of a good quality management system**

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

Max (6)**[40]**

BREAKDOWN OF MARKS

QUESTION	MARKS
3.1	2
3.2	6
3.3.1	2
3.3.2	4
3.4	6
3.5	4
3.6	6
3.7	4
3.8	6
TOTAL	40

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

- Right to choose✓
- Right to privacy✓
- Right to fair and honest dealings✓
- Right to disclosure and information✓
- Right to fair and responsible marketing✓
- Right to fair value/good quality and safety✓
- Right to accountability by suppliers✓
- Right to fair, just and reasonable terms and conditions✓
- Right to equality in the consumer market✓

NOTE:1. Mark the first THREE (3) only**(3x1)****(3)****2. Only award marks for the consumer rights as mentioned above**

4.2 **Challenges and business environments from the scenario**

CHALLENGES 4.2.1	BUSINESS ENVIRONMENT S 4.2.2	EXTENT OF CONTROL 4.2.3
Bil Restaurant experienced a decline in profitability because of load shedding.√	Macro√	No control√
The business income could not cover salary expenses for two months.√	Micro√	Full control√
Many clients are visiting Buya Restaurant on the same building as they are not affected by load shedding. √	Market√	Partial/Some/ Limited/Less/Little control√
Submax (3)	Submax (3)	Submax (3)

- NOTE:**
1. Mark the first TWO (2) only.
 2. The answer does not have to be in tabular format.
 3. Award marks for the business environments even if the extent of control was not indicated/incorrect.
 4. The extent of control must be linked to the business environment.
 5. Do not award marks for the extent of control if the business environment is not mentioned.
 6. Responses can be in any order.

Max (9)

4.3 **Actions regarded as non-compliance by the Employment Equity Act**

- Not employing a young woman√ because she would want to have children in future. √
- Refusing to employ a person√ because he/she has strong religious beliefs/has a disability√
- Doing HIV testing√ unless justified by the Labour Court. √
- Denying people access to the workforce√ based on gender/race/culture/etc. and treating them unfairly. √
- Any other relevant answer related to the actions regarded as non-compliance by the Employment Equity Act.

Max (4)

4.4 Steps in strategy evaluation

- Examine the underlying basis of a business strategy. √√
- Look forward and backwards into the implementation process. √√
- Compare the expected results in order to determine the reasons for deviations and analyse these reasons. √√
- Take corrective action so that deviations may be corrected. √√
- Set specific dates for control and follow up. √√
- Draw up a table of the advantages and disadvantages of a strategy. √√
- Decide on the desired outcome. √√
- Consider the impact of the strategic implementation in the internal and external environments of the business. √√
- Any other relevant answer related to the steps in strategy evaluation.

Max (4)**BUSINESS OPERATIONS****4.5 Aspects that must be included in an employment contract**

- Personal details of the employee. √
- Details of the business/employer e.g. name/address, etc. √
- Job title/Position √
- Job description e.g. duties/ working conditions √
- Job specification e.g. formal qualifications/willingness to travel. √
- Date of employment/commencement of employment. √
- Place where employee will spend most of his/her working time √.
- Hours of work, e.g. normal time/overtime. √
- Remuneration, e.g. weekly or monthly pay. √
- Benefits/Fringe benefits/Perks/Allowances. √
- Leave, e.g. sick/maternity/annual/adoption leave. √
- Employee deductions (compulsory/non-compulsory).
- Period of contract/Details of termination. √
- Probation period. √
- Signatures of both the employer and employee. √
- List of documents that form part of the contract, e.g. appointment letter/code of conduct/ethics. √
- Disciplinary policy, e.g. rules and disciplinary procedure for unacceptable behaviour √
- Any other relevant answer related to the aspects of an employment contract.

NOTE: Mark the first TWO(2) only.**(2x1) (2)****4.6 The purpose of an interview**

- To determine a candidate's suitability for the job. √√
- Obtains information about the strengths and weaknesses of each candidate.
- Evaluate the skills and personal characteristics √ of the applicant √√
- Helps the employer in choosing/making an informed decision about the most suitable candidate. √√
- Matches information provided by the applicant to the job requirements. √√

- Creates an opportunity where information about the business and applicant can be exchanged✓✓
- Any other relevant answer related to the purpose of an interview

Max (4)**4.7 Distinction between piecemeal and time related salary determination methods**

PIECEMEAL	TIME-RELATED
- Workers are paid according to the number of items✓/units produced/action performed✓	- Workers are paid for the amount of time they spend ✓at work/on a task. ✓
- Workers are not remunerated for the number of hours worked✓, regardless of how long it takes them to make the items✓	- Workers with the same experience/qualifications are paid on salary scales regardless✓ of the amount of work done. ✓
- Mostly used in factories✓ particularly in the textile/technology industries. ✓	- Many private and public sector businesses ✓ use this method✓
- Any other relevant answer related to piecemeal.	- Any other relevant answer related to time-related.
Submax (2)	Submax (2)

NOTE: 1. The answer does not have to be in a tabular format
2. The distinction does not have to link, but must be clear
3. Award a maximum of (4) marks if the distinction is not clear/ Mark either Piecemeal or Time-related only

Max (4)**4.8 TQM elements from the scenario**

4.8

TQM ELEMENTS	MOTIVATIONS
1 Adequate financing and capacity✓✓	GP has sufficient financing to test everything before implementing. ✓
2 Monitoring and evaluating quality processes. ✓✓	They also allow for quality control checks at key points. ✓
Submax (4)	Submax (2)

NOTE: 1. Mark the first TWO (2) only
2. Award marks for the TQM elements even if the quotes were incomplete.
3. Do not award marks for the motivation s if the TQM elements were incorrectly identified.

Max (6)

4.9 The impact of total quality management (TQM) if it is poorly implemented by businesses

- Setting unrealistic deadlines that may not be achieved. ✓✓
- Employees may not be adequately trained resulting in poor quality products. ✓✓
- Decline in productivity, because of stoppages. ✓✓
- Businesses may not be able to make necessary changes of products/services to satisfy the needs of customers. ✓✓
- Business reputation/image may suffer because of poor quality/defective goods. ✓✓
- Customers will have many alternatives to choose from and the impact could be devastating to businesses. ✓✓
- Investors might withdraw investment, if there is a decline in profits. ✓✓
- Decline in sales as more goods are returned by unhappy customers. ✓✓
- High staff turnover, because of poor skills development. ✓✓
- Undocumented/Uncontrolled quality control systems/processes could result in errors/ deviations from pre-set quality standards. ✓✓
- Any other relevant answer related to the impact of total quality management (TQM) if poorly implemented by businesses.

Max**(4)
[40]
[80]****TOTAL SECTION B
BREAKDOWN OF MARKS**

QUESTION	MARKS
4.1	3
4.2.1	3
4.2.2	3
4.2.3	3
4.3	4
4.4	4
4.5	2
4.6	4
4.7	4
4.8	6
4.9	4
TOTAL	40

SECTION C**QUESTION 5: BUSINESS ENVIRONMENTS(LEGISLATION)****5.1 Introduction**

- The Act was introduced in order to ensure full economic participation of previously disadvantaged individuals. ✓
- BBBEE achieves sustainable change in the racial composition and increase the access to economic activities and skills training of previously disadvantaged individuals. ✓
- Businesses enjoy the benefits of the BBBEE Act even though this Act may disadvantage other businesses. ✓
- Consequences for no-compliance encourage businesses to comply with this Act. ✓
- Any other relevant introduction related to the purpose of BBBEE/impact of the Act/Implications of BBBEE pillars/ penalties for non-compliance with the BBBEE.

Any (2x1) (2)**5.2 The purpose of Broad Based Black Economic Empowerment/BBBEE**

- Enable wealth to be spread more broadly across all population groups. ✓✓
- Outline areas that would give the government a platform for bringing equitable spread of wealth. ✓✓
- Allows for the development of Codes of Good Practice. ✓✓
- It aims at targeting inequality in the South African economy. ✓✓
- Bridges the gap between formal and substantive equality to ensure that all people in South Africa fully enjoy the right to equality. ✓✓
- Any other relevant answer related to the purpose of BBBEE.

Max (8)**5.3 Impact of BBBEE Act on business****Positives/advantages**

- Encourages businesses to address the demands✓ for redress/equity directly. ✓
- Provides a variety of business codes to improve employment equity. ✓
- Provides for human resources development through training and development. ✓
- A good BEE rating✓ improves the image of the business. ✓
- Fronting is discouraged✓, as it may lead to the disqualification of a business's entire scorecard/BBBEE status✓
- Promotes enterprise development✓, by developing entrepreneurial skills of designated people to start their own businesses✓
- Businesses that comply with BBBEE regarding the pillars will be rated high on the BEE scorecard✓/may get government tenders/may attract other BBBEE business partners/-suppliers. ✓
- Businesses will have a good overview on how it is performing✓ in comparison to other businesses in the rest of the country. ✓
- By focusing on BBBEE, the business will show commitment✓ towards the social/education/economic developments in the community/country. ✓

- Once rated, the business will understand how to develop BBBEE strategies√ that will increase its BBBEE ratings on an annual basis. √
- Share prices of BBBEE compliant businesses√ are likely to increase as they attract more business. √
- Businesses that support Small, Micro, Medium Enterprises (SMMEs), may increase their own BBBEE ratings√
- Complying with BBBEE requirements gives businesses experience/exposure√ to be able to provide better employment opportunities/staff development. √
- Any other relevant answer related to the positive impact/advantages of BBBEE Act on businesses.

AND/OR

Negative/Disadvantages

- Businesses could experience large financial implications/penalties√ if they do not comply with BBBEE. √
- Processes may lead to corruption/nepotism if not monitored properly. √
- Processes and procedures may be costly for a business√ as there are many legal requirements for scoring enough points to be compliant. √
- Investment/Ownership issues can cause unhappiness√ amongst existing shareholders/owners. √
- Provides for preferential procurement√, so certain businesses may be excluded from supplying goods/services. √
- Businesses will have to spend money√ in areas covered by five BBBEE pillars to obtain a good BBBEE rating. √
- Businesses that want to do business with the government√ must have their BEE status assessed annually√.
- Businesses have to go through the process of having their BBBEE compliance measured√/verified by an independent BEE verification agency. √
- Many businesses have been disadvantaged due to BBBEE ratings√ as they may not be able to meet all the scoring. √
- Any other relevant answer related to the negative impact/disadvantages of BBBEE Act on businesses.

Max (10)

5.4 The implications of Broad Based Black Economic the following revised FIVE pillars of BBBEE on businesses

5.4.1 Management control√√

- Business must ensure that transformation√ is implemented at all levels. √
- Appoint black people√ in senior executive positions/to management. √
- Involve black people√ in the decision-making processes. √
- Ensure that black females√ are represented in management. √
- Businesses score points in both management and ownership√ when selling more

than 25 % of their shares to black investors so that some of them can become directors. ✓

- Due to a shortage of skilled black managers✓/directors, some businesses find it difficult to make appointments✓
- Businesses are directly penalised✓ for not implementing this pillar. ✓
- Any other relevant answer relating to management and control as a BBBEE pillar.

Pillar (2)

Explanation (4)

Submax (6)

5.4.2 Ownership✓✓

- Business should include black people✓ in shareholding/partnerships/franchises. ✓
- Encourage small black investors to invest in big companies✓ and share ownership. ✓
- Exempted Micro Enterprises (EMEs) with an ownership of 50% or more✓ of black people are promoted to level 3 of the BEE scorecard. ✓
- More opportunities are created for black people✓ to become owners/ entrepreneurs. ✓
- Large businesses should form joint ventures with small black owned businesses✓ and share business risks. ✓
- Businesses sometimes find it difficult to locate✓ suitable black business partners/ shareholders✓.
- Many black people cannot afford shares✓ in companies/contributions to partnerships✓.
- Any other relevant answer relating to ownership as a BBBEE pillar.

Pillar (2)

Explanation (4)

Submax (6)

5.4.3 Skills development✓✓

- Business must engage black employees✓ in skills development initiatives. ✓
- Provide learnerships✓ and learning programmes to black employees. ✓
- Business must contribute 1% of their payroll✓ to fund the skills development programmes. ✓
- Business benefits from the increased pool✓ of skilled/trained workers. ✓
- Business must go the extra mile to train staff✓ where learnerships are not offered. ✓
- Productivity is compromised✓ as mentors/coaches have to find the time to participate in learnerships/training. ✓
- Any other relevant answer relating to skills development as a BBBEE pillar.

Pillar (2)

Explanation (4)

Submax (6)

5.4.4 Enterprise and supplier development (ESD)

- Business must create jobs. ✓ as ESD promotes local manufacturing. ✓
- Identify black owned suppliers that are able to supply goods and services. ✓
- Outsource services to suppliers ✓ that are BBBEE compliant. ✓
- Businesses are encouraged to invest ✓/support black owned SMMEs. . ✓
- Develop the business skills of small ✓/black owned suppliers, e.g. sales techniques, legal advice, etc. ✓
- Support the cash flow of small suppliers ✓ by offering them preferential terms of payment. ✓
- Businesses should invest in ✓/support black owned SMMEs . ✓
Contribution can be monetary, ✓ e.g. loans/investments/donations. ✓
- Contribution can be non-monetary, ✓ e.g. consulting services/advice/entrepreneurial programmes, etc.
- SMMEs will be encouraged to use their own business initiatives. ✓ to make them sustainable. ✓
- Develop and implement a supplier development plan ✓/supply chain.
- Small/Large businesses may not be able to afford enterprise. ✓development investment/support✓.
- Black owned SMMEs may become too reliant. ✓on support from other businesses/ unable to take their own initiatives. ✓
- BBBEE suppliers. ✓ may be without good workmanship. ✓
- Smaller businesses that are not BBBEE compliant ✓ lose business. ✓
- Businesses are forced to choose. ✓ from a smaller pool of suppliers. ✓
- Any other relevant answer related to enterprise and supplier development (ESD) development as a BBBEE pillar.

pillar (2)**Explanation (4)****Submax (6)**

5.4.5 Social responsibility/Socio-economic development

- Businesses should focus on critical areas which can affect growth and development in the country. ✓ e.g. environmental awareness/education/ housing, poverty/unemployment etc. ✓
- They should distribute scarce CSI resources ✓ to selected beneficiaries in the community. ✓
- Any other relevant answer related to social responsibility/ Socio-economic development as a BBEE pillar.

Pillar (2)**Explanation (4)****Submax (6)****NOTE: Mark the first THREE (3) pillars only****Max (18)****5.5 Penalties for non-compliance with BBEE**

- Businesses may face imprisonment for non-compliance and fronting practices. ✓✓
- The penalty could be a fine of up to 10% of the company's annual turnover. ✓✓
- Government will cancel any contract awarded that was based on false information regarding B-BBEE status. ✓✓
- A business can be banned from participating in government contracts for a period of 10 years. ✓✓
- Business licenses may not be renewed, and authorisations may not be issued
- Businesses that fail to achieve at least a minimum 40% of compliance with ownership, skills development and new enterprise and supplier development will be automatically downgraded the by one level. ✓✓

Max (10)

5.6 Conclusion

- Businesses should know the benefits and challenges which accompanies the implication of the Act.✓✓
- The inclusion of all economically active people in South Africa enables the government to achieve its national empowerment goal. ✓✓
- Businesses must ensure that BBBEE pillars are implemented at all levels to avoid penalties. ✓✓
- Some businesses use of the services of legal experts to avoid penalties for not complying with this Act.✓✓
- BBBEE promotes economic transformation by changing the racial profile of companies, owners, managers and skilled professionals.✓✓
- Any other relevant conclusion related to the purpose of BBBEE/impact of the Act/ implications of BBBEE pillars/penalties for non-compliance with the BBBEE.

Any (1x2) (2)**(40)**

Question 5: BREAKDOWN OF MARK ALLOCATION		
DETAILS	MAXIMUM	TOTAL
Introduction	2	Max 32
The purpose of Broad Based Black Economic Empowerment, 2003 (Act 53 of 2003) (BBBEE)	8	
Impact of Broad Based Black Economic Empowerment, 2003 (Act 53 of 2003) (BBBEE) on businesses.	10	
The implications of the revised THREE pillars of BBBEE on businesses.	18	
Penalties for non-compliance	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 the requirements are met

Allocate 1 mark if only some of the requirements are met

Allocate 0 marks where requirements are not met at all

QUESTION 6: BUSINESS OPERATION (TOTAL QUALITY MANAGEMENT)

Introduction

- 6.1
- A job description and job specification assist the human resource manager to clarify the details of the vacancy and the candidates who apply for the post✓
 - Induction helps new employees to have a basis knowledge of what is expected of the job✓
 - Continuous skill development enables employees to complete their tasks successfully and contribute to the achievement of business objectives✓
 - Total client satisfaction can be defined as a measurement that determines how happy customers are with a company's products/services/capabilities. ✓
 - The correct implementation of TQM elements may enable businesses to reduce the cost of quality in the long run✓
 - Any other relevant introduction related to the differences between job description and job specification/purpose of induction/ impact of continuous skills development/total client satisfaction/ways in which TQM can reduce the cost of quality.

Any (1x2) (2)

6.2 Differences between job description and quality job specification

JOB DESCRIPTION	JOB SPECIFICATION
- Describes duties/responsibilities of a specific job/summary of the nature/type of the job ✓✓	- Specifies the minimum acceptable personal qualities/skills/qualifications needed for the job ✓✓
- Written description of the job and its requirements ✓✓	- Written description of specific qualifications/skills/experience needed for the job ✓✓
- Describes key performance areas/tasks for a specific job, e.g. job title/working conditions/relationship of the job with other jobs in the business, etc. ✓✓	- Describes key requirements of the person who will fill the position , e.g. formal qualifications/willingness to travel/work unusual hours, etc. ✓✓
- Any other relevant answer related to job description	- Any other relevant answer related to job specification
Submax (4)	Submax (4)

NOTE:

1. The answer does not have to be in a tabular format.
2. The differences do not have to link, but must be clear.
3. Award a maximum of FOUR (4) marks if the differences are not clear/ Mark either job description or job specification only.

Max (8)

6.3 Purpose of induction

- Introduce new employees to management/✓colleagues to establish relationships with fellow colleagues at different levels. ✓
- Give new employees a tour/information about the layout of the building/office
- Make new employees feel welcome✓ by introducing them to their physical work space. ✓
- Improve skills✓ through in-service training✓
- Familiarise new employees ✓with the organisational structure/their supervisors✓
- Allow new employees the opportunity to ask questions✓ that will put them at ease/reduce insecurity/anxiety/fear.
- Create opportunities for new employees ✓to experience/explore different departments. ✓
- Explain safety regulations and rules, ✓ so that new employees will understand their role/responsibilities in this regard.
- Ensure that employees understand their roles/responsibilities✓ so that they will be more efficient/productive. ✓

- Communicate information about the products//services offered by the business
- Communicate business policies regarding ethical/professional conduct/procedures/employment contract/conditions of employment, etc. ✓
- Any other relevant answer related to the purpose of induction.

Max (12)**6.4 Impact of continuous skills development and total client/customer satisfaction on large businesses****6.4.1 Impact of continuous skills development****Positives/Advantages**

- Large businesses have a human resources department ✓ dedicated to skills training and development. ✓
- Human resources experts ensure that training programmes are relevant ✓ to increased customer satisfaction. ✓
- Ability to afford specialised ✓/skilled employees. ✓
- Large businesses could conduct skills audits to establish the competency/education levels of staff performing work ✓ which could affect the quality of products/processes positively. ✓
- May be able to hire qualified trainers ✓ to train employees on a regular basis. ✓
- Any other relevant answer related to the positive impact/advantages of continuous skills development on large businesses.

AND/OR**Negatives/Disadvantages**

- Poor communication systems in large businesses ✓ may prevent effective training from taking place. ✓
- Trained employees may leave for better jobs ✓ after they gained more skills. ✓
- De-motivates employees ✓, if they do not receive recognition for training. ✓
- Employees who specialise in narrowly defined jobs ✓ may become frustrated/demotivated. ✓
- Employees may not be aware of the level of competency ✓ they should meet in order to achieve their targets. ✓
- It may be difficult to monitor ✓/evaluate the effectiveness of training. ✓
- Any other relevant answer related to the negative impact/disadvantages of continuous skills development on large businesses.

Submax (8)**6.4.2 Impact of total client/customer satisfaction****Positives/Advantages**

- Large businesses use market research/customer surveys to measure/ monitor customer satisfaction/analyse customers' needs. ✓
- Continuously promote a positive company image.
- May achieve a state of total customer satisfaction, if businesses follow sound

- business practices that incorporate all stakeholders. ✓
- Strive to understand and fulfil customer expectations by aligning cross-functional teams across critical processes. ✓
- Ensures that cross-functional teams understand its core competencies✓ and develop/strengthen it. ✓
- May lead to higher customer retention✓ /loyalty and businesses may be able to charge higher prices. ✓
- Large businesses may be able to gain access ✓ to the global market.
- May lead to increased competitiveness✓/profitability. ✓
- Any other relevant answer related to the positive impact/advantages of total client/customer satisfaction on large businesses.

AND/OR

Negatives/ Disadvantages

- Employees who seldom come into contact with customers✓ often do not have a clear idea of what will satisfy their needs. ✓
- Monopolistic companies have an increased bargaining power✓ so they do not necessarily have to please customers. ✓
- Not all employees may be involved✓/ committed to total client satisfaction. ✓
- Any other relevant answer related to the negative impact/disadvantages of total client/customer satisfaction on large businesses.

Submax (8)

Max (16)

6.5 Ways in which TQM can reduce the cost of quality:

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

Max (12)

6.6 Conclusion

- The human resources manager must ensure that an accurate job analysis is performed to avoid hiring ineffective employees√√
- The correct job description and job specification enable business to place new employees in appropriate departments√√
- Induction allows for the retention of competent employees who add value to the business√√
- Continuous skill development allows businesses to improve their processes and systems while staying ahead of the competition. √√
- Customer satisfaction information can help businesses to determine how to best improve or changes its products and services. √√
- Cost reduction through effective TQM implementation may lead to sustainability and productivity. √√
- Any other relevant conclusion related to the differences between job description/ job specification/ purpose of induction/ impact of continuous skills development/total client satisfaction/ways in which TQM can reduce the cost of quality.

Any (1x2) (2)

BREAKDOWN OF MARKS

DETAILS	MAXIMUM	TOTAL
Introduction	2	Max 32
Distinction between job description and job specification	8	
Purpose of induction	12	
Impact of continuous skills development	8	
Impact of total client satisfaction	8	
Ways in which TQM can reduce cost of quality	10	
Conclusion	2	
IINSIGHT		
Layout		2
Analysis, interpretation		2
Synthesis		2
Originality/Examples/ recent information		2
TOTAL		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.

TOTAL SECTION C :40

GRAND TOTAL: 150