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SENIOR CERTIFICATE EXAMINATIONS/ NATIONAL SENIOR CERTIFICATE EXAMINATIONS

BUSINESS STUDIES P1

2022

MARKING GUIDELINE

MARKS: 150

This marking guideline consist of 25 pages.

NOTES TO MARKERS**PREAMBLE**

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

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

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

Marker:	Red
Senior Marker:	Green
Deputy Chief Marker:	Black/Blue
Chief Marker:	Pink
Internal Moderator:	Orange
DBE Moderator:	Turquoise

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

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

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

9. Correct numbering of answers to questions or sub questions is recommended in SECTIONS A and B. However, if the numbering is incorrect, follow the sequence of the candidate's responses. Candidates will be penalised if the latter is not clear.
10. No additional credit must be given for repetition of facts. Indicate with an 'R'.
11. The differentiation between 'evaluate' and 'critically evaluate' can be explained as follows:
- 11.1 When 'evaluate' is used, candidates are expected to respond in either a positive/negative manner or take a neutral (positive and negative) stance, e.g., **Positive:** 'COIDA eliminates time and costs spent√ on lengthy civil court proceedings.'√
- 11.2 When 'critically evaluate' is used, candidates are expected to respond in either a positive/negative manner or take a neutral (positive and negative) stance. In this instance candidates are also expected to support their responses with more depth, e.g., 'COIDA eliminates time and costs spent√ on lengthy civil court proceedings√, because the employer will not be liable for compensation to the employee for injuries sustained during working hours as long as it can be proved that the business was not negligent.'√
- NOTE:** 1. The above could apply to 'analyse' as well.
2. Note the placing of the tick (√) in the allocation of marks.
12. The allocation of marks must be informed by the nature of the question, cognitive verb used, mark allocation in the marking guideline and the context of each question.
- Cognitive verbs, such as:
- 12.1 Advise, name, state, outline, motivate, recommend, suggest, (*list not exhaustive*) do not usually require much depth in candidates' responses. Therefore, the mark allocation for each statement/answer appears at the end.
- 12.2 Define, describe, explain, discuss, elaborate, distinguish, differentiate, compare, tabulate, analyse, evaluate, critically evaluate (*list not exhaustive*) require a greater depth of understanding, application and reasoning. Therefore, the marks must be allocated more objectively to ensure that assessment is conducted according to established norms so that uniformity, consistency and fairness are achieved.
13. Mark only the FIRST answer where candidates offer more than one answer for SECTION B and C questions that require one answer.

14. **SECTION B**

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

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

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

14.3 If candidates are required to provide their own examples/views, brainstorm this at the marking centre and refer to the DBE internal moderator to finalise the alternative answers in consultation with the UMALUSI external moderators.

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

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

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

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

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

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

15. **SECTION C**

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

Introduction	Maximum: 32
Content	
Conclusion	
Insight	8
TOTAL	40

15.2 Insight consists of the following components:

Layout/Structure	Is there an introduction, paragraphs and a conclusion?	2
Analysis and interpretation	Is the candidate able to break down the question into headings/subheadings/interpret it correctly to show understanding of what is being asked? Marks to be allocated using this guide: All headings addressed: 1 (One 'A') Interpretation (16 to 32 marks): 1 (One 'A')	2
Synthesis	Are there relevant decisions/facts/responses made based on the questions? Marks to be allocated using this guide: Option 1: Only relevant facts: 2 marks (No '-S') Where a candidate answers 50% or more (two to four sub-questions) of the question with only relevant facts; no '-S' appears in the left margin. Award the maximum of TWO (2) marks for synthesis. Option 2: Some relevant facts: 1 mark (One '-S') Where a candidate answers less than 50% (only one sub-question) of the question with only/some relevant facts; one '-S' appears in the left margin. Award a maximum of ONE (1) mark for synthesis. Option 3: Some relevant facts: 1 mark (One '-S') Where a candidate writes FOUR 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. Option 4: No relevant facts: 0 marks (Two '-S') Where a candidate answers less than 50% (only one sub-question) of the question with irrelevant facts; two '-S' appear in the left margin. Award a ZERO mark for synthesis.	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:**
- 1. No marks will be awarded for contents repeated from the introduction and conclusion.**
 - 2. The candidate forfeits marks for layout if the words INTRODUCTION and CONCLUSION are not stated.**
 - 3. No marks will be awarded for layout, if the headings INTRODUCTION and CONCLUSION are not supported by an explanation.**

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

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

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

SECTION A**QUESTION 1**

- 1.1 1.1.1 C√√
 1.1.2 D√√
 1.1.3 B√√
 1.1.4 A√√
 1.1.5 C√√
(5 x 2) **(10)**
- 1.2 1.2.1 strategic management√√
 1.2.2 National Skills√√
 1.2.3 piecemeal√√
 1.2.4 SWOT √√
 1.2.5 do√√
(5 x 2) **(10)**
- 1.3 1.3.1 G√√
 1.3.2 E√√
 1.3.3 F√√
 1.3.4 B√√
 1.3.5 I√√
(5 x 2) **(10)**

TOTAL SECTION A: 30**BREAKDOWN OF MARKS**

QUESTION 1	MARKS
1.1	10
1.2	10
1.3	10
TOTAL	30

SECTION B**Mark the FIRST TWO answers only.****QUESTION 2: BUSINESS ENVIRONMENTS****2.1 Provisions of the Basic Conditions of Employment Act/BCEA**

- Regulation of working time/Ordinary hours of work/overtime/meal intervals and rest periods/Sunday work/public holidays. ✓
- Leave/annual/sick/family responsibility/maternity/paternity/parental. ✓
- Particulars of employment and remuneration. ✓
- Termination of employment. ✓
- Prohibition of employment of children and forced labour. ✓
- Any other relevant answer related to the provisions of the BCEA.

NOTE: Mark the first FOUR (4) only.**(4 x 1) (4)****2.2 Meaning of learnerships**

- Agreement between a learner/trainee and an employer/a training provider✓ to use the workplace as an active learning environment. ✓
- Theoretical/Practical training opportunities✓ that can lead to a recognised occupational qualification. ✓
- Structured learning programme✓ completed during work hours for a specified period of time. ✓
- May include employment for a specified period✓ after a learnership is completed. ✓
- Includes a training course with learning material✓ as well as practical work experience. ✓
- Any other relevant answer related to the meaning of learnerships.

Max (4)**2.3 PESTLE factor****2.3.1 Technological✓✓****(2)****2.3.2 Ways in which businesses can deal with challenges posed by the technological factors**

- Conduct continuous research✓ on the latest available technology/equipment in the market. ✓
- Train existing/appoint new employees✓ to maintain/use new equipment✓/Provide employees with necessary knowledge and skills✓ needed to provide services. ✓
- Compare prices/Select suitable suppliers✓ for new equipment at reasonable prices. ✓
- RT/Businesses must be geared✓ for online trading/e-commerce. ✓
- Any other relevant answer related to ways in which RT/businesses can deal with the challenges posed by technology as a PESTLE factor.

NOTE: Accept relevant facts if the PESTLE factor was incorrectly identified as an answer in QUESTION 2.3.1.**Max (4)**

2.4 Funding of SETAs

- Skills Development levies are paid by employers√ to SARS as a collecting agency for the government. √
- Employers who have a salary bill that exceeds R500 000 per annum, √ should pay one percent (1%) of their annual salaries as a levy. √
- The different SETAs receive eighty percent (80%) of the levy for organisational expenses√ and the remaining twenty percent (20%) is paid to the National Skills Fund. √
- Donations/grants received √ from the public/businesses/CSI programmes. √
- Surplus funds received √ from government institutions. √
- Funds received√ from rendering their services. √
- Any other relevant answer related to how SETAs are funded.

Max (4)**2.5 Positive impact of the Employment Equity Act/EEA**

- Encourages consultation√ between employer and employees. √
- Promotes equal opportunity√ and fair treatment in the workplace√
- Impacts positively√ on BEE ratings for businesses. √
- Appointment process is clearly defined√, so all parties are well informed. √
- Motivates employees because the workforce √ is more diverse/representative/inclusive. √
- Motivates employees because everyone has√ the same employment opportunities. √
- Promotes the implementation of affirmative action measures√ to redress the imbalances in employment. √
- Provides employees with legal recourse√ if they have been unfairly discriminated against. √
- Provides all employees with an equal opportunity√ to be selected/appointed/promoted in a position. √
- Prevents unfair discrimination√ as it ensures that the workforce represents the demographics of the country. √
- Creates a framework√ of acceptable employment practices/affirmative action measures. √
- Encourages diversity in business√ by employing people from various racial backgrounds. √
- Businesses are in a better position√ to negotiate contracts with the government. √
- Certified psychometric tests may be used√ to assess applicants/employees to ensure that they are suitable for the vacancy. √
- Any other relevant answer related to the positive impact of the EEA on businesses.

Max (6)**2.6 Strategy evaluation****2.6.1 Steps in strategy evaluation from the scenario**

- The management of JE set specific dates for control and follow up as part of their inspection programme. √
- They also implement corrective actions when deviations occur. √

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

(2 x 1) (2)

2.6.2 Other steps in strategy evaluation

- Examine the underlying basis√ of a business strategy. √
- Look forward and backwards√ into the implementation process. √
- Compare the expected performance√ with the actual performance. √
- Determine the reasons for deviations√ and analyse these reasons. √
- Draw up a table of the advantages and disadvantages√ of a strategy. √
- Decide on the desired outcome√ that will result in the achievement of business goals. √
- Consider the impact of the strategic implementation√ in the internal and external environments of the business. √
- Any other relevant answer related to other steps in strategy evaluation.

NOTE: 1. **Accept the steps in any order.**
2. **Do not award marks for responses that are quoted from the scenario in QUESTION 2.6.1.**

Max (6)**2.7 Application of Porter's Five Forces model****2.7.1 Power of suppliers**

- Suppliers that deliver high quality products may have power over the business. √√
- Assess the power of the suppliers in influencing prices. √√
- The more powerful the suppliers, the less control the business has over them. √√
- The smaller the number of suppliers, the more powerful they may be as the choice of suppliers may be limited. √√
- Assess the kind of power suppliers' have in terms of quality services/reliability/ability to make prompt deliveries. √√
- Any other relevant answer related to how businesses could apply power of suppliers as a force of Porter's Five Forces model to analyse their position in the market environment.

Max (4)**2.7.2 Power of competitors/Competitive rivalry**

- Competitors selling the same/similar products/services may have a greater impact on the market of the business. √√
- If competitors have a unique product/service, then they will have greater power. √√
- A business with many competitors in the same market has very little power in their market. √√
- Some businesses have the necessary resources to start a price war and to continue selling at a loss until some/all competitors leave the market. √√
- Competitors using various pricing and marketing strategies, are likely to have power over the business. √√
- Any other relevant answer related to how businesses could apply power of competitors/competitive rivalry as a force of Porter's Five Forces model to analyse their position in the market environment.

Max (4)
[40]

BREAKDOWN OF MARKS

QUESTION 2	MARKS
2.1	4
2.2	4
2.3.1	2
2.3.2	4
2.4	4
2.5	6
2.6.1	2
2.6.2	6
2.7.1	4
2.7.2	4
TOTAL	40

QUESTION 3: BUSINESS OPERATIONS**3.1 Sources of external recruitment**

- Recruitment agencies ✓
- Bill boards ✓
- Printed media such as newspapers/flyers/pamphlets/magazines/posters/government gazette ✓
- Electronic media such as radio/Internet/TV ✓
- Social media/Social networks/Business websites ✓
- Walk-ins ✓
- Head hunting ✓
- Professional associations ✓
- Networking ✓
- Educational/Training institutions ✓
- Word-of-mouth ✓
- Any other relevant answer related to sources of external recruitment.

NOTE: Mark the first TWO (2) only.

(2 x 1) (2)

3.2 Placement procedure

- Businesses should outline the specific responsibilities of the new position, including the expectations/skills required for this position. ✓✓
- Determine the successful candidate's strengths/weaknesses/interests/skills by subjecting him/her to a range of psychometric tests. ✓✓
- Determine the relationship between the position and the competencies of the new candidate. ✓✓
- Any other relevant answer related to the placement procedure as a human resource activity.

Max (4)

3.3 Selection procedure**3.3.1 Selection procedure from the scenario**

- They conducted preliminary interviews as there were many applicants. ✓
- KCF gave a written offer for the job to the successful candidate. ✓

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

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

(2 x 1) (2)

3.3.2 Other steps in the selection procedure**OPTION 1**

- Determine fair assessment criteria√ on which selection will be based. √
- Receive the application forms/curriculum vitae√ and certified copies of personal documents/IDs/proof of qualifications. √
- 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. √
- Reference checks should be made√ to verify the content of CVs such as contacting previous employers to check on their work experience. √
- Compile a shortlist√ of potential candidate's identified. √
- Shortlisted candidates may be subjected√ to various types of selection tests such as skills tests. √
- Invite shortlisted candidates√ for an interview. √
- Inform unsuccessful applicants√ about the outcome of their application√/Some adverts indicate the deadline√ for informing only successful candidates. √
- Any other relevant answer related to other steps in the selection procedure.

OR**OPTION 2**

- Receive documentation√ such as 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. √
- Assess/Test candidates who have applied for senior positions√ to ensure the best candidate is chosen. √
- Conduct interviews√ with shortlisted candidates. √
- Any other relevant answer related to other steps in the selection procedure.

NOTE: 1. **The procedure may be in any order.**
2. **Do not award marks for responses that are quoted from the scenario in QUESTION 3.3.1.**

Max (6)**3.4 Impact of fringe benefits****Positives/Advantages**

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

AND/OR

Negatives/Disadvantages

- Businesses which cannot offer fringe benefits√ fails to attract skilled workers. √
- Businesses which offer employees different benefit plans√ may create resentment√/Employees who receive less benefit may not be motivated√ resulting in lower productivity. √
- It can create conflict/lead to corruption√ if allocated unfairly. √
- Fringe benefits are additional costs√ that may result in cash flow problems. √
- Decreases business profits, √ as incentive/package/remuneration costs are higher. √
- Administrative costs increase√ as benefits need to be correctly recorded for tax purposes. √
- Workers only stay with the business for fringe benefits, √ and may not be committed/loyal to the tasks/business. √
- Businesses have to pay advisors/attorneys√ to help them create benefit plans that comply with legislation. √
- Errors in benefit plans√ may lead to costly lawsuits/regulatory fines. √
- Any other relevant answer related to the negative impact/disadvantages of fringe benefits on businesses.

Max (6)

3.5 Quality indicators of the administration function

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

NOTE: Mark the first TWO (2) only.

(2 x 2) (4)

3.6 Total quality management/TQM

3.6.1 TQM elements from the scenario

TQM ELEMENTS	MOTIVATIONS
1. Total client/customer satisfaction√√	MML always request their buyers to provide feedback on their purchasing experience. √
2. Monitoring and evaluation of quality processes√√	They conduct regular quality checks to avoid replacing machinery unnecessarily. √
Submax (4)	Submax (2)

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

Max (6)

3.6.2 Impact of TQM if 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 the necessary changes to products/services√ in order to satisfy the needs of customers. √
- The reputation/image of the business 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 investments√, 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 processes/systems √ could result in errors/deviations from pre-set quality standards. √
- Any other relevant answer related to the impact of TQM if poorly implemented by businesses.

Max (4)

3.7 Importance of quality circles

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

Max (6)
[40]

BREAKDOWN OF MARKS

QUESTION 3	MARKS
3.1	2
3.2	4
3.3.1	2
3.3.2	6
3.4	6
3.5	4
3.6.1	6
3.6.2	4
3.7	6
TOTAL	40

QUESTION 4: MISCELLANEOUS TOPICS**BUSINESS ENVIRONMENTS****4.1 Business environments and extent of control**

BUSINESS ENVIRONMENTS	EXTENT OF CONTROL
1. Micro environment✓	Full control✓
2. Market environment✓	Partial/Some/Limited/Less/Little control✓
3. Macro environment✓	No control✓
Submax (2)	Submax (2)

- 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 (4)**4.2 Broad-Based Black Economic Empowerment Act/BBBEE pillars from the scenario**

BBBEE PILLARS	MOTIVATIONS
1. Management control✓✓	Zako Wholesaler recently appointed Zandile as their chief operating officer (COO). ✓
2. Enterprise and supplier development (ESD)✓✓	They requested Mandla Electricians to render maintenance services on their electrical equipment. ✓
Submax (4)	Submax (2)

- NOTE:**
1. Mark the first TWO (2) only.
 2. The answer does not have to be in tabular format.
 3. Award marks for the BBBEE pillars even if the motivations were incomplete.
 - 4 Do not award marks for the motivations if the BBBEE pillars were incorrectly identified

Max (6)

4.3 Types of intensive strategies**Market penetration**√√

- Existing products penetrate the market at lower prices but later prices are increased. √
- Businesses focus on selling existing products into existing markets to increase their market share. √
- Businesses use market research on existing clients to decide on how to improve their marketing mix. √
- Aggressive marketing campaigns such as reducing prices are used to attract potential/existing clients. √
- Businesses use this strategy to increase awareness of the products and customer loyalty. √
- Any other relevant answer related to market penetration as a type of intensive strategy.

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

Market development√√

- It is a growth strategy where businesses aim to sell their existing products in new markets. √
- Businesses target consumers in a potential market that is outside of its normal target market. √
- Increasing sales of existing products by finding new ways to develop new markets. √
- Any other relevant answer related to market development as a type of intensive strategy.

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

Product development√√

- It is a growth strategy where businesses aim to introduce new products into existing markets/modify an existing product. √
- Businesses generate new ideas/develop new products/services. √
- Businesses conduct test marketing/market research to establish whether new products will be accepted by existing customers. √
- New products may be different/of a higher quality than those of competitors. √
- Any other relevant answer related to product development as a type of intensive strategy.

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

NOTE: Mark the first TWO (2) only.

Max (6)

4.4 Ways in which businesses can comply with the Labour Relations Act/LRA

- Employees should not be unfairly/illegally√ dismissed. √
- Support the establishment/formation of trade unions/workplace forums√ to enhance labour peace in the workplace. √
- Employers should not breach/ignore√ any collective agreement. √
- Businesses must allow employees to participate in union activities√ such as legal strikes/elections. √
- Disclose all relevant information required by trade union representatives√ to do their jobs effectively. √
- Any other relevant answer related to ways in which businesses can comply with the LRA.

Max (4)**BUSINESS OPERATIONS****4.5 Examples of fringe benefits**

- Pension fund√
- Medical aid fund/Health insurance fund√
- Funeral benefit √
- Provident fund√
- Car/Travel/Housing/Cell phone/Clothing allowances√
- Performance based incentives√
- Issuing of bonus shares√
- Staff discount/Free or low cost meal/Canteen facilities√
- Any other relevant examples of fringe benefits.

NOTE: Mark the first TWO (2) only.**(2 x 1) (2)****4.6 Induction****4.6.1 Aspects of the induction programme from the scenario**

- The management of FL took their employees on a tour of the premises. √
- They also highlighted all the necessary safety regulations and rules. √

NOTE: 1 Mark the first TWO (2) only.**2 Only award marks for responses that are quoted from the scenario.****(2 x 1) (2)****4.6.2 Benefits of induction for businesses**

- Allows new employees to settle in quickly√ and work effectively. √
- Ensures that new employees understand the rules√ and restrictions in the business. √
- New employees may establish relationships√ with fellow employees at different levels. √
- Make new employees feel at ease in the workplace, √ which reduces anxiety/insecurity/fear. √
- The results obtained during the induction process√ provide a base for focussed training. √
- Increases quality of performance/productivity√ as employees are familiar with the work processes. √
- Minimises the need for on-going training√ and development. √
- Employees will be familiar with organisational structures√ such as their supervisors/low level managers. √

- Opportunities are created for new employees√ to experience/explore different departments. √
- New employees will understand their role/responsibilities√ concerning safety regulations and rules. √
- New employees will know the layout of the building/factory/offices, √ which saves production time. √
- Learn more about the business so that new employees understand their roles/responsibilities√ in order to be more efficient. √
- Company policies are communicated, √ regarding conduct and procedures/safety and security/employment contract/conditions of employment/working hours/leave. √
- Realistic expectations for new employees√ as well as the business are created. √
- New employees may feel part of the team√ resulting in positive morale and motivation. √
- Employees may have a better understanding of business policies√ regarding ethical/professional conduct/procedures/CSR. √
- Reduces the staff turnover√ as new employees have been inducted properly. √
- Any other relevant answer related to the benefits of induction for businesses.

Max (6)

4.7 Difference 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√ is 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)

4.8 Ways in which total quality management/TQM can reduce the cost of quality

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

Max (6)
[40]

BREAKDOWN OF MARKS

QUESTION 4	MARKS
4.1	4
4.2	6
4.3	6
4.4	4
4.5	2
4.6.1	2
4.6.2	6
4.7	4
4.8	6
TOTAL	40

TOTAL SECTION B: 80

SECTION C**Mark the FIRST question only.****QUESTION 5: BUSINESS ENVIRONMENTS (LEGISLATION)****5.1 Introduction**

- The National Credit Act regulates the terms and conditions for all goods and services that are sold/delivered on credit. ✓
- The Act enables businesses and consumers to enter into transparent credit agreements. ✓
- Businesses must receive assistance from legal experts to ensure compliance with the NCA. ✓
- Penalties/Consequences for non-compliance compel businesses to put systems in place that will improve their compliance status. ✓
- Any other relevant introduction related to the rights of consumers in terms of the NCA/impact of the NCA/ways to comply with NCA/penalties for non-compliance to the NCA.

Any (2 x 1) (2)**5.2 Rights of consumers in terms of the National Credit Act/NCA**

Consumers have a right to:

- Apply for credit and to be free from discrimination. ✓✓
- Obtain reasons for credit being refused. ✓✓
- Receive pre-agreement documentation/credit quote that is valid for 7 days before concluding any credit transaction. ✓✓
- Fair and responsible marketing. ✓✓
- Surrender/Return goods to the credit provider in order to settle the outstanding amount/debt. ✓✓
- Apply for debt review/counselling if the consumers cannot afford to repay their debts. ✓✓
- Receive information in plain and understandable language. ✓✓
- Receive documents/statements as required by the Act. ✓✓
- Access and challenge credit records and information. ✓✓
- Receive protection of their personal information. ✓✓
- Receive protection from being held accountable for the use of their credit facility after they reported the loss/theft. ✓✓
- Refuse a credit limit increase. ✓✓
- Any other relevant answer related to the rights of consumers in terms of the NCA.

Max (10)**5.3 Impact of the National Credit Act/NCA on businesses****Positives/Advantages**

- The whole credit process is transparent✓ as both businesses and customers know their responsibilities. ✓
- Lower bad debts✓ resulting in better cash flow. ✓
- Protects businesses✓ against non-paying consumers. ✓
- Increases cash sales✓ as credit can only be granted to qualifying customers/ more customers are buying in cash. ✓
- Stamps out reckless lending✓ and prevents businesses from bankruptcy. ✓

- Credit bureau information is made available to businesses√ so that they can check the credit worthiness of consumers before granting credit. √
- Businesses do thorough credit checks√ and receive up-to-date documentation from the consumer as proof that they can afford the repayment. √
- Leads to more customers through credit sales√ as they are now protected from abuse. √
- Any other relevant answer related to the positive impact/advantages of the NCA on businesses.

AND/OR

Negatives/Disadvantages

- Businesses can no longer√ carry out credit marketing. √
- Businesses struggle to get credit√ such as bank loans/overdrafts. √
- Businesses that do not comply with the NCA√ may face legal action. √
- Debt collection procedures are more complex√ and expensive. √
- Fewer customers buy on credit√ as it is more difficult to obtain credit. √
- Increases the administration burden√ on credit providers. √
- Leads to loss of sales√ as many consumers may no longer qualify to buy on credit. √
- The paperwork and administrative process√ required by the Act are costly and time consuming. √
- Businesses need to appoint additional staff√ to deal with the extra administration. √
- Should the credit agreement be declared reckless√ businesses can forfeit the outstanding debt and the goods. √
- Businesses that are official credit providers, √ must submit a compliance report every year.
- Businesses must make sure that all attempts have been made to recover the debt√ before blacklisting the customer. √
- Credit providers cannot collect from consumers√ who are under debt review. √
- More working capital is needed√ as businesses cannot sell many goods on credit/due to stricter credit application processes. √
- Any other relevant answer related to the negative impact/disadvantages of the NCA on businesses.

Max (14)

5.4 Ways in which businesses could comply with the NCA

- Offer applicants√ pre-agreement statements. √
- Disclose all costs√ of the loan√/No hidden costs√ should be charged/added. √
- Obtain credit records/checks of clients√ before granting loans. √
- Businesses should be registered√ with the National Credit Regulator. √
- Submit an annual compliance report√ to the National Credit Regulator. √
- Conduct affordability assessment√ to ensure that consumers have the ability to meet their obligations. √
- Conduct credit checks with a registered credit bureau√ and consult the National Credit Register. √
- Businesses must have procedures in place√ to comply with the provision of the Financial Intelligence Centre Act (FICA). √
- Verify the identity of clients, report suspicious transactions/train staff√ on their obligations in terms of FICA. √
- Any other relevant answer related to ways in which businesses could comply with the NCA.

Max (14)

5.5 Penalties for non-compliance to the NCA

- Businesses may not demand payment/sue/attach the clients/consumers salaries/assets. √√
- They may not charge any fee/interest/other charges under that specific credit agreement. √√
- The court may order consumers not to repay their debts if the business is found guilty of reckless credit granting. √√
- The National Consumer Tribunal may impose a fine on businesses for non-compliance. √√
- Businesses will bear all costs of removing the negative information of clients/consumers who were blacklisted as a result of reckless credit lending. √√
- The business licence may be revoked/deregistered as a credit provider for reckless credit granting and gross violations of the NCA. √√
- Any other relevant answer related to the penalties that businesses may face for non-compliance to the NCA.

Max (8)**5.6 Conclusion**

- The NCA ensures that consumers are not exploited by providing guidelines on how they can exercise their rights in the credit market. √√
- Businesses benefit through the debt restructuring as they receive part of the outstanding debt. √√
- Businesses that comply with the NCA are more likely to receive good publicity and attract more customers. √√
- Businesses should adhere to the regulations of the NCA to avoid penalties that could lead to financial obligations/constraints. √√
- Any other relevant conclusion related to the rights of consumers in terms of the NCA/impact of the NCA/ways to comply with NCA/penalties for non-compliance to the NCA.

**Any (1 x 2) (2)
[40]****QUESTION 5: BREAKDOWN OF MARK ALLOCATION**

DETAILS	MAXIMUM	TOTAL
Introduction	2	Max 32
Rights of consumers in terms of the NCA	10	
Impact of the NCA on businesses	14	
Ways in which businesses could comply with the NCA	14	
Penalties for non-compliance to the NCA	8	
Conclusion	2	
INSIGHT		8
Layout	2	
Analysis/Interpretation	2	
Synthesis	2	
Originality/Examples	2	
TOTAL MARKS		40

LASO – For each component:

Allocate 2 marks if all requirements are met.

Allocate 1 mark if some requirements are met.

Allocate 0 marks where requirements are not met at all

QUESTION 6: BUSINESS OPERATIONS (HUMAN RESOURCES FUNCTION)

6.1 Introduction

- The human resources manager must be well conversant with the requirements of a vacancy to ensure that the recruitment procedure is accurate. ✓
- Internal recruitment is a method where businesses advertise vacancies within the business. ✓
- During the interview process, the knowledge and skills of the interviewees will be assessed to determine the most suitable candidate. ✓
- An employment contract sets out the legal conditions of employment that must be observed by both the employer and the employee. ✓
- Any other relevant introduction related to the job description and job specification/ impact of internal recruitment/role of the interviewee/legal requirements of the employment contract.

Any (2 x 1) (2)

6.2 Differences between job description and job specification

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

- NOTE:**
1. The answer does not have to be in 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 Impact of internal recruitment on a business

Positives/Advantages

- Cheaper/Quicker to fill the post ✓ as this method focuses on promoting existing employees. ✓
- Placement is easy, ✓ as management knows the employees' skills/personality/ experience/strengths. ✓
- Provides opportunities for career paths ✓ within the business. ✓
- The employee already has an understanding of how the business operates, ✓ induction/training is not always necessary. ✓
- Reduces the chances of losing employees, ✓ as future career prospects are available. ✓

- Detailed, reliable information can be obtained√ from the supervisors/employee records. √
- Any other relevant answer related to the positive impact/advantages of internal recruitment on a business.

AND/OR**Negatives/Disadvantages**

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

Max (14)**6.4 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 them. √
- Know your strengths and weaknesses√ and be prepared to explain them. √
- Thank the interviewer for the opportunity given√ to be part of the interview. √
- Any other relevant answer related to role of the interviewee during the interview.

Max (14)**6.5 Legal requirements of the employment contract**

- The employer and employee/Both parties must sign the contract. √√
- Employer and employee must agree to any changes to the contract. √√
- No party may unilaterally change aspects of the employment contract. √√
- The remuneration package/including benefits must be clearly indicated. √√
- The employment contract may not contain any requirements that are in conflict with the BCEA. √√
- Aspects of the employment contract can be renegotiated during the course of employment. √√
- The employer must explain the terms and conditions of the employment contract to the employee. √√

- Conditions of employment/duties/responsibilities of the employees must be stipulated clearly. √√
- All business policies, procedures and disciplinary codes/rules can form part of the employment contract. √√
- The employer must allow the employee to thoroughly read through the contract before it is signed. √√
- The employment contract should include a code of conduct and code of ethics. √√
- Any other relevant answer related to the legal requirements of the employment contract.

Max (10)**6.6 Conclusion**

- The correct job analysis is important in order to avoid unnecessary cost of re-advertising the vacancy. √√
- Businesses should remain objective when recruiting internally to ensure that the successful candidate makes a meaningful contribution in the workplace. √√
- The professional conduct of the interviewee during the interview may increase his/her chances of being appointed. √√
- Businesses should align the employment contract according to the requirements of the BCEA to avoid unnecessary legal actions. √√
- Any other relevant conclusion related to the job description and job specification/ impact of internal recruitment/role of the interviewee/legal requirements of the employment contract.

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

DETAILS	MAXIMUM	TOTAL
Introduction	2	Max 32
Differences between job description and job specification	8	
Impact of internal recruitment on a business	14	
Role of the interviewee during the interview	14	
Legal requirements of the employment contract	10	
Conclusion	2	
INSIGHT		8
Layout	2	
Analysis/Interpretation	2	
Synthesis	2	
Originality/Examples	2	
TOTAL MARKS		40

LASO – For each component:

Allocate 2 marks if all requirements are met.

Allocate 1 mark if some requirements are met.

Allocate 0 marks where requirements are not met at all

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