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Basic Education
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SENIOR CERTIFICATE EXAMINATIONS/ NATIONAL SENIOR CERTIFICATE EXAMINATIONS

BUSINESS STUDIES P1

2023

MARKING GUIDELINE

MARKS: 150

This marking guideline consist of 26 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 relevant 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 D✓✓
 1.1.2 C✓✓
 1.1.3 B✓✓
 1.1.4 A✓✓
 1.1.5 C✓✓

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

- 1.2 1.2.1 National Credit Regulator ✓✓
 1.2.2 tertiary✓✓
 1.2.3 economic✓✓
 1.2.4 Unemployment Insurance ✓✓
 1.2.5 management✓✓

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

- 1.3 1.3.1 E✓✓
 1.3.2 G✓✓
 1.3.3 H✓✓
 1.3.4 A✓✓
 1.3.5 B✓✓

(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 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: Mark the first TWO (2) only.**(2 x 1) (2)****2.2 Advantages of diversification strategies**

- Increases sales and business growth. ✓✓
- Improves the business brand and image. ✓✓
- Reduces the risk of relying only on one product for sales/revenue/income. ✓✓
- Businesses gain more technological capabilities through product modification. ✓✓
- Diversification into a number of industries or product lines can help create a balance during economic fluctuations. ✓✓
- Businesses produce more output using less inputs as one factory may be used to manufacture more products. ✓✓
- Enables businesses to retain their competitive advantage by meeting the needs of current/new customers. ✓✓
- Allows businesses to remain relevant/functional/operational in a dynamic business environment. ✓✓
- Any other relevant answer related to the advantages of diversification strategies.

Max (4)**2.3 Business strategies****2.3.1 Type of integration strategy in the scenario**

Horizontal✓✓

(2)**2.3.2 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. ✓
- 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✓ that will result in the achievement of business goals. ✓
- Consider the impact of the strategic implementation✓ in the internal/external environments of the business. ✓
- Any other relevant answer related to the steps in strategy evaluation.

Max (6)

2.4 Application of Porter's Five Forces model**2.4.1 Power of buyers**

- Assess how easy it is for buyers/customers✓ to drive prices down. ✓
- Buyers buying in bulk✓ can bargain for prices in their favour✓.
- Conduct market research✓ to gather more information about its buyers. ✓
- Determine the number of buyers/the importance of each buyer to the business✓ and the cost of switching to other products. ✓
- A few powerful buyers✓ are often able to dictate their terms to the business. ✓
- Buyers that can do without the business's products✓ have more power to determine the prices and terms of sale. ✓
- Any other relevant answer related to how businesses could apply the power of buyers to analyse their position in the market environment.

Max (4)**2.4.2 Threat of substitution/substitutes**

- Business products that can be easily substituted✓ weakens the power of the business in the market. ✓
- Establish whether the sellers of substitute products✓ have improved their product/sell lower quality goods at lower prices. ✓
- Businesses selling unique products✓ will not be threatened by substitute products. ✓
- Assess if customers are using substitute products/services✓ and determine reasons for using substitutes. ✓
- Any other relevant answer related to how businesses could apply the threat of substitution/substitutes to analyse their position in the market environment.

Max (4)**2.5 Ways in which businesses can comply with the Employment Equity Act/EEA**

- Businesses should guard✓ against discriminatory appointments. ✓
- Assess the racial composition✓ of all employees, including senior management. ✓
- Ensure that there is equal representation of all racial groups/demographics✓ in every level of employment. ✓
- Clearly define the appointment process✓, so that all parties are well informed. ✓
- Ensure that diversity/inclusivity✓ is achieved in the workplace. ✓
- Prepare an employment equity plan✓ in consultation with employees. ✓
- Compile employment equity plans✓ that indicate how they will implement affirmative action. ✓
- Ensure that affirmative action measures✓ promote diversity in the workplace. ✓
- Implement✓ the employment equity plan. ✓
- Implement affirmative action measures✓ to redress disadvantages experienced by designated groups✓
- Submit the employment equity plan✓ to the Department of Labour. ✓
- Assign one or more senior managers✓ to ensure implementation and monitoring of the employment equity plan. ✓
- Eliminate barriers✓ that have an adverse impact on designated groups. ✓
- Regularly report to the Department of Labour✓ on progress in implementing the plan. ✓
- Display a summary of the Act✓ where employees can clearly see/have access to the document. ✓

- Conduct medical/psychological tests fairly✓ to employees/when deemed necessary✓/Use certified psychometric tests to assess applicants/employees✓ to ensure that suitable candidates are appointed. ✓
- Ensure that the workplace represents the demographics of the country✓ at all levels. ✓
- Restructure/Analyse current employment policies/practices/procedures✓ to accommodate designated groups. ✓
- Retrain/Develop/Train designated groups✓ through skills development programmes. ✓
- Employees must be paid equal✓ for work of equal value. ✓
- Any other relevant answer related to ways in which businesses can comply with the EEA.

Max (6)**2.6 Rights of employees in terms of the Labour Relations Act/LRA****2.6.1 Rights of employees in terms of the LRA from the scenario**

- Employees take part in legal strikes without any fear of victimisation. ✓
- The trade union representatives are given time off to attend to their respective duties. ✓

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 rights of employees in terms of the Labour Relations Act/LRA**

- Employees may join a trade union✓ of their choice. ✓
- Refer unresolved workplace disputes✓ to the CCMA. ✓
- Refer unresolved CCMA disputes✓ to the Labour Court on appeal. ✓
- Request trade union representatives to assist/represent employees✓ in the grievance/disciplinary hearing. ✓
- Establish a workplace forum where a business has 100 or more employees✓ to resolve work-related issues. ✓
- Any other relevant answer related to other rights of employees in terms of the LRA.

NOTE: Do not award marks for responses that are quoted from the scenario in QUESTION 2.6.1.

Max (4)**2.7 Strategic management process****OPTION 1**

- Businesses should have a clear vision, mission statement/measurable/realistic objective in place. ✓✓
- Identify opportunities/weaknesses/strengths/threats by conducting environmental scanning/situational analysis. ✓✓
- Tools available for environmental scanning may include a SWOT analysis/Porter's Five Forces model/PESTLE analysis/industrial analysis tools. ✓✓
- Formulate alternative strategies to respond to the challenges. ✓✓
- Develop (an) action plan(s), including the tasks to be done/deadlines to be met/resources to be procured. ✓✓

- Implement selected strategies by communicating it to all stakeholders/ organising business resources/motivating staff. √√
- Continuously evaluate/monitor/measure strategies in order to take corrective action. √√
- Any other relevant answer related to the strategic management process.

OR**OPTION 2**

- Businesses should review/analyse/re-examine their vision/mission statement. √√
- Conduct an environmental analysis using models such as SWOT/PESTLE/Porter's Five Forces. √√
- Formulate a strategy, such as a defensive/retrenchment strategy. √√
- Implement a strategy, using a template such as an action plan. √√
- Control/Evaluate/Monitor the implemented strategy to identify gaps/deviations in implementation. √√
- Take corrective action to ensure goals/objectives are met. √√
- Any other relevant answer related to the strategic management process.

Max (6)
[40]

BREAKDOWN OF MARKS

QUESTION 2	MARKS
2.1	2
2.2	4
2.3.1	2
2.3.2	6
2.4.1	4
2.4.2	4
2.5	6
2.6.1	2
2.6.2	4
2.7	6
TOTAL	40

QUESTION 3: BUSINESS OPERATIONS**3.1 Components of job analysis**

- Job description✓
- Job specification✓

NOTE: Mark the first TWO (2) only.**(2 x 1) (2)****3.2 Reasons for the termination of an employment contract**

- The employer may dismiss an employee for a valid reason(s), such as unsatisfactory job performance/misconduct. ✓✓
- Employer may no longer have work for redundant employees/cannot fulfil the contract/is restructuring. ✓✓
- The employer may retrench some employees due to insolvency/may not be able to pay the employees. ✓✓
- Employees decided to leave/resign voluntarily for better job opportunities. ✓✓
- An employee may have reached the pre-determined age for retirement. ✓✓
- Incapacity to work due to illness/injuries. ✓✓
- By a mutual agreement between the employer and employee. ✓✓
- The duration of the employment contract expires/comes to an end. ✓✓
- Any other relevant answer related to the reasons for the termination of an employment contract.

Max (6)**3.3 Fringe benefits****3.3.1 Fringe benefits from the scenario**

- Seaview Properties offers attractive fringe benefit packages in order to reduce employee turnover. ✓
- Employees are also loyal and willing to go the extra mile. ✓

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 advantages of fringe benefits**

- Improves productivity✓ resulting in higher profitability. ✓
- Fringe benefits can be used as leverage✓ for salary negotiations. ✓
- Attracts qualified/skilled/experienced employees✓ who may positively contribute towards the business goals/objectives. ✓
- Businesses may save money✓ as benefits are tax deductible. ✓
- Any other relevant answer related to other advantages of fringe benefits for businesses.

NOTE: Do not award marks for responses that are quoted from the scenario in QUESTION 3.3.1.**Max (4)****3.4 Impact of external recruitment****Positives/Advantages**

- New candidates bring new talents/ideas/experiences/skills into the business. ✓✓
- There is a larger pool of candidates to choose from. ✓✓
- It may help the business to meet affirmative action/BBBEE targets. ✓✓
- Minimises unhappiness/conflict amongst current employees who may have applied for the post. ✓✓

- There is a better chance of getting a suitable candidate with the required skills/qualifications/competencies who do not need much training/development which reduce costs. ✓✓
- New employees may add value to the overall efficiency/productivity of the business. ✓✓
- Any other relevant answer related to the positive impact/advantages of external recruitment on businesses.

AND/OR**Negatives/Disadvantages**

- Information on CV's/from referees may not be reliable. ✓✓
- Many unsuitable applications can slow down the selection process. ✓✓
- New candidates generally take longer to adjust to a new work environment. ✓✓
- External sources can be expensive, such as recruitment agencies' fees/ advertisements in newspapers/magazines. ✓✓
- The selection process may not be effective as an incompetent candidate may be chosen. ✓✓
- Recruitment process takes longer as background checks must be conducted/is time-consuming due to the lengthy process of finding a suitable candidate. ✓✓
- In-service training may be needed which decreases productivity during the time of training. ✓✓
- External recruitment may limit promotion/growth opportunities that could lead to resentment amongst employees. ✓✓
- Any other relevant answer related to the negative impact/disadvantages of external recruitment on businesses.

Max (6)**3.5 Quality indicators of the production function**

- Provide high quality products/services according to specifications. ✓✓
- The production/operating processes of a business should be done correctly through proper production planning and control. ✓✓
- Products/Services should be produced at the lowest possible cost to allow for profit maximisation. ✓✓
- Businesses should clearly communicate the roles and responsibilities to the production workforce. ✓✓
- Products must meet customers' requirements by being safe/reliable/durable. ✓✓
- Businesses should have good after-sales services and warranties. ✓✓
- Empower workers so that they can take pride in their workmanship. ✓✓
- Get accreditation from the SABS/ISO 9001 to ensure that quality products are being produced. ✓✓
- Specify the product/service standards and take note of the factors that consumers use to judge quality. ✓✓
- Monitor processes and find the root causes of production problems. ✓✓
- Implement quality control systems to ensure that quality products are consistently being produced. ✓✓
- Utilise machines and equipment optimally. ✓✓
- Accurately calculate the production costs. ✓✓
- Select the appropriate production system such as mass/batch/jobbing. ✓✓
- Any other relevant answer related to the quality indicators of the production function.

Max (4)

3.6 Role of quality circles as part of continuous improvement to processes and systems

- Solve problems related to quality✓ and implement improvements. ✓
- Investigate problems✓ and suggest solutions to management. ✓
- Ensure that there 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. ✓
- 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 working 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 role of quality circles as part of continuous improvement to processes and systems.

Max (4)

3.7 Quality of performance

3.7.1 Quality concept in the scenario

Quality assurance✓✓

(2)

3.7.2 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 business image. ✓
- May achieve a state of total client/customer satisfaction✓, if businesses follow sound business practices that incorporates all stakeholders. ✓
- Strive to understand/fulfil customer expectations✓ by aligning cross-functional teams across critical processes. ✓
- Ensures that cross-functional teams understand their 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 as a TQM element 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 businesses have an increased bargaining power✓ so they do not necessarily have to please customers. ✓
- Not all employees may be involved /committed✓ to total client/customer satisfaction. ✓
- Any other relevant answer related to the negative impact/disadvantages of total client/customer satisfaction as a TQM element on large businesses.

Max (6)**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. ✓✓
- A 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/Financial sustainability as more customers improves profitability ✓✓
- Improves business image as there are less defects/returns. ✓✓
- Any other relevant answer related to the benefits of a good quality management system.

Max (4)**[40]****BREAKDOWN OF MARKS**

QUESTION 3	MARKS
3.1	2
3.2	6
3.3.1	2
3.3.2	4
3.4	6
3.5	4
3.6	4
3.7.1	2
3.7.2	6
3.8	4
TOTAL	40

QUESTION 4: MISCELLANEOUS TOPICS**BUSINESS ENVIRONMENTS****4.1 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)****4.2 Challenges of business environments and the extent of control**

CHALLENGES 4.2.1	BUSINESS ENVIRONMENTS 4.2.2	EXTENT OF CONTROL 4.2.3
1. ZE always receives stock late from Smart Wholesalers. ✓	Market✓	Partial/Some/Limited/Less/Little control✓
2. The management of ZE has difficulty in dealing with unproductive employees. ✓	Micro✓	Full control✓
Max (2)	Max (2)	Max (2)

- NOTE:**
1. Mark the first challenge for each environment only.
 2. If the business environment is not linked to the challenge, mark the challenge only.
 3. Award full marks for the business environment even if the challenge is not quoted in full.
 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. Accept responses in any order.

4.3 Types of defensive strategies**Divestiture/Divestment✓✓**

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

Strategy (2)

Discussion (1)

Submax (3)

Retrenchment✓✓

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

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

Liquidation✓✓

- Selling all assets to pay creditors due to a lack of capital. ✓
- Selling the entire business in order to pay shareholders a fair price for their shares. ✓
- Allowing creditors to apply for forced liquidation in order to have their claims settled. ✓
- Any other relevant answer related to liquidation as a type of defensive strategy.

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

NOTE: Mark the first TWO (2) only.

Max (6)

4.4 Role of SETAs

- Report to the Director General. ✓✓
- Promote and establish learnerships. ✓✓
- Collect levies and pay 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/training providers. ✓✓
- Oversee training in different sectors of the South African economy. ✓✓
- Develop sector 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 businesses that are complying with the requirements of the Skills Development Act. ✓✓
- Identify suitable workplaces for practical work experience. ✓✓
- Any other relevant answer related to the role of SETAs in supporting the SDA.

Max (4)

BUSINESS OPERATIONS**4.5 Placement procedure**

- 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 resources activity.

Max (4)**4.6 Salary determination methods****Piecemeal**✓✓

- Workers are paid according to the number of items/units produced/action performed. ✓
- Workers are not remunerated for the number of hours worked, regardless of how long it takes them to make the items. ✓
- Mostly used in factories particularly in the textile/technology industries. ✓
- Any other relevant answer related to piecemeal as a salary determination method.

Method (2)
Explanation (1)
Submax (3)

Time-related✓✓

- Workers are paid according to the amount of time/hours they spend at work/on a task. ✓
- Workers with the same experience/qualifications are paid on salary scales regardless of the amount of work done. ✓
- Many private and public sector businesses use this method. ✓
- Any other relevant answer related to time-related as a salary determination method.

Method (2)
Explanation (1)
Submax (3)

NOTE: Mark the first TWO (2) only.**Max (6)****4.7 Business functions from the scenario**

BUSINESS FUNCTIONS	MOTIVATIONS
1. Marketing function✓✓	Vashni Limited uses aggressive advertising campaigns to increase their customer base. ✓
2. Financial function✓✓	Jabu, the senior manager, draws up budgets to ensure accurate application of monetary resources. ✓
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 business functions even if the motivations were incomplete.
 4. Do not award marks for the motivations if the business functions were incorrectly identified.

Max (6)

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 responsibilities 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 (4)
[40]

BREAKDOWN OF MARKS

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

TOTAL SECTION B: 80

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

- The BBBEE Act was established to bring the majority of South Africans into the mainstream of the economy. ✓
- Provides opportunities for black people to explore various ways of generating wealth. ✓
- Businesses must allow previously disadvantaged individuals the opportunity to develop/improve their skills which ensures on-going training/development. ✓
- The penalties for non-compliance with the BBBEE Act may have a negative impact on businesses. ✓
- The correct application of management control and ownership as pillars of BBBEE may result in sustainable business growth and development. ✓
- Any other relevant introduction related to the purpose of the BBBEE Act/ advantages of BBBEE/penalties for non-compliance with the BBBEE Act/application of management control and ownership as BBBEE pillars in the workplace.

Any (2 x 1) (2)**5.2 Purpose of the Broad-Based Black Economic Empowerment Act/BBBEE**

- BBBEE Act enables wealth to be spread more broadly across all population groups. ✓✓
- Outlines areas that would give the government a platform for bringing equitable spread of wealth. ✓✓
- Allows for the development of Codes of Good Practice. ✓✓
- Empowers the Minister to issue Codes of Good Practice and publish transformation charters. ✓✓
- Establishes the Black Economic Empowerment Advisory Council which addresses matters related to black empowerment. ✓✓
- Creates capacity within the broader economic landscape at all levels through the implementation of the BBBEE pillars. ✓✓
- BBBEE Act aims at targeting inequality in the South African economy. ✓✓
- Increases the number of black people that manage/control South African businesses. ✓✓
- Any other relevant answer related to the purpose of the BBBEE Act.

Max (10)**5.3 Advantages of Broad-Based Black Economic Empowerment Act/BBBEE**

- 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. ✓
- A good BBBEE rating✓ will improve the image of the business. ✓
- Fronting is discouraged✓, as it may lead to the disqualification of a business's entire score card/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 BEE score card/may get government tenders/may attract other BBBEE business partners/-suppliers. ✓
- Businesses will have a good overview on how they are performing✓ with regards to the national requirements of the country. ✓
- By focusing on BBBEE, the business will show commitment✓ towards the social/education/economic developments in the community/country. ✓
- Businesses that are rated understand how to develop BBBEE strategies✓ that will increase their 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 and 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. ✓
- Previously disadvantaged workers will be skilled✓ because businesses are compelled to send them for skills training. ✓
- Provides opportunities for/empowers previously disadvantaged employees✓ through uplifting socio-economic processes. ✓
- Any other relevant answer related to the advantages of the BBBEE Act for businesses.

Max (14)

5.4 **Penalties for non-compliance with the Broad-Based Black Economic Empowerment Act/BBBEE**

- Businesses may face imprisonment✓ for non-compliance and fronting practices. ✓
- The penalty could be a fine of up to 10%✓ of the business's annual turnover. ✓
- Government will cancel any contract awarded✓ that was based on false information regarding BBBEE 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 of 40% for compliance with ownership/skills development/ESD✓ will be automatically downgraded by one level. ✓
- Businesses may receive a compliance order from the Labour Court✓, which forces them to comply with BBBEE. ✓
- Approved BBBEE compliant vendors will withdraw their contracts✓ with non-compliant businesses. ✓
- Any other relevant answer related to penalties that businesses may face for non-compliance with the BBBEE Act.

Max (10)

5.5 Ways in which businesses could apply the BBBEE pillars**5.5.1 Management control**

- Businesses must ensure that transformation is implemented at all levels. ✓✓
- Appoint black people in senior executive positions/management. ✓✓
- Involve black people in the strategic decision-making processes. ✓✓
- Ensure that black females are represented in management. ✓✓
- Businesses score points in management when selling more than 25 % of their shares to black investors so that some of them can become directors. ✓✓
- Any other relevant answer related to ways in which businesses could apply management control as a BBBEE pillar in the workplace.

Sub max (6)

5.5.2 Ownership

- Businesses should include black people in shareholding/partnerships/franchises. ✓✓
- Encourage small black investors to invest in large businesses 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. ✓✓
- Create more opportunities for black people to become owners/ entrepreneurs. ✓✓
- Large businesses should form joint ventures with small black owned businesses and share business risks. ✓✓
- Any other relevant answer related to ways in which businesses could apply ownership as a BBBEE pillar in the workplace.

Sub max (6)

Max (12)**5.6 Conclusion**

- The BBBEE Act promotes meaningful participation of a wider group of previously disadvantaged people to advance economic transformation. ✓✓
- The effective implementation of the Act may attract local and foreign investments. ✓✓
- Businesses should comply with the BBBEE Act to avoid negative publicity and losing business partners. ✓✓
- The BBBEE pillars such as management control and ownership provide guidelines on how businesses should apply these pillars in the workplace. ✓✓
- Any other relevant conclusion related to the purpose of the BBBEE Act/advantages of BBBEE/penalties for non-compliance with the BBBEE Act/application of management control and ownership as BBBEE pillars in the workplace.

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

QUESTION 5: BREAKDOWN OF MARK ALLOCATION

DETAILS	MAXIMUM	TOTAL
Introduction	2	Max 32
Purpose of BBBEE Act	10	
Advantages of BBBEE for businesses	14	
Penalties for non-compliance with the BBBEE Act	10	
Application of the following BBBEE pillars in the workplace: ○ Management control ○ Ownership	12	
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**

- Selection refers to choosing the best candidate with necessary skills and abilities to execute given tasks successfully. ✓
- The interviewer should be well conversant with the interview process to enable them to make necessary planning arrangements before the interview. ✓
- A legal employment contract eliminates misinterpretations regarding the content of the contract that could result in lawsuits. ✓
- A proper induction process enables new employees to have a better understanding of businesses' standard operating procedures. ✓
- Any other relevant introduction related to the selection procedure/role of the interviewer before the interview/legal requirements of an employment contract/purpose of induction.

Any (2 x 1) (2)**6.2 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. ✓✓
- 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/to identify suitable applicants. ✓✓
- Reference checks/Vetting process should be made/followed to verify work experience/criminal records/credit records/qualifications on the CV. ✓✓
- Compile a shortlist of potential candidates identified. ✓✓
- Shortlisted candidates may be subjected to various types of selection tests such as skills tests. ✓✓
- 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. ✓✓
- Any other relevant answer related to the selection procedure as a human resource activity.

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. ✓✓
- 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 as a human resource activity.

NOTE: The procedure may be in any order.**Max (10)**

6.3 Role of the interviewer before the interview

- Book and prepare✓ the venue for the interview. ✓
- Inform all shortlisted candidates✓ about the date and place of the interview. ✓
- Set the interview date✓ and ensure that all interviews take place on the same date, if possible. ✓
- Notify all panel members conducting the interview✓ about the date and place of the interview. ✓
- The interviewer should develop a core set of questions✓ based on the skills/knowledge/ability required. ✓
- Check/Read the application/verify the CV✓ of every candidate for anything that may need to be explained. ✓
- Plan the programme for the interview✓ and determine the time that should be allocated to each candidate. ✓
- Any other relevant answer related to role of the interviewer before the interview.

Max (12)**6.4 Legal requirements of an 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/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 an employment contract.

Max (12)**6.5 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 workspace. ✓✓
- 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. ✓✓
- Any other relevant answer related to the purpose of induction.

Max (12)**6.6 Conclusion**

- The selection procedure serves as a guideline on how to eliminate unsuitable and appoint competent candidates for available posts. ✓✓
- A well-prepared interviewer should conduct research on relevant questions that should be asked during the interview. ✓✓
- Businesses should align employment contracts according to the requirements of recent legislation to avoid legal actions. ✓✓
- Businesses should be well conversant with the induction programme to ensure a purposeful/meaningful induction for new employees. ✓✓
- Any other relevant conclusion related to the selection procedure/role of the interviewer before the interview/legal requirements of an employment contract/purpose of induction.

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

DETAILS	MAXIMUM	TOTAL
Introduction	2	Max 32
Selection procedure	10	
Role of the interviewer before the interview	12	
Legal requirements of an employment contract	12	
Purpose of induction	12	
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**