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**NATIONAL
SENIOR CERTIFICATE**

GRADE 12

**BUSINESS STUDIES P1
PREPARATORY EXAMINATION
SEPTEMBER 2023
MARKING GUIDELINE**

MARKS: 150

TIME: 2 Hours

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:

Educator:	Red
School Moderator:	Green
Cluster Moderator:	Orange
District Moderator:	Pink
Provincial Moderator:	Brown

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 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 'Sub-max' 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 assessing is conducted according to established norms so that uniformity, consistency and fairness are achieved.

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

14. **SECTION B**

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

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

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

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

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

- Fact 2 marks (or as indicated in the marking 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, a body, 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: No relevant facts: 0 (Two '-S') Some relevant facts: 1 (One '-S') Only relevant facts: 2 (No '-S') Option 1: Only relevant facts. Where a candidate answers 50% or more 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 Where a candidate answers less than 50% of the question with only OR some relevant facts; one '-S' appears in the left margin. Award a maximum of ONE (1) mark for synthesis. Option 3: Some relevant facts Where a learner answers all four bullets but one sub-question is irrelevant. (-S) must be indicated Option 4: Where a candidate answers less than 50% of the question with no relevant facts; two '-S' appear in the left margin. Award a ZERO mark for synthesis.	2
Originality	Is there evidence of examples 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 SUB MAX/MAX mark in a subsection has been attained. Write SUB MAX/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 D✓✓
 1.1.5 A✓✓

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

- 1.2 1.2.1 Labour Relations Act ✓✓
 1.2.2 50 employees ✓✓
 1.2.3 SWOT analysis ✓✓
 1.2.4 Piecemeal ✓✓
 1.2.5 Quality management ✓✓

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

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

(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 according to Consumer Protection Act**

- Right to privacy and confidentiality. ✓
- Right to fair and honest dealings. ✓
- Right to choose ✓
- Right to information about products and agreements/Rights to disclosure and information. ✓
- Right to fair/responsible marketing/promotion. ✓
- Right to fair/just/reasonable terms and conditions. ✓
- Right to equality in the consumer market place. ✓
- Right to return goods/have goods replace/claim refund. ✓
- Right to complain. ✓
- Right to fair value/good quality/safety. ✓

NOTE : Mark first FOUR only**Max (4)****2.2 Purpose of Employment Equity Act.**

- The EEA allows employees who do the same work to be paid equally. ✓✓
- Eliminates discrimination on grounds of gender/race/disability in the workplace. ✓✓
- Promotes equal opportunity and fair treatment in the workplace. ✓✓
- Promotes diversity in the workplace by ensuring that people of diverse backgrounds are appointed. ✓✓
- Protects employees from victimisation if they exercise the rights given to them by the EEA. ✓✓
- Ensures equal representation in the workplace through the implementation of affirmative action. ✓✓
- Any other relevant answer related to purpose of Employment Equity Act.

Max (6)**2.3 Actions regarded as non-compliance by Compensation for Occupational Injuries and Diseases Amended Act, 1997 (Act 97 of 1998)****2.3.1 Quotations from the scenario.**

- Employees are prevented from reporting the accidents ✓
- MB does not pay its annual fees to the Compensation Fund. ✓

(2x1) (2)**NOTE: Award marks for responses quoted from scenario**

2.3.2 Other actions regarded as non-compliance with Compensation for Occupational Injuries and Diseases Act.

- Employers who bribe/prevent employees✓ from reporting the accident/injury. ✓
- Providing false information✓ about previous, serious accidents/occupational diseases. ✓
- Employers who do not contribute✓ to the Compensation fund. ✓
- Employers who do not allow claims for injuries, discriminates✓ against injured employees. ✓
- Employers that take too long✓ to process claims/delay the claiming process. ✓
- Compensation that is set off against✓ any debt of the person entitled to the compensation. ✓
- Any other relevant answer related to actions regarded as non-compliance with Compensation for Occupational Injuries and Diseases Act.

Max (4)

2.4 Advantages of intensive strategies

- Increase in sales/income✓ and profitability. ✓
- Regular sales to existing customers✓ may increase. ✓
- Gain customer loyalty✓ through effective promotion campaigns.✓
- Improved service delivery✓ may positively impact/increase sales.✓
- Eliminate competitors✓ and dominate market prices.✓
- Decrease in price could influence customers✓ to buy more products.✓
- Enables the business to focus on markets/well researched quality products✓ that satisfy the needs of consumers.✓
- Increased market share reduces the business's vulnerability✓ to actions of competitors.✓
- Any other relevant answer related to advantages of intensive strategies

Max (6)

2.5 Defensive strategies

2.5.1 Identification of a defensive strategy

- Divestiture/ divestment✓✓

(2)

Motivation

PS sold unproductive assets to secure cash and pay off debts.

(1)

(3)

2.5.2 Other types of defensive strategies

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)

Sub max (3)

OR

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)
Sub max (3)
Max (3)

NOTE: Mark the first one (1) only

2.6 Positive impact of Skills Development Act

- Trains employees to improve productivity✓ in the workplace. ✓
- Promotes self-employment✓ and black entrepreneurship. ✓
- Increases the return on investment✓ in education and training. ✓
- Workplace discrimination can be addressed✓ through training. ✓
- Workplace is used as an active learning environment✓ where employees can gain practical job experience. ✓
- Business could become globally✓ more competitive. ✓
- Increases the number of skilled employees✓ in areas where these skills are scarce. ✓
- Encourages on-going skills development✓ and learning to sustain the improvement of skills development. ✓
- Improves employment opportunities and labour movement✓ of workers from previously disadvantaged groups. ✓
- BBBEE-compliant businesses can improve their products/service delivery✓ as they employ more. ✓
- Any other relevant answer related to positive impact of Skills Development Act.

Max (6)

2.7 Strategies businesses can apply to deal with technological factor as a PESTLE element.**Technological**

- Continuous research on the latest available technology/equipment in the market. ✓✓
- Train existing/appoint new employees to maintain/use new equipment. ✓✓
- Compare prices/Select suitable suppliers for new equipment at reasonable prices✓✓
- Businesses must be geared for online trading/e-commerce✓✓
- Any other relevant answer related to recommendations that can be applied to deal with technological factor

Max (6)

BREAKDOWN OF MARKS

QUESTION 2	MARKS
2.1	4
2.2	6
2.3.1	2
2.3.2	4
2.4	6
2.5.1	3
2.5.2	3
2.6	6
2.7	6
TOTAL	40

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

- Internal e-mails/Intranet/web sites to staff✓
- Word of mouth/Staff meetings✓
- Business newsletters/circulars to staff✓
- Internal/management referrals✓
- Office notice boards✓
- Internal bulletins✓
- Recommendation by current employees/staff✓
- Head hunting within the business/organisational database✓
- Any other relevant answer related to sources of internal recruitment.

NOTE: Mark the first THREE (3) only**(3x1) (3)****3.2 Legal requirements of an employment contract**

- The employer and employee must both 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✓✓
- It may not contain any requirements that are in conflict with the BCEA✓✓.
- The employment contract should include a code of conduct and code of ethics✓✓.
- 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✓✓
- Any other relevant answer related to the legal requirements of an employment contract.

Max (4)**3.3 Recruitment method****3.3.1 External recruitment✓✓****(2)****Motivation****(1)**

An advertisement for a vacant post was placed in the local newspapers.✓

(3)**3.3.2 Impact of external recruitment on businesses****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✓ and BBBEE targets. ✓
- Minimises unhappiness/conflict amongst current employees✓ who may have applied for the post✓ reduce
- There is a better chance of getting a suitable candidate with the required Skills/qualifications/competencies who do not need much training/ ✓ which costs. ✓
- Any other relevant answer related to positive / advantages of external recruitment on businesses.

AND/OR**Negatives/Disadvantages**

- Information on CV's/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,✓ e.g. recruitment agencies' fees/ advertisements in newspapers/magazines.✓
- The selection process may not be effective✓ and an incompetent candidate may be chosen. ✓
- Recruitment process takes longer/is more expensive✓ as background checks must be conducted.✓
- In-service training may be needed✓ which decreases productivity during the time of training.✓
- Any other relevant answer related to negative/ disadvantages of external recruitment on businesses

Max (6)

3.4 Components of job analysis**Job description**✓✓

- describes duties/responsibilities of a specific job/summary of the nature /type of the job. ✓
 - Written description of the job and its requirements ✓describes key performance areas/ tasks for a specific job, e.g. job title/working conditions/relationship of the job with other jobs in the business, etc. ✓
- Any other relevant answer related to discussion of job description.

Component (2)
Discussion (1)
Sub max (3)

Job specification✓✓

- specifies the minimum acceptable personal qualities/ skills/ qualifications needed for the job. ✓
 - Written description of specific qualifications/skills/experience needed for the job ✓
 - describes key requirements of the person who will fill the position, e.g. formal qualifications/willingness to travel/work unusual hours, etc.✓.
- Any other relevant answer related discussion of job specification

Component (2)
Discussion (1)
Sub max (3)

3.5 Identification of business function

- 3.5.1** Human resources function✓✓
3.5.2 Public relations function✓✓
3.5.3 Financial function✓✓

(6)

3.6 Benefits of good quality management system**3.6.1 Benefits of good quality management system from the scenario**

- Their bags have constantly improved which has resulted in increased levels of customer satisfaction✓
- Business image has improved as there are less returns✓

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

(2x1) (2)

3.6.2 Other benefits good quality management systems.

- 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. √
- Vision/Mission/Business goals√ may be achieved. √
- Business has a competitive advantage√ over its competitors. √
- Regular training will continuously improve√ the quality of employees' skills/ knowledge. √
- Employers and employees will have a healthy working relationship√ resulting in happy/productive workers. √
- Increased market share/more customers√ improve profitability. √
- Any other relevant answer related to other benefits of

Max (4)**3.7 Impact of TQM if poorly implemented by businesses**

- Employees are not adequately trained, resulting in the production of poor quality products. √√
- Business experiences a decline in sales as more goods are returned by unhappy customers.√√
- Setting unrealistic deadlines that may not be achieved.√√
- Decline in productivity, because of stoppages.√√
- business may not be able to make necessary changes to satisfy the needs of customers.√√
- The reputation of the business may suffer because of faulty goods.√√
- Customers will have many alternatives to choose from and the impact could be devastating to businesses.√√
- Investors might withdraw their investment, if there is a decline in profits.√√
- Bad publicity due to poor quality products supplied.√√
- High staff turnover because of poor skills development.√√
- Undocumented quality control systems/processes could result in error or deviations from pre-set quality standards.√√
- Any other relevant answer related to the impact of TQM if poorly implemented by businesses.

Max (6)**BREAKDOWN OF MARKS**

QUESTION 3	MARKS
3.1	3
3.2	4
3.3.1	3
3.3.2	6
3.4	6
3.5.1	2
3.5.2	2
3.6.1	2

3.6.2	4
3.7	6
TOTAL	40

QUESTION 4: MISCELLANEOUS TOPICS**BUSINESS ENVIRONMENT****4.1 Diversification strategies**

- Concentric diversification strategy✓
- Horizontal diversification strategy✓
- Conglomerate diversification strategy✓

NOTE: Mark first TWO only**(2x1) (2)****4.2 Business sector, challenges and business environment****4.2.1 Business sector**

- Tertiary sector✓✓

Max (2)**Challenges and business environment**

CHALLENGES (4.2.2)	BUSINESS ENVIRONMENTS (4.2.3)
1. The recent increase in interest rate has impacted negatively on the demand for property.✓	Macro✓
2. SRE is losing its customers to Khaya Real Estate specialising in property rental✓	Market✓
3. Employees are demotivated as they are struggling to close deals with customers.✓	Micro✓
Sub max (3)	Sub max (3)

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. **Accept responses in any order**

Max (6)**4.3 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 80% of the levy for organisational expenses✓ and the remaining 20% is paid to the National Skills Fund. ✓
- Donations/Grants received✓ from the public/businesses/CSI programmes. ✓
- Surplus funds✓ from government institutions. ✓
- Funds received✓ from rendering their services✓
- Any other relevant answer relating to how SETAs are funded.

Max (6)**4.4 Family responsibility leave as a provision for BCEA**

- Three to five (3 to 5) days paid leave per year on request in the event of the death of the employee's spouse/life partner/parent/ adoptive parent/ grandparent/child/adoptive child/grandchild/sibling. ✓✓
- An employer may require reasonable proof, before granting this leave. ✓ ✓
- Male employees are entitled to a maximum of three/five day's paternity leave when his child is born✓✓
- Any other relevant answer related to family responsibility leave as a provision for BCEA

Max(4)**BUSINESS OPERATIONS****4.5 Aspects that should be included in the induction programme.**

- Introduction to key people and immediate colleagues. ✓
- Safety regulations and rules. ✓
- Overview of the business. ✓
- Tour of the premises. ✓
- Discussion of the employment contract and conditions of service. ✓
- Discussion of employee benefits. ✓
- Information about the business products/services. ✓
- Meeting with senior management who will explain the company's vision/value descriptions/daily tasks. ✓
- Conditions of employment, e.g. working hours/leave application process/disciplinary procedures, etc. ✓
- Administration details on systems/processes/logistics.✓
- Discussion of personnel policies, e.g. making private phone calls/using the Internet, etc. ✓
- Corporate social responsibility programmes.✓

NOTE: Mark the first FOUR (4) only**(4x1) (4)**

4.6.1 Examples of fringe benefits from the scenario.

- Medical aid fund. ✓
- Pension fund. ✓

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

2. Only award marks for responses quoted from the scenario

(2x1) (2)

4.6.2 UIF as a benefit required by law.

- The employer and the worker ✓ each contribute 1%. ✓
- Employers must pay unemployment insurance contributions of 2% ✓ of the value of each worker's salary per month. ✓
- The fund also assists the dependants of a contributing worker ✓ who has died. ✓
- The fund offers short-term financial assistance ✓ to workers when they become unemployed or are unable to work due to illness, maternity or adoption leave. ✓
- Contributions are paid to the Unemployment Insurance Fund (UIF) ✓ or the South African Revenue Services (SARS) ✓
- Any other relevant answer related to UIF as a benefit required by law.

Max (4)

4.7 Ways in which TQM reduces the cost of quality.

- Introduce quality circles to discuss ways ✓ of improving the quality of 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 role in quality management. ✓
- Develop work systems that empower employees ✓ to find new ways of improving quality. ✓
- Work closely with suppliers ✓ to improve the quality of raw materials/inputs. ✓
- Improve communication about quality challenges/deviations, ✓ so that everyone can learn from experience. ✓
- Reduce investment on expensive, but ineffective inspection 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 reduces the cost of quality.

Max (4)

4.8 Impact of continuous improvement to processes and systems
Positive / advantages

- Large businesses have more resources ✓ to check on quality performance
- in each unit ✓
- Enough capital resources are available ✓ for new equipment required for processes and systems ✓
- Large businesses have a person dedicated to the improvement ✓ of
- processes and systems ✓
- Willing to take risk on/try new processes and systems ✓ because they
- are able to absorb the impact of losing money ✓
- Any other relevant answer related to the positive impact of continuous improvement to processes and systems

AND/OR

Negative impact/ disadvantages

- Large scale manufacturing ✓ can complicate quality control ✓
- Systems and processes take time and effort to implement in large businesses ✓ as communication/buy-in may delay the process ✓
- Risk of changing parts of the business ✓ that are actually working well ✓
- Not all negative feedback from employees and customers is going to be accurate ✓, which may result in incorrect /unnecessary changes to systems and processes. ✓
- Any other relevant answer related to the negative impact of continuous improvement to processes and systems

Max (6)
[40]

BREAKDOWN OF MARKS

QUESTION 3	MARKS
4.1	2
4.2.1	2
4.2.2	3
4.2.3	3
4.3	6
4.4	4
4.5.	4
4.6.1	2
4.6.2	4
4.7	4
4.8	6
TOTAL	40

TOTAL SECTION B: 80

QUESTION 5: BUSINESS ENVIRONMENTS (BUSINESS STRATEGIES)**5.1 Introduction**

- Developing strategies that are effective and reliable is beneficial to businesses. ✓
- Implementing intensive strategies can ensure the success and sustainability of a business. ✓
- Management should continuously evaluate their strategies to check for its effectiveness on business. ✓
- Porter's Five Forces model is an industrial tool that businesses can apply when scanning the market environment. ✓
- Any other relevant introduction related to strategic management process/application of Porters Five Forces model/types of intensive strategies/strategy evaluation steps

Any (2x1) (2)**5.2 Strategic management process****The strategic management processes****Option 1**

- Have a clear vision, a mission statement and measurable/realistic objectives 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. (This involves different types of business strategies) ✓✓
- Develop (an) action plan(s), including the tasks to be done/deadlines to be met/resources to be procured, etc. ✓✓
- Implement selected strategies by communicating it to all stakeholders/organising the business's resources/motivating staff. ✓✓
- Continuously evaluate/monitor/measure strategies in order to take corrective action. ✓✓
- Any other relevant answer related to strategic management process. ✓

Option 2

- Review/Analyse/Re-examine their vision/mission statement. ✓✓
- Conduct an environmental analysis using models such as PESTLE/PORTER'S/SWOT. ✓✓
- 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 strategic management process.

Max (12)

5.3 Application of Porter's Five Forces model to analyse the market environment**5.3.1 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.√
- If buyers can do without the business's products then they 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.

Sub max (4)**5.3.2 Power of competitors**

- 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.√
- Draw up a competitor's profile so that they can determine their own strength√ as well as that of competitors.√
- Some businesses have necessary resources to start price wars√ and continue selling at a loss until some/all competitors leave the market√
- Any other relevant answer related to how businesses could apply the power of competitors to analyse their position in the market environment.

Sub max (4)**Max (8)****5.4 Types of intensive strategies****5.4.1 Market penetration√√**

- New products penetrate an existing market at a low price,√ until it is well known to the customers and then the prices increases. √
- It is a growth strategy√ where businesses focus on selling existing products to existing markets. √
- Focuses on gaining a larger share of the market√ by reducing prices to increase sales/increasing advertising and promotion. √
- Any other relevant answer related to market penetration as a type of intensive strategy.

Strategy (2)**Discussion (4)****Sub max (6)**

5.4.2 Market Development✓✓

- It is a growth strategy where businesses aim to sell its existing products✓ in new markets. ✓
- This strategy involves finding new markets✓ and new ways to distribute product. ✓
- Any other relevant answer related to market development as a type of intensive strategy

Strategy (2)
Discussion (4)
Sub max (6)

5.4.3 Product Development✓✓

- It is a growth strategy where businesses aim to introduce new products✓ into existing markets/modifies an existing product. ✓
- Businesses generate new ideas✓ and develop new products/services
- Any other relevant answer related to product development as a type of intensive strategy.

Strategy (2)
Discussion (4)
Sub max (6)
Max (16)

5.5 Steps businesses should consider when evaluating strategies

- Examine the underlying basis of a business strategy. ✓✓
- Look forward and backward into the implementation process.✓
- Compare the expected performance with the actual performance. ✓✓
- 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 disadvantage✓ s of a strategy. ✓✓
- Decide on the desired outcome as envisaged✓ when strategies were implemented✓✓
- Consider the impact of the strategic implementation✓ in the internal and external environments of the business. ✓✓
- Compare the expected results in order to determine the reasons for deviations and analyse these reasons. ✓✓
- Any other relevant answer related to steps that businesses should consider when evaluating strategies.

NOTE: Accept steps in any order.**Max (10)**

5.6 Conclusion

- Intensive strategies enables businesses to stay ahead of their competitors and increase sales/profitability. ✓✓
- Intensive strategies are applied if businesses want to improve their product and market share. ✓✓
- Strategy evaluation enables businesses to deal with challenges in implementing new strategies and take corrective action if and when it is necessary. ✓✓
- The application of the Porter's Five Forces model guides businesses on how to react to the powers of buyers and competitors. ✓✓
- Any other relevant conclusion related to strategic management process/application of Porters Five Forces model/types of intensive strategies/strategy evaluation steps

QUESTION 5: BREAKDOWN OF MARK ALLOCATION

DETAILS	MAXIMUM	TOTAL
Introduction	2	Max 32
Strategic management process	12	
Application of the following Porter's Five Forces: <ul style="list-style-type: none"> ○ Power of buyers ○ Power of competitors 	8	
Types of intensive strategies.	16	
Steps to consider when a evaluating a strategy.	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

QUESTION 6**6.1 Introduction**

- Selection is the process of choosing the best candidate to fill in the vacant position and involves various steps. ✓
- Interviewers and interviewees play different roles during the interview ✓
- An employment contract can be terminated due to valid reasons and not contravene any legislation
- Fringe benefits have a significant impact on employee performance and staff retention. ✓
- Any other relevant introduction related to selection procedure/ role of interviewee/ impact of fringe benefits/reasons for the termination of an employment contract.

Any (2x1) (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, etc ✓✓
- Sort the received documents/CVs according to the assessment/selection criteria. ✓ ✓
- Screen/Determine which applications meet the minimum job requirements and separate these from the rest. ✓ ✓
- Preliminary interviews are conducted if many suitable applications were received ✓✓.
- Reference checks should be made to verify the content of CVs, e.g. contact previous employers to check work experience. ✓ ✓
- Compile a shortlist of potential candidate's identified. ✓ ✓
- Shortlisted candidates ✓ may be subjected to various types of selection tests e.g. skills tests, etc. ✓✓
- A written offer is made to the selected candidate. ✓ ✓
- Any other relevant answer related to the selection procedure as a human resource activity.

OR**OPTION 2**

- Receive documentation, e.g. application forms and sort it according to the criteria of the job. ✓ ✓
- Evaluate CVs and create a shortlist/Screen the applicants. ✓ ✓
- Check information in the CVs and contact references. ✓✓
- Conduct preliminary sifting 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. ✓ ✓
- 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 interviewee during the interview

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

Max (12)**6.4 Impact of fringe benefits****Positives/Advantages**

- Improves productivity✓ resulting in higher profitability✓
- 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✓
- 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 of fringe benefits on businesses.

AND/OR**Negatives/Disadvantages**

- Businesses who cannot offer fringe benefits fail✓ to attract skilled workers. ✓
- It can create conflict/lead to corruption✓ if allocated unfairly. ✓
- Fringe benefits are additional costs✓ that may result in cash flow problems. ✓
- Errors/Mistakes in benefit plans✓ may lead to costly lawsuits/regulatory fines. ✓
- Decreases business profits, ✓as incentive/package/remuneration costs are higher. ✓
- Businesses who offer employees different benefit plans may create resentment✓ to those who receive less benefit resulting in lower productivity. ✓
- 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. ✓
- Any other relevant answer related to the negative impact of fringe benefits on businesses.

Max (14)

6.5 Reasons for termination of an employment contract

- The employer may dismiss an employee for valid reason(s) ✓✓
e.g. misconducts, unsatisfactory job performance
- The 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 no longer be able to pay the employees ✓✓
- Employees may decide to voluntarily resign and leave employment ✓✓
- An employee may have reached the pre-determined age for retirement ✓✓
- Incapacity to work due to illness ✓✓
- By mutual agreement between employer and employee ✓✓
- The duration of the employment contract have come to an end ✓✓
- Any other relevant answer related to reasons of terminating an employment contract

Max (10)**6.6 Conclusion**

- Selecting the best suitable candidate can help to increase the overall performance of the business ✓
- Both employer and employee should take time to adequately prepare for an interview ✓
- Employment contract is vital as it regulates terms and conditions of employment. ✓
- Fringe benefits stimulates employees' interest and make job more attractive and conducive ✓
- Any other relevant conclusion related to selection procedure/ role of interviewee/ impact of fringe benefits/reasons for the termination of employment contract.

Any (1x2) (2)**QUESTION 6: BREAKDOWN OF MARK ALLOCATION**

DETAILS	MAXIMUM	TOTAL
Introduction	2	Max ✓32
Selection procedure	10	
Role of interviewee during an interview.	12	
Impact of fringe benefits on businesses	14	
Reasons for termination an 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