

SA's Leading Past Year

Exam Paper Portal



You have Downloaded, yet Another Great Resource to assist you with your Studies 😊

Thank You for Supporting SA Exam Papers

Your Leading Past Year Exam Paper Resource Portal

Visit us @ www.saexampapers.co.za



SA EXAM PAPERS

SA EXAM
PAPERS



education

Department:
Education
North West Provincial Government
REPUBLIC OF SOUTH AFRICA

NATIONAL SENIOR CERTIFICATE

GRADE 12

**BUSINESS STUDIES P1
SEPTEMBER 2023
MARKING GUIDELINES**

MARKS: 150

These marking guidelines consist of 25 pages.

NOTES TO MARKERS**PREAMBLE**

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

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

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

Marker:	Red
Internal Moderator:	Green
External Moderator:	Black/Blue
Provincial Moderator:	Pink

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 guidelines
 - 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

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 school 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, 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? 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 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: 1 mark (One '-S') Where a candidate answers FOUR sub-questions, but one/two/three sub-questions with no relevant facts; one '-S' appears in the left margin. Award a maximum of ONE (1) mark for synthesis Option 4: No relevant facts: 0 mark (Two '-S') Where a candidate answers less than 50% (only one sub-question) 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 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/marketing 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 (COMPULSORY)**QUESTION 1**

- 1.1 1.1.1 B ✓✓
 1.1.2 A ✓✓
 1.1.3 C ✓✓
 1.1.4 B ✓✓
 1.1.5 D ✓✓
- (5 x 2) **(10)**

- 1.2 1.2.1 Human resources ✓✓
 1.2.2 weaknesses ✓✓
 1.2.3 selection ✓✓
 1.2.4 production ✓✓
 1.2.5 Quality circles ✓✓
- (5 x 2) **(10)**

- 1.3 1.3.1 H ✓✓
 1.3.2 D ✓✓
 1.3.3 F ✓✓
 1.3.4 B ✓✓
 1.3.5 G ✓✓
- (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 answers to the FIRST TWO questions only.****QUESTION 2: BUSINESS ENVIRONMENTS****2.1 Rights of consumers in terms of the Consumer Protection Act /CPA****Consumers have a right to:**

- choose ✓
- privacy and confidentiality ✓
- fair and honest dealings ✓
- information about products and agreements/disclosure and information ✓
- fair/responsible marketing/promotion ✓
- accountability from suppliers ✓
- fair just/reasonable terms and conditions ✓
- equality in the consumer market place ✓
- return goods/ have goods replaced/ claim a refund ✓
- complain ✓
- fair value/good quality/safety ✓

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

- Promotes the social and financial interest of consumers. ✓✓
- Promote a fair but competitive credit market. ✓✓
- Ensure that consumers know what is included in their credit contracts. ✓✓
- Prevent discrimination and ensure credit is available to all consumers. ✓✓
- Makes provision for the establishment of the NCR. ✓✓
- Ensure registrations of credit bureau and debt counselling services. ✓✓
- Any other relevant answer related to the purpose of NCA.

Max (6)**2.3 BBBEE pillars identified from the scenario**

2.3.1 Management control ✓✓

2.3.2 Ownership ✓✓

2.3.3 Skills Development ✓✓

(6)**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. ✓
- Businesses can have more control ✓ over the prices of products/services. ✓
- Any other relevant answer related to the advantages of Intensive strategies.

Max (6)

2.5 Business sectors from the scenario

BUSINESS SECTORS	MOTIVATIONS
1 Primary ✓✓	They buy raw meat from the local farmer. ✓
2. Secondary ✓✓	KB is well known for processing beef meat into delicious boerewors. ✓
Sub max (4)	Sub max (2)

NOTE:

- 1. Award marks for the business sectors even if the quotes are incomplete.**
- 2. Do not award marks for the motivations if the business sectors were incorrectly identified.**
- 3. Accept responses in any order.**

Max (6)**2.6 Types of diversification strategies****Concentric diversification** ✓✓

- The business adds a new product or service that is related to existing products and which will appeal to new customers. ✓
- Occurs when a business wants to increase its product range and markets. ✓
- Any other relevant answer related to Concentric as a type of diversification strategy.

Strategy (2)

Explanation (1)

Sub max (3)

Horizontal diversification ✓✓

- The business adds new products or services that are unrelated /different to existing products, but which may appeal to existing/current customers. ✓
- Occurs when a business acquires or merges with a business that is at the same production stage, but it may offer a different product. ✓
- Any relevant answer related to Horizontal as a type of diversification strategy.

Strategy (2)

Explanation (1)

Sub max (3)

Conglomerate diversification ✓✓

- The business adds new products or services that are unrelated /different to existing products, but which may appeal to new groups of customers. ✓
- Conglomerate diversification means that a business grows into new products, services and markets. ✓
- Any relevant answer related to Conglomerate as a type of diversification strategy.

Strategy (2)

Explanation (1)

Sub max (3)

NOTE: Mark the first TWO (2) only.**Max (6)**

2.7 Positive impact of the LRA on business**Positives/Advantages**

- Promotes a healthy relationship between the employer and employees. ✓✓
- Protects the rights of businesses in labour related issues. ✓✓
- Labour disputes are settled quicker and are less expensive. ✓✓
- Protect employers who embark on lawful lock-outs when negotiations between parties fail. ✓✓
- LRA provides for the principles of collective bargaining and puts structures in place with which disputes in the workplace can be settled. ✓✓
- Provides specific guidelines for employers on correct and fair disciplinary procedures. ✓✓
- Employers and employees have guidelines regarding correct and fair dismissal procedures. ✓✓
- Provides mechanisms such as statutory councils/collective bargaining/CCMA. ✓✓
- Employers are entitled to compensation from the Labour Court if they suffered damages as a result of unprotected strikes. ✓✓
- Workplace forums can add value to businesses if it functions properly. ✓✓
- Any other relevant answer related to the positives/advantages of the Labour Relations Act on businesses. ✓✓

Max (6)
[40]

BREAKDOWN OF MARKS	
QUESTION 2	MARKS
2.1	4
2.2	6
2.3.1	2
2.3.2	2
2.3.3	2
2.4	6
2.5.1	6
2.6	6
2.7	6
TOTAL	40

QUESTION 3: BUSINESS OPERATIONS**3.1 Aspects that should be included in an employment contract**

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

NOTE: 1. Mark the first FOUR (4) only.**2. Allocate a maximum of ONE (1) mark for each aspect when examples are used. (4 x 1) (4)****3.2 Placement Procedure**

- Employer should outline specific responsibilities/expectations of the employees new position. ✓✓
- The employer should determine the relationship/similarities between the expectations of the position and the competencies of the employee. ✓✓
- Determine the employee's strength weaknesses/skills/interests by subjecting him to various psychometric tests. ✓✓
- Any other relevant answer related to the placement procedure as a human resource activity.

Max (6)**3.3****3.3.1 Implications of Employment Equity Act on the Human Resources function**

- She is expected to promote equal opportunities in the workplace. ✓
- Mavis must also ensure that the workplace represents demographic of the country at all levels. ✓

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

3.3.2 Implications of the Employment Equity Act on the Human Resources function

- Ensure that affirmative action promotes ✓ diversity in the workplace. ✓
- Compile employment equity plans ✓ that indicate how they will implement affirmative action. ✓
- Assign a manager to ensure that the employment equity plan ✓ will be implemented/regularly monitored. ✓
- Display a summary of the Act ✓ where employees can clearly see it/have access to it. ✓
- Report to the Department of Labour ✓ on the progress in the implementation of the equity plan. ✓
- Conduct medical/psychological tests fairly ✓ to employees when deemed necessary. ✓
- Equal pay for work of equal value. ✓
- Define the appointment process clearly ✓ to ensure all parties are well informed. ✓
- Retrain/Develop/Train designated groups ✓ through skills development programmes. ✓
- Any other relevant answer related to the implications of the Employment Equity Act on the human resources function.

NOTE: Do not award marks for responses that were quoted in QUESTION 3.3.1.

Max (4)

3.4 Link between Salary Determination and the BCEA

- The BCEA sets out conditions ✓ that ensure fair labour and human resources practices. ✓
- According to the BCEA, businesses may use different remuneration methods ✓ to pay their employees. ✓
- Payment of salaries should be based on whether their employees are permanent ✓ or employed on a fixed contract. ✓
- Businesses are supposed to deduct ✓ income tax (PAYE) from the employees taxable salaries. ✓
- BCEA outlines legalities, ✓ such as the employment contract, which may affect salary determination. ✓
- Any other relevant answer related to the link between salary determination and the BCEA.

Max (4)

3.5 Meaning of Total Quality Management (TQM)

- TQM is an integrated system/methodology applied throughout the organisation, ✓ which helps to design/produce/provide quality products/services to customers. ✓
- It is a thought revolution in management, ✓ where the entire business is operated with customer orientation in all business activities. ✓
- TQM enables businesses to continuously improve on the delivery of products/services ✓ in order to satisfy the needs of customers. ✓
- Management ensures that each employee is responsible ✓ for the quality of his/her work/actions. ✓
- TQM focuses on achieving customer satisfaction ✓ and looks for continuous improvement in all the business's processes, products and services. ✓
-

- TQM takes steps to ensure the full involvement ✓ and co-operation of all employees in improving quality. ✓
- Any other relevant answer related to the meaning of TQM.

Max (4)**3.6 TQM elements from the scenario**

TQM ELEMENTS	MOTIVATION
Continuous improvement to processes and systems ✓✓	The management of RCC can afford to use the services of the quality circles to stay ahead of their competitors. ✓
Monitoring and evaluation of quality processes ✓✓	They are also equipped to get things done right the first time. ✓
Sub max (4)	Sub max (2)

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

Max (6)**3.7 “Plan” as part of PDCA model**

- The business should identify the problem. ✓
- Develop a plan ✓ for improvement to processes and systems. ✓
- Answer the questions ✓ such as ‘what to do’ and ‘how to do it’. ✓
- Plan the method and approach. ✓
- Any other relevant answer related to plan as part of the PDCA model.

Max (4)**3.8 TQM if poorly implemented by businesses**

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

Max (6)
[40]

BREAKDOWN OF MARKS	
QUESTION 3	MARKS
3.1	4
3.2	6
3.3.1	2
3.3.2	4
3.4	4
3.5	4
3.6.1	6
3.7	4
3.8	6
TOTAL	40

QUESTION 4: MISCELLANEOUS TOPICS**BUSINESS ENVIRONMENTS****4.1 Provisions of the BCEA**

- Hours of work/work hours ✓
- Overtime ✓
- Leave ✓
- Meal breaks and rest periods ✓
- Public holidays ✓
- Termination of employment ✓
- Child and forced labour ✓

NOTE: Mark the first FOUR (4) only.**(4 x 1) (4)****4.2 Role of SETAs**

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

Max (6)

4.3 Legislation/Act from the scenario**4.3.1 Compensation for Occupational Injuries and Diseases Act/COIDA ✓✓ (2)****4.3.2 Positive/Advantages of COIDA on businesses**

- Promotes safety ✓ in the workplace. ✓
- Creates a framework for acceptable employment practices ✓ and safety regulations. ✓
- Supply administrative guidelines/mechanisms ✓ for dealing with processing claims. ✓
- Eliminates time and costs spent ✓ on lengthy civil court proceedings. ✓
- Employers are protected from financial burden should an accident occur in the workplace ✓ provided that the employer was not negligent. ✓
- Claiming processes are relatively simple. ✓
- Makes businesses more socially responsible ✓ as they cannot just employ workers at random in dangerous working conditions. ✓
- Workers are treated with dignity and respect ✓ as businesses view them as valuable assets and not just as workers. ✓
- Covers all employees at the workplace ✓ if both parties meet all the necessary safety provisions in the Act. ✓
- Employees do not contribute towards the fund. ✓
- Employees are compensated financially for any injury/disability ✓ resulting from performing their duties at their workplace. ✓
- In the event of an employee as a result of a work-related accident/disease, ✓ his/her dependant(s) will receive financial support. ✓
- Any other relevant answer related to the positives/advantages of COIDA on businesses.

Max (4)**4.4 PESTLE FACTOR****Social factor**

- Sell substitute/generic products at lower prices. ✓✓
- Learn local languages/Hire employees who are well conversant with the local language. ✓✓
- Any other relevant answer related to the recommendation in dealing with the Social factor.

Max (4)**4.5 Sources of Internal recruitment**

- Internal e-mails ✓
- Word of mouth ✓
- Business newsletter circulars ✓
- Internal management referrals ✓
- Notice board of the business ✓
- Internal bulletins ✓
- Recommendation of current employees ✓
- Headhunting within the business/organisational database ✓
- Any other relevant answer related to sources of internal recruitment.

NOTE: Mark the first FOUR (4) only.**(4 x 1) (4)**

4.6 Interview**4.6.1 Purposes of interview from the scenario**

- OL conducted interviews to determine whether the applicant is suitable for the position. ✓
- They also compared the applicant's information to the job requirements. ✓

NOTE: Mark the first TWO (2) only.**(2 x 1) (2)****4.6.2 Other purposes of an interview**

- Obtains information about the strength and weaknesses ✓ of each candidate. ✓
- Helps the employer in choosing/making an informed decision ✓ about the most suitable candidates. ✓
- Creates an opportunity where information about the business and applicant ✓ can be exchanged. ✓
- Evaluate the skills and personal characteristics ✓ of the applicant. ✓
- Any other relevant answer related to the other purposes of an interview.

NOTE: Do not allocate marks for responses given in QUESTION 4.6.1.**Max (4)****4.7 Benefits of a good 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. ✓
- Product/Services are constantly improved ✓ resulting in increased levels of customer satisfaction. ✓
- Vision/Mission/Business goals ✓ may be achieved. ✓
- Business has a competitive advantage ✓ over its competitors. ✓
- Regular training will continuously improve ✓ the quality of employees' skills/knowledge. ✓
- Employers and employees will have a healthy working relationship ✓ resulting in happy/productive workers. ✓
- Increased market share/more customers ✓ improve profitability. ✓
- Improves business image ✓ as there are less defects/returns. ✓
- Any other relevant answer related to the benefits of a good quality management system.

Max (4)

4.8 Ways in which TQM can reduce 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 can reduce the cost of quality.

Max (6)
[40]

BREAKDOWN OF MARKS

QUESTION 4	MARKS
4.1	4
4.2	6
4.3.1	2
4.3.2	4
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

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

- Businesses should always conduct the strategic management process as they operate in a dynamic environment that pose many challenges. ✓
- The implementation of business strategies enables businesses to respond to challenges presented by business environments. ✓
- Porter's Five Forces model is based on five important forces that will determine competitive power in the market environment of a business. ✓
- Porter's Five Forces model helps the business to understand both the strength of its current competitive position and the advantages of expanding. ✓
- Defensive strategies enable businesses to remain sustainable in the market environment. ✓
- The effectiveness of business strategies must be evaluated so that the best strategies are used to overcome challenges. ✓
- Any other relevant introduction related to the strategic management process/defensive strategies/Porter's Five Forces model/strategy evaluation.

Any (2 x 1) (2)**5.2 Strategic Management Process****OPTION 1**

- Have a clear vision, 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 business challenges. ✓
- 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. ✓
- Continuously evaluate/monitor/measure strategies ✓ in order to take corrective action. ✓
- Any other relevant answer related to the strategic management process.

OR**OPTION 2**

- Review/re-examine/analyse ✓ 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 the strategic management process.

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

5.3 Porter's Five Forces model**5.3.1 Threat of substitution/substitutes**

- Establish whether the sellers of substitute products ✓ have improved their product/sell lower quality goods at lower prices. ✓
- If the business's product can be easily substituted, ✓ it weakens the power of the business in the market. ✓
- If the business sells unique products ✓ it will not be threatened by substitute products. ✓
- Assess if customers are using substitute products/services ✓ and determine reasons for using substitutes. ✓
- Change/improve the design and quality ✓ of their products to remain competitive. ✓
- Any other relevant answer related to how businesses could apply the threat of substitution/substitutes to analyse the market environment.

Sub max (6)

5.3.2 Threat/Barriers of new entrants to the market

- If the barriers to enter the market are low ✓ then it is easy for new businesses to enter the market/industry. ✓
- If the business is highly profitable, it will attract potential competitors ✓ that want to benefit from high profits. ✓
- New competitors can quickly/easily enter the market ✓ if it takes little time/money to enter the market. ✓
- If there are a few suppliers of a product/service but many buyers ✓ it may be easy to enter the market. ✓
- Any other relevant answer related to how businesses could apply the threat/barriers of new entrants to the market to analyse the market environment.

Sub max (6)

NOTE: Mark the first TWO (2) forces only.**Max (12)****5.4 Types of defensive strategies****5.4.1 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 their investment share ✓ in another business (divesting). ✓
- Any other relevant answer related to divestiture/divestment as a defensive strategy.

Strategy (2)

Discussion (2)

Sub-max (4)

5.4.2 Liquidation ✓✓

- Selling all assets to pay creditors ✓ due to 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 defensive strategy.

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

5.4.3 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 defensive strategy.

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

NOTE: Mark the first THREE (3) only.

Max (12)

5.5 Steps in evaluating a strategy

- Examine the underlying basis of a business strategy. ✓✓
- Look forward and backwards into the implementation process. ✓✓
- Compare the expected performance with the actual performance. ✓✓
- Measure the business performance in order to determine the reasons for deviations and analyse these reasons. ✓✓
- Take corrective action so that deviations may be corrected. ✓✓
- Set specific dates for control and follow up. ✓✓
- Draw up a table of the advantages and disadvantages of a strategy. ✓✓
- Decide on the desired outcome as envisaged when strategies were implemented. ✓✓
- Consider the impact of the strategic implementation in the internal and external environments of the business. ✓✓
- Any other relevant answer related to steps that businesses should consider when evaluating strategies.

NOTE: Accept steps in any order.

Max (12)

5.6 Conclusion

- The strategic management process enables businesses to stay ahead of competitors and increase their market share. ✓✓
- Businesses must develop/formulate or change their current strategies in order to remain competitive. ✓✓
- The Porter's Five Forces model is useful for analysing the power of the business in order to effectively develop suitable strategies. ✓✓
- The Porters Five Forces model makes it possible for businesses to determine how to shift the power of the forces in their favour. ✓✓
- The implementation of defensive strategies may allow businesses to recover from unstable economic conditions. ✓✓
- Strategy evaluation enables businesses to keep abreast with changes in the business environments. ✓✓
- Any other relevant conclusion related to the strategic management process/defensive strategies/Porter's Five Forces model/strategy evaluation.

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

QUESTION 5: BREAKDOWN OF MARK ALLOCATION

QUESTION OF BREAKDOWN OF MARK ALLOCATION		
DETAILS	MAXIMUM	TOTAL
Introduction	2	Max 32
The strategic management process	10	
Application of Porter's Five Forces model	12	
Types of defensive strategies	12	
Strategy evaluation steps	12	
Conclusion	2	
INSIGHT		
Layout	2	Max 8
Analysis/Interpretation	2	
Synthesis	2	
Originality/Examples	2	
TOTAL MARKS		40

LASO – For each component:

Allocate 2 marks if all requirements are met.

Allocate 1 mark if only some requirements are met.

Allocate 0 marks where requirements are not met at all

QUESTION 6: BUSINESS OPERATIONS (HUMAN RESOURCE FUNCTION)**6.1 Introduction**

- The human resources manager must be well conversant with job description and job specification to ensure that the recruitment procedure is accurate. ✓
- An employment contract sets out the legal conditions of employment that must be observed by both the employer and the employee. ✓
- The recruitment process enables the business to identify vacancies and attract suitable candidates for it. ✓
- Induction helps new employees to have a basis knowledge of what is expected of the job. ✓
- Any other relevant introduction related to job description and job specification/legal requirements of the employment contract/Impact of external recruitment/benefits of Induction. ✓

Any (2 x 1) (2)**6.2 Differences between job description and job specification**

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

NOTE:

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

Max (8)**6.3 Legal requirements of the employment contract**

- The employer and employees/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 negotiated ✓ 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, procedure and disciplinary codes/rules ✓ can form part of the employment contract. ✓
- The employer must allow the employee to thoroughly read through ✓ the contract before it is signed. ✓
- The employment contract should include ✓ a code of conduct and code of ethics. ✓
- Any other relevant answer related to the legal requirements of the employment contract.

Max (12)**6.4 Impact of External Recruitment on businesses****Positives/Advantages**

- New candidates bring new talents/ideas/experiences/skills ✓ to the business. ✓
- There is a larger pool of candidates ✓ to choose from. ✓
- 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. ✓
- It may help business to meet affirmative action ✓ and BBBEE targets. ✓
- Minimises unhappiness/conflict amongst current employees ✓ who may have applied for the post. ✓
- Any other relevant answer related to the positives/advantages of external recruitment.

AND/OR**Negatives/Disadvantages**

- 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. ✓
- Information on CV's/references ✓ may not be reliable. ✓
- Recruitment process takes longer/is more expensive ✓ as background checks must be conducted. ✓
- New candidates generally take longer to adjust ✓ to a new work environment ✓
- In-service training may be needed ✓ which decreases productivity during the time of training. ✓
- Many unsuitable applications can slow down ✓ the selection process. ✓
- Any other relevant answer related to the negative/disadvantages of external recruitment.

Max (14)

6.5 Benefits of induction to the business

- Allows new employees to settle in quickly and work effectively. ✓✓
- Ensures that new employees understand rules and restrictions in the business. ✓✓
- New employees may establish relationships with fellow employees at different levels. ✓✓
- Make new employees feel at ease in the workplace which reduces anxiety/insecurity/fear. ✓✓
- The results obtained during the induction process provide a base for focussed training. ✓✓
- Increases quality of performance productivity. ✓✓
- Minimises the need for on-going training and development. ✓✓
- Employees will be familiar with organisational structures, e.g. who are their supervisors/low level managers. ✓✓
- Opportunities are created for new employees to experience/explore different departments. ✓✓
- New employees will understand their role/responsibilities concerning safety regulations and rules. ✓✓
- New employees will know the layout of the building/factory/offices where everything is, which saves production time. ✓✓
- Learn more about the business so that new employees understand their roles/responsibilities in order to be more efficient. ✓✓
- Company policies are communicated regarding conduct and procedures/safety and security/employment contract/conditions of employment/working hours/leave. ✓✓
- Realistic expectations for new employees as well as the business are created. ✓✓
- New employees may feel part of the team resulting in positive morale and motivation. ✓✓
- Employees may have a better understanding of business policies regarding ethical/professional conduct/procedures/CSR, etc. ✓✓
- Any other relevant answer related to the benefits of induction for businesses.

Max (12)

6.6 Conclusion

- The correct job analysis is important in order to avoid unnecessary cost of readvertising the vacancy. ✓✓
- Businesses should align the employment contract according to the requirements of the BCEA to avoid unnecessary legal actions.. ✓✓
- Businesses need to analyse the negative impact of external recruitment and thus turn it into new business opportunities/growth. ✓✓
- Properly oriented new employees are more likely to provide valuable input for the business's recovery strategies. ✓✓
- Any other relevant conclusion related to job description and job specification/ legal requirements of the employment contract/impact of external recruitment/benefits of induction.

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

QUESTION 6: BREAKDOWN OF MARK ALLOCATION

QUESTION 3: BREAKDOWN OF MARK ALLOCATION		
DETAILS	MAXIMUM	TOTAL
Introduction	2	Max 32
Differences between job description and job specification	8	
Legal requirements of the employment contract	12	
Impact of external recruitment	14	
Benefits of induction process to the business	12	
Conclusion	2	
INSIGHT		
Layout	2	Max 8
Analysis/Interpretation	2	
Synthesis	2	
Originality/Examples	2	
TOTAL MARKS		40

LASO – For each component

Allocate 2 marks if all requirements are met.

Allocate 1 mark if only some requirements are met.

Allocate 0 marks where requirements are not met at all.

TOTAL SECTION C: 40
GRAND TOTAL: 150