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NATIONAL SENIOR CERTIFICATE

GRADE 12

JUNE 2025

BUSINESS STUDIES P1 MARKING GUIDELINE

MARKS: 150

This marking guideline consists of 31 pages.

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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. Candidates' responses must be in full sentences for SECTIONS B and C. However, this would depend on the nature of the question.
2. 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.

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



9. No additional credit must be given for repetition of facts. Indicate with an 'R'.
10. The differentiation between 'evaluate' and 'critically evaluate' can be explained as follows:
- 10.1 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.' ✓
- 10.2 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.
11. 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:

- 11.1 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.
- 11.2 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.
12. Mark only the FIRST answer where candidates offer more than one answer for SECTION B and C questions that require one answer.



13. **SECTION B**

- 13.1 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).

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

- 13.3 If candidates are required to provide their own examples/views, brainstorm this to finalise alternative answers.

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

- 13.4.1 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.

- 13.4.2 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.

- 13.5 **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).**



14. SECTION C

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

Introduction	Maximum: 32
Content	
Conclusion	
Insight	8
TOTAL	40

14.2 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: 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 writes FOUR questions, but one sub-question of the question 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 marks (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.

- 14.3 Indicate insight in the left-hand margin with a symbol e.g. ('L, A, -S and/or O').
- 14.4 The breakdown of marks is indicated at the end of the suggested answer/ marking guideline to each question.
- 14.5 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".
- 14.6 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

- 14.7 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.)
- 14.8 If the candidate identifies/interprets the question **INCORRECTLY**, then he/she may still obtain marks for layout.
- 14.9 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.
- 14.10 14.10.1 Award **TWO** marks for complete sentences. Award **ONE** mark for phrases, incomplete sentences and vague answers.



- 14.10.2 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.

- 14.11 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 B ✓✓
- 1.1.3 A ✓✓
- 1.1.4 D ✓✓
- 1.1.5 B ✓✓ (5 x 2) (10)
- 1.2 1.2.1 National Credit Regulator ✓✓
- 1.2.2 horizontal ✓✓
- 1.2.3 screening ✓✓
- 1.2.4 administration ✓✓
- 1.2.5 control ✓✓ (5 x 2) (10)
- 1.3 1.3.1 H ✓✓
- 1.3.2 F ✓✓
- 1.3.3 J ✓✓
- 1.3.4 G ✓✓
- 1.3.5 I ✓✓ (5 x 2) (10)

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

QUESTION 1	MARKS
1.1	10
1.2	10
1.3	10
TOTAL	30



SECTION B

Mark the FIRST TWO answers only.

QUESTION 2: BUSINESS ENVIRONMENTS**2.1 Provisions of the Basic Conditions of Employment Act/BCEA**

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

NOTE: Mark the first FOUR (4) only.

(4 x 1) (4)

2.2 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)



2.3 Challenges of business environments

CHALLENGES	BUSINESS ENVIRONMENTS
1. MB employees went on a wild cat strike due to unpaid overtime. ✓	Micro ✓
2. Muzi Bakery has to close early sometimes due to service delivery protests ✓	Macro ✓
3. Roaster Bakery offers similar products at lower prices. ✓	Market ✓
Max. (3)	Max. (3)

Max. (6)

- NOTE:**
1. Mark the first THREE (3) challenges only.
 2. Award marks for challenges even if the environment is not mentioned.
 3. Do not award marks for the environment if the challenges were incorrectly/not identified.
 4. Accept responses in any order.

2.4 Funding of Sector Education and Training authorities (SETA's)

- Skills Development levies are paid by employers ✓ to SARS as a collecting agency for the government. ✓
- Employers who have a salary bill that exceeds R500 000 per annum, ✓ should pay one percent (1%) of their annual salaries as a levy. ✓
- The different SETAs receive eighty percent (80%) of the levy for organisational expenses ✓ and the remaining twenty percent (20%) is paid to the National Skills Fund. ✓
- Donations/grants received ✓ from the public/businesses/CSI programmes. ✓
- Surplus funds received ✓ from government institutions. ✓
- Funds received ✓ from rendering their services. ✓
- Any other relevant answer related to how SETAs are funded. Max. (4)

2.5 Rights of employers in terms of Labour Relations Act (LRA), 1995 (Act 66 of 1995)

- Form employer organisations ✓ to represent them in labour related matters. ✓
- Form bargaining councils ✓ for collective bargaining purposes. ✓
- Lockout employees ✓ who engage in unprotected/illegal strike/labour action. ✓
- Dismiss employees who engage in an unprotected strike/misconduct ✓ such as intimidation/violence during a strike action. ✓
- Not pay/remunerate an employee who has participated in a protected strike ✓ for services/work they did not do during the strike. ✓
- Any other relevant answer related to the rights of employers in terms of the LRA. Max. (6)



2.6 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 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 the steps in strategy evaluation.

NOTE: Accept steps in any order.

Max. (4)

2.7 PESTLE analysis from the scenario

2.7.1 Legal ✓✓ (2)

2.7.2 Ways in which SS can deal with challenges posed by the PESTLE factor identified

- Comply with all relevant legislation✓ that may impact on businesses. ✓
- Comply with the legal requirements for operating businesses ✓, e.g. licence/trade mark registration/patents. ✓
- Budget ✓ for high legal establishment costs. ✓
- Businesses must know the legalities of business contracts ✓ so that they comply with all the requirements. ✓
- Any other relevant answer related to ways in which SS can deal with challenges posed by legal as PESTLE factor.

NOTE: Accept relevant facts even if the legal factor was incorrectly identified as an answer in QUESTION 2.7.1

Max. (4)



2.8 Ways in which businesses could comply with the Compensation for Occupational Injuries and Diseases Amendment Act, (COIDA) 1997.

- Businesses should provide a healthy/safe working environment. ✓✓
- Ensure that the premises/equipment/machinery is in good working condition. ✓✓
- Register with the Compensation Commissioner and provide the particulars of the business. ✓✓
- Report all incidents causing death/injury/illness of employees. ✓✓
- Levies must be paid to the Compensation Fund. ✓✓
- Keep records of employees' income and details of work for four years. ✓✓
- Submit returns of earnings by no later than 1 March annually. ✓✓
- Allow regular assessment of the workplace by inspectors in order to determine the level of risk their employees are exposed to. ✓✓
- Employers may not make deductions for COIDA from employees' remuneration packages. ✓✓
- Businesses must ensure that claims are lodged within twelve months of the date of the accident. ✓✓
- Any other relevant answer related to ways in which businesses could comply with the Compensation for Occupational Injuries and Diseases Amendment Act 1997 (COIDA), (Act 61 of 1997).

Max. (4)
[40]

BREAKDOWN OF MARKS

QUESTION 2	MARKS
2.1	4
2.2	6
2.3.1	3
2.3.2	3
2.4	4
2.5	6
2.6	4
2.7.1	2
2.7.2	4
2.8	4
TOTAL	40



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

- Advertisements in media including newspapers, radio, internet ✓
- Recruitment agencies or consultants ✓
- Professional associations ✓
- Networking outside the business ✓
- Noticeboards outside the business ✓
- Walk-in applications ✓
- Headhunting outside the business ✓
- Educational institutions ✓
- Social media e.g. facebook ✓
- Any other relevant answer related to sources of external recruitment.

NOTE: Mark the first FOUR (4) only.

(4 x 1) (4)

3.2 Placement procedure

- Outline the specific responsibilities of the new position, including the expectations/skills required for this position. ✓✓
- Determine the successful employee'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 employee. ✓✓
- Any other relevant answer related to the placement procedure as a human resources activity.

Max. (4)



3.3 Example of job description from the scenario

- 3.3.1 - EL advertised a vacancy for a financial manager. ✓
 - Successful applicant must be able to prepare budgets. ✓
NOTE: Mark the first TWO (2) quotes only. (2 x 1) (2)

3.3.2 Impact of fringe benefits on businesses

Advantages/Positives

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

AND/OR

Disadvantages/Negatives

- Businesses which cannot offer fringe benefits ✓ fail to attract skilled workers. ✓
- Businesses which offer employees different benefit plans ✓ may create resentment ✓/Employees who receive less benefit may not be motivated ✓ resulting in lower productivity. ✓
- It can create conflict/lead to corruption ✓ if allocated unfairly. ✓
- Fringe benefits are additional costs ✓ that may result in cash flow problems. ✓
- Decreases business profits, ✓ as incentive/package/remuneration costs are higher. ✓
- Administrative costs increase ✓ as benefits need to be correctly recorded for tax purposes. ✓
- Workers only stay with the business for fringe benefits, ✓ and may not be committed/loyal to the tasks/business. ✓
- Businesses have to pay advisors/attorneys ✓ to help them create benefit plans that comply with legislation. ✓
- Errors in benefit plans ✓ may lead to costly lawsuits/regulatory fines. ✓
- Any other relevant answer related to the negative impact/disadvantages of fringe benefits on businesses. Max. (6)



3.4 Implication of the Labour Relation Act on the human resource function.

- Promotes resolution of labour disputes ✓ in the workplace. ✓
- Protects the rights of employees/employers ✓ as outlined in the Constitution. ✓
- Advances economic development/social justice/labour peace ✓ to ensure that the workplace maintains the basic rights of employees. ✓
- Provides for unresolved disputes ✓ to be referred to Labour Courts/Labour Appeal Courts. ✓
- Promotes orderly negotiations ✓ and employee participation in decision making in the workplace. ✓
- Workers cannot be easily dismissed ✓ as bargaining council/Commission for Conciliation, Mediation and Arbitration (CCMA) processes need to be followed. ✓
- Provides a framework for bilateral meetings where employees, trade unions ✓ and employers discuss matters relating to employment. ✓
- The human resource manager should allow workers to form workplace forums/trade unions ✓ to promote the interests of all employees. ✓
- Clarify the transfer of contracts of employment/If a business is transferred to another owner, ✓ then the employee contracts are also transferred. ✓
- Any other relevant answer related to the implication of the Labour Relation Act on the human resource function. Max. (4)

3.5 Quality indicators of the public relations

- Providing regular/positive press releases. ✓✓
- Dealing quickly with negative publicity/less/little/no incidents of negative publicity. ✓✓
- Implement sustainable corporate social investment (CSI) programmes. ✓✓
- Good results of/Positive feedback from public surveys on business image. ✓✓
- High standard of internal publicity/appearance of buildings/professional telephone etiquette, etc. ✓✓
- Deliver quality goods/services that promote the brand/image with key stakeholders/ customers/suppliers/government/service providers. ✓✓
- Compliance with recent legislation, e.g, BEE compliant. ✓✓
- Any other relevant answer related to the quality indicator of the public relation. Max. (4)



3.6 Ways in which TQM to reduce the cost quality

3.6.1 Ways in which TQM can reduce the cost of quality from the scenario.

- They use the services of quality circles to improve their quality of work. ✓
- Mavela Technologies develop work systems that empower employees to find new ways of improving quality. ✓

NOTE 1. Mark the first TWO (2) only

- 2. Only award marks for responses that are quoted from the scenario** (2 x 1) (2)

3.6.2 Other ways in which TQM can reduce the cost of quality

- 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. ✓
- 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)

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

3.7 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/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)



3.8 Impact of continuous skill development/education and training as an element of total quality management (TQM) on large businesses

Positives/Advantages

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

AND/OR

Negatives/ Disadvantages

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

Max. (6)
[40]

BREAKDOWN OF MARKS

QUESTION 3	MARKS
3.1	4
3.2	4
3.3.1	2
3.3.2	6
3.4	4
3.5	4
3.6.1	2
3.6.2	4
3.7	4
3.8	6
TOTAL	40



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

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

NOTE: Mark the first FOUR (4) only.**(4 x 1) (4)****4.2 Advantages of diversification strategies**

- Increase sales and business growth. ✓✓
- Improve the business brand and image. ✓✓
- Reduce the risk of relying only on one product for sales / revenue / income. ✓✓
- More products can be sold to existing customers and additional new markets can be established. ✓✓
- Businesses gain more technological capabilities through product modification. ✓✓
- Diversification into several 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 competition 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)

4.3 Porter's Five Forces

Porter's Five Forces from the scenario

PORTER'S FIVE FORCES	MOTIVATIONS
1. Threat/Barriers of new entrants to the market ✓✓	- CS is highly profitable and attracts many new entrepreneurs to enter this market. ✓
2. Power of competitors/ Competitive rivalry ✓✓	- Yoli's Spa has been opened across the street offering services at lower prices than Candice Spa. ✓
Submax (4)	Submax (2)

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

2. The answer does not have to be in a tabular format.

3. Award marks for the forces even if motivations were incomplete.

4. Do not award marks for the motivations if the forces were not identified.

5. Accept responses in any order.

Max. (6)

4.4 Ways in which businesses could apply enterprise and supplier development (ESD) as a BBBEE pillar in the workplace.

- Businesses must create jobs ✓ as ESD promotes local manufacturing. ✓
- Outsource services to suppliers ✓ that are BBBEE compliant. ✓
- Businesses are encouraged to invest in/support black owned SMMEs ✓ to make them more sustainable. ✓
- Identify black owned suppliers ✓ that are able to supply goods and services. ✓
- Invest / support black owned SMMEs by contributing loans / donations / consulting services/ advice / entrepreneurial programmes ✓
- Develop the business skills of small/black owned suppliers, ✓ e.g. sales techniques, legal advice ✓, etc.
- Support the cash flow of small suppliers ✓ by offering them preferential terms of payment. ✓
- Develop and implement ✓ a supplier development plan /supply chain. ✓
- Any other relevant answer related to ways in which businesses could apply enterprise and supplier development/ESD as a BBBEE pillar in the workplace.

Max. (6)



BUSINESS OPERATIONS

4.5 4.5.1 Piecemeal ✓

4.5.2 Time-related ✓

NOTE: Mark the first TWO (2) only.

(2 x 1) (2)

4.6 **TQM applicable to Terah Spices**

4.6.1 Continuous improvement of processes and system. ✓✓ (2)

4.6.2 Total client/customer satisfaction. ✓✓ (2)



4.7 Difference between quality management and quality performance

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

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

Max. (4)

4.8 Quality indicators for the purchasing function

- Businesses should buy raw materials/products in bulk ✓ at lower prices. ✓
- Select reliable suppliers that render the best quality raw materials/capital goods ✓ at reasonable prices. ✓
- Place orders timeously and regular follow-ups ✓ to ensure that goods are delivered on time. ✓
- Effective co-ordination between purchasing and production departments ✓ so that purchasing staff understand the requirements of the production process. ✓
- Required quantities should be delivered ✓ at the right time and place. ✓
- Implement/Maintain stock control systems ✓ to ensure the security of stock. ✓
- Maintain optimum stock levels ✓ to avoid overstocking/reduce out-dated stock. ✓
- Monitor and report on minimum stock levels ✓ to avoid stock shortages. ✓
- Effective use of storage space ✓ and maintain product quality while in storage. ✓
- Involve suppliers ✓ in strategic planning/product design/material selection/quality control process. ✓
- Ensure that there is no break in production ✓ due to stock shortages. ✓
- Establish relationships with suppliers ✓ so that they are in alignment with the business's vision/mission/values. ✓
- Have a thorough understanding ✓ of supply chain management. ✓
- Any other relevant answer related to the quality indicators for the purchasing function.

Max. (6)



4.9 Impact of TQM if poorly implemented by businesses

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

Max. (4)
[40]

BREAKDOWN OF MARKS

QUESTION 4	MARKS
4.1	4
4.2	4
4.3	6
4.4	6
4.5	2
4.6	4
4.7	4
4.8	6
4.9	4
TOTAL	40

TOTAL SECTION B: 80



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

- The Employment Equity Act (EEA) was introduced to redress the economic imbalances of the past. ✓
- The EEA applies to all employers, employees and people applying for jobs. ✓
- The aim of the Act is to ensure that transformation takes place in the workplace. ✓
- Labour inspectors have the power to issue compliance orders. ✓
- Employment policies and procedures must be aligned with the requirements of the Act. ✓
- Any other relevant introduction related to the purpose of the EEA/impact of EEA on businesses/consequences/penalties/practical ways in which businesses can comply with the EEA. (Any 2 x 1) (2)

5.2 Purpose of the 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. ✓✓
- Protects employees from victimisation if they exercise the rights given to them by the EEA. ✓✓
- Promotes diversity in the workplace by ensuring that people of diverse backgrounds are appointed ✓✓
- Ensures equal representation in the workplace through the implementation of affirmative action. ✓✓
- Ensures equal representation of all population groups in the workplace. ✓✓
- Any other relevant answer related to the purpose of the EEA. Max. (10)



5.3 Impact of the EEA on businesses

Positives/Advantages

- Encourages consultation ✓ between employer and employees. ✓
- Motivates employees ✓ because the workforce is more diverse/representative/inclusive. ✓
- Creates a framework ✓ of acceptable employment practices/affirmative action measures. ✓
- Prevents unfair discrimination/discriminatory appointments ✓ as it ensures that the workforce represents the demographics of the country/promotes diversity in the workplace. ✓
- Motivates employees ✓ because everyone has the same employment opportunities. ✓
- Appointment process is clearly defined ✓, so all parties are well informed. ✓
- Promotes the implementation of affirmative action measures ✓ to redress the imbalance in employment. ✓
- Businesses are in a better position ✓ to negotiate contracts with the government. ✓
- Impacts positively ✓ on BEE ratings for businesses. ✓
- Any other relevant answer related to the positive impact/advantages of EEA on businesses.

AND/OR**Negatives/Disadvantages**

- Increased administration burden ✓, as businesses must compile/submit employment equity reports every two years. ✓
- Expensive to train/employ someone ✓ who knows little about the Act. ✓
- Other groups may not respect the knowledge/skills/experience of an EEA appointment ✓ and may lead to conflict. ✓
- Fines/Penalties for non-compliant businesses ✓ may be expensive for the business. ✓
- Employers have to appoint one or more senior managers to ensure the implementation of the EEA plan ✓, which increases salary expenditure. ✓
- Skilled people from designated groups may demand higher salaries ✓ which increases salary expenses. ✓
- Job hopping of skilled/trained EE appointees ✓ may increase staff turnover. ✓
- Diversity in the workplace ✓ may lead to conflict/unhappiness. ✓
- Businesses must submit a compliance certificate ✓ before they can conduct business with state businesses. ✓
- Businesses are sometimes pressurised to appoint an unsuitable person ✓ to meet EEA requirements. ✓
- Often positions go unfilled ✓ because there are no suitable EEA candidates. ✓
- Any other relevant answer related to the negative impact/disadvantages of the EEA on businesses.

Max. (14)



5.4 Consequences/Penalties for non-compliance

- Labour inspectors may conduct onsite visits, ✓ to interview employees which can create a bad image for the business. ✓
 - A compliance order may be issued to businesses ✓ that do not comply with the EEA. ✓
 - Businesses may be brought before the Labour Court ✓ if compliance orders are not adhered to/no efforts made to reach targets. ✓
 - Labour inspectors may investigate/inspect/ask questions ✓ about complaints. ✓
 - Businesses may face heavy fines ✓ for non-compliance. ✓
 - They can be ordered to pay compensation ✓ and damages to the employee. ✓
 - Any other relevant answer related to the consequences/penalties for non-compliance with the EEA.
- Max. (12)

5.5 Practical ways in which businesses can comply with the 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 in every level of employment. ✓✓
 - Clearly define the appointment process, so that all parties are well informed. ✓✓
 - Ensure that diversity/inclusivity in the workplace is achieved. ✓✓
 - 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/Accommodate people from different 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 implementation of 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. ✓✓
 - 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 practical ways in which businesses can comply with the EEA.
- Max. (10)



5.6 **Conclusion**

- The EEA does not only promote and regulate affirmative action, but also gives guidance in conducting a fair appointment process. ✓✓
- Businesses can access the skills and expertise of previously disadvantaged individuals. ✓✓
- Businesses should take necessary steps/put practical measures in place to promote equal opportunities in the workplace. ✓✓
- Penalties for non-compliance may have a negative financial implication for businesses. ✓✓
- Any other relevant conclusion related to the purpose of the EEA/impact of EEA on businesses/consequences/penalties/practical ways in which businesses can comply with the EEA.

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



QUESTION 5: BREAKDOWN OF MARKS

DETAILS	MAXIMUM	TOTAL
Introduction	2	Max 32
Purpose of Employment Equity Act	10	
Impact of Employment Equity Act	14	
Consequences/penalties for non-compliance.	12	
Practical ways in which businesses can comply with the EEA	10	
Conclusion	2	
INSIGHT		
Layout	2	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 of the requirements are met.

Allocate 0 marks where requirements are not met at all.



QUESTION 6: BUSINESS OPERATIONS (HUMAN RESOURCES)**6.1 Introduction**

- The human resources manager must be well conversant with the requirements of a vacancy to ensure that the recruitment procedure is accurate. ✓
- Internal recruitment is a method where businesses advertise vacancies within the business. ✓
- A good induction programme enables new employees to have a fundamental understanding of what is expected in the new job/ position. ✓
- An employment contract sets out the legal conditions of employment that must be observed by both the employer and the employee. ✓
- Any other relevant introduction related to the legal requirements of the employment contract/recruitment procedure as human resource activity/benefit of induction for businesses/reason for the termination of an employment contract. (Any 2 x 1) (2)

6.2 Legal requirements of the employment contract

- The employer and employee/both parties must sign the contract. ✓✓
- Employer and employee must agree to any changes to the contract. ✓✓
- No party may unilaterally change aspects of the employment contract. ✓✓
- The remuneration package/including benefits must be clearly indicated. ✓✓
- The employment contract may not contain any requirements that are in conflict with the BCEA. ✓✓
- Aspects of the employment contract can be renegotiated during the course of employment. ✓✓
- The employer must explain the terms and conditions of the employment contract to the employee. ✓✓
- Conditions of employment/duties/responsibilities of the employees must be stipulated clearly. ✓✓
- All business policies, procedures and disciplinary codes/rules can form part of the employment contract. ✓✓
- The employer must allow the employee to thoroughly read through the contract before it is signed. ✓✓
- The employment contract should include a code of conduct and code of ethics. ✓✓
- Any other relevant answer related to the legal requirements of the employment contract. Max. (10)



6.3 Recruitment procedure as human resource activity

- The human resource manager should evaluate the job/prepare a job analysis, ✓ that includes the job specification/job description/in order to identify recruitment needs. ✓
 - The human resource manager should prepare the job description ✓ in order to determine the responsibilities of the job. ✓
 - Human resource manager should indicate the job specification/description/key performance areas ✓ to attract suitable candidates. ✓
 - Choose the method of recruitment, ✓ e.g. internal/external, to reach/target the suitable applicants/candidates. ✓
 - Vacancies can be internally advertised ✓ via internal email/word of mouth/posters/staff notices. ✓
 - If the external recruitment is chosen, the relevant recruitment sources should be selected, ✓ e.g. recruitment agencies/tertiary institutions/newspapers, etc. ✓
 - If internal recruitment is unsuccessful, ✓ external recruitment should be considered. ✓
 - The advertisement should be prepared with the relevant information, ✓ e.g. the name of the company, contact details, contact person, etc. ✓
 - Place the advertisement in the appropriate media ✓ that will ensure that the best candidates apply. ✓
 - Any other relevant answer related to the recruitment procedure as human resource activity.
- Max. (12)

6.4 Benefit for induction for businesses

- 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 ✓ which promotes the effective use of working methods/resources. ✓
- Minimises/Decreases the need for on-going training ✓ and development. ✓
- Employees will be familiar with organisational structures ✓, such as 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 regarding conduct/procedures/safety and security/employment contract/conditions of employment/working hours/leave ✓, are communicated. ✓



- Realistic expectations for new employees ✓ as well as the business are created. ✓
- New employees may feel part of the team ✓ resulting in positive morale/ motivation. ✓
- Employees may have a better understanding of business policies ✓ regarding ethical/professional conduct/procedures/CSR. ✓
- Reduces staff turnover ✓ as new employees have been inducted properly. ✓
- Any other relevant answer related to the benefits of induction for businesses.

Max. (14)

6.5 Reasons for termination of an employment contract

- The employer may dismiss an employee for valid reason(s) such as unsatisfactory job performance and 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. ✓✓
- The duration of the employment contract expires/comes to an end. ✓✓
- By mutual agreement between the employer and employee. ✓✓
- Any other relevant answer related to the reasons for the termination of an employment contract.

Max. (10)

6.6 Conclusion

- Businesses should align the employment contract according to the requirements of the BCEA to avoid unnecessary legal actions. ✓✓
- Businesses should remain objective when recruiting to ensure that the successful candidate makes a meaningful contribution in the workplace. ✓✓
- A well-designed induction programme allows new employees to gain a better understanding of the requirements of the new job. ✓✓
- The employee must be given a notice in writing when terminating an employment contract as per BCEA. ✓✓
- Any other relevant conclusion related to the legal requirements of the employment contract/recruitment procedure as human resource activity/benefit of induction for businesses/reason for the termination of an employment contract.

(Any 1 x 2)

(2)

[40]

QUESTION 6: BREAKDOWN OF MARK ALLOCATION

DETAILS	MAXIMUM	TOTAL
Introduction	2	Max. 32
Legal requirement of the employment contract	10	
Recruitment procedure as human resource function	12	
Benefits of induction for businesses	14	
Reason for the termination of an employment contract.	10	
Conclusion	2	
INSIGHT		
Layout	2	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 of the requirements are met.

Allocate 0 marks where requirements are not met at all.

TOTAL SECTION C: 40
GRAND TOTAL: 150

