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SENIOR CERTIFICATE EXAMINATIONS/ NATIONAL SENIOR CERTIFICATE EXAMINATIONS

BUSINESS STUDIES P1

MAY/JUNE 2025

MARKING GUIDELINES

MARKS: 150

These marking guidelines consist of 30 pages.



NOTES TO MARKERS

PREAMBLE

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

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

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

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

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

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

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

8. In an indirect question, the theory as well as the response must be relevant and related to the question.
9. Correct numbering of answers to questions or sub questions is recommended in SECTIONS A and B. However, if the numbering is incorrect, follow the sequence of the candidate's responses. Candidates will be penalised if the latter is not clear.
10. No additional credit must be given for repetition of facts. Indicate with an 'R'.
11. The differentiation between 'evaluate' and 'critically evaluate' can be explained as follows:
 - 11.1 When 'evaluate' is used, candidates are expected to respond in either a positive/negative manner or take a neutral (positive and negative) stance, e.g., **Positive:** *'COIDA eliminates time and costs spent✓ on lengthy civil court proceedings.✓'*
 - 11.2 When 'critically evaluate' is used, candidates are expected to respond in either a positive/negative manner or take a neutral (positive and negative) stance. In this instance candidates are also expected to support their responses with more depth, e.g., *'COIDA eliminates time and costs spent✓ on lengthy civil court proceedings✓, because the employer will not be liable for compensation to the employee for injuries sustained during working hours as long as it can be proved that the business was not negligent.'✓*

NOTE:

 1. The above could apply to 'analyse' as well.
 2. Note the placing of the tick (✓) in the allocation of marks.
12. The allocation of marks must be informed by the nature of the question, cognitive verb used, mark allocation in the marking guideline and the context of each question.

Cognitive verbs, such as:

 - 12.1 Give, name, state, outline, quote, motivate, recommend, suggest, advise, (*list not exhaustive*) do not usually require much depth in candidates' responses. Therefore, the mark allocation for each statement/answer appears at the end.
 - 12.2 Define, describe, explain, discuss, elaborate, distinguish, differentiate, compare, tabulate, analyse, evaluate, critically evaluate (*list not exhaustive*) require a greater depth of understanding, application and reasoning. Therefore, the marks must be allocated more objectively to ensure that assessment is conducted according to established norms so that uniformity, consistency and fairness are achieved.
13. Mark only the FIRST answer where candidates offer more than one answer for SECTION B and C questions that require one answer.

14. SECTION B

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

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

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

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

14.4 Use of the cognitive verbs and allocation of marks:

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

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

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

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

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

15. SECTION C

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

Introduction	Maximum: 32
Content	
Conclusion	
Insight	8
TOTAL	40

15.2 Insight consists of the following components:

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



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

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

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

SECTION A**QUESTION 1**

- 1.1 1.1.1 B √√
- 1.1.2 D √√
- 1.1.3 A √√
- 1.1.4 C √√
- 1.1.5 D √√ (5 x 2) **(10)**
- 1.2 1.2.1 parental √√
- 1.2.2 backward √√
- 1.2.3 strength √√
- 1.2.4 Employment Equity √√
- 1.2.5 quality assurance √√ (5 x 2) **(10)**
- 1.3 1.3.1 C √√
- 1.3.2 G √√
- 1.3.3 E √√
- 1.3.4 B √√
- 1.3.5 I √√ (5 x 2) **(10)**

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

QUESTION 1	MARKS
1.1	10
1.2	10
1.3	10
TOTAL	30



SECTION B**Mark the FIRST TWO questions only.****QUESTION 2: BUSINESS ENVIRONMENTS****2.1 Pillars of the Broad-Based Black Economic Empowerment Act (BBBEE)**

- Management control ✓
- Ownership ✓
- Enterprise and supplier development/ESD ✓
- Skills development ✓
- Socio-economic development/Social responsibility ✓

NOTE: Mark the first FOUR (4) only.**(4 x 1) (4)****2.2 Advantages of intensive strategies**

- Increase in sales/income and profitability due to a variety of advertising campaigns. ✓✓
- 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. ✓✓
- Enables the business to focus on markets/well researched quality products that satisfy the needs of consumers. ✓✓
- Increased market share reduces the business's vulnerability to actions of competitors. ✓✓
- Any other relevant answer related to the advantages of intensive strategies.

Max (6)**2.3 Types of diversification strategies from the scenario**

TYPES OF DIVERSIFICATION STRATEGIES	MOTIVATIONS
1. Concentric diversification ✓✓	They added homemade cheese to their product range to increase sales to new customers. ✓
2. Conglomerate diversification ✓✓	PF also opened a petrol station to attract new customers. ✓
Submax (4)	Submax (2)

- NOTE:**
1. Mark the first TWO (2) only.
 2. Award marks for the types of diversification strategies even if the quotes are incomplete.
 3. Do not award marks for motivations if the types of diversification strategies were incorrectly identified.
 4. Accept responses in any order.

Max (6)

2.4 **Rights of employers in terms of the Labour Relations Act/LRA Employers have the right to:**

- form employer organisations ✓ to represent them in labour related matters. ✓
 - form bargaining councils ✓ for collective bargaining purposes. ✓
 - lockout employees ✓ who engage in labour action/an unprotected/illegal strike. ✓
 - dismiss employees ✓ who engage in an unprotected/illegal strike/misconduct such as intimidation/violence during a strike action. ✓
 - not pay/remunerate employees who have 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)**

2.5 **Types of defensive strategies**

Divestiture ✓✓

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

Strategy (2)
Description (1)
Submax (3)

Retrenchment ✓✓

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

Strategy (2)
Description (1)
Submax (3)

Liquidation ✓✓

- Selling all assets/Bringing the business activities to an end due to the inability to repay creditors/bankruptcy/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. ✓
- Companies in financial distress/difficulty may appeal for business rescue to avoid liquidation. ✓
- Any other relevant answer related to liquidation as a type of defensive strategy.

Strategy (2)
Description (1)
Submax (3)

NOTE: Mark the first TWO (2) only.

Max (6)

2.6 Legislation

2.6.1 Compensation for Occupational Injuries and Diseases Amendment Act/COIDA ✓✓ (2)

2.6.2 Other advantages of Compensation for Occupational Injuries and Diseases Amendment Act/COIDA

- Promotes health and safety of employees ✓ which reduces accidents in the workplace. ✓
- Employees do not contribute towards this fund, ✓ which improves morale in the workplace. ✓
- Claiming processes are relatively simple, ✓ resulting in timeous pay-outs. ✓
- Eliminates time and costs ✓ spent on lengthy civil court proceedings. ✓
- Any compensation to an employee/the family ✓ is exempt from income tax. ✓
- Employers are protected from financial burden ✓ should an accident occur in the workplace provided that the employer was not negligent. ✓
- 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. ✓
- Creates a framework ✓ for acceptable employment practices and safety regulations. ✓
- Supply administrative guidelines/mechanisms ✓ for dealing with/processing claims. ✓
- Employees are compensated financially ✓ for any injury/disability resulting from performing their duties at their workplace. ✓
- In the event of the death of an employee as a result of a work-related accident/disease, ✓ his/her dependent(s) will receive financial support. ✓
- Employees receive medical assistance ✓ provided there is no other medical assistance option. ✓ /Cannot claim medical assistance from the fund ✓ and medical aid. ✓
- Medical expenses/Other types of compensation are paid to employees and/or their families ✓ depending on the type/severity of the injuries. ✓
- Any other relevant answer related to other advantages of COIDA for businesses.

NOTE: 1. Do not award marks for 'monthly contributions to a common fund to protect workers in the event of workplace accidents'.

2. Accept relevant facts if the Act was incorrectly identified as an answer in QUESTION 2.6.1.

Max (4)

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2.7 **Strategic management process****OPTION 1**

- 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**

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

Max (6)
[40]**BREAKDOWN OF MARKS**

QUESTION 2	MARKS
2.1	4
2.2	6
2.3	6
2.4	6
2.5	6
2.6.1	2
2.6.2	4
2.7	6
TOTAL	40



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

- Job description ✓
- Job specification ✓

NOTE: Mark the first TWO (2) only.**(2 x 1) (2)****3.2 Meaning of piecemeal as a salary determination method**

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

Max (4)**3.3 Induction****3.3.1 Aspects of the induction programme from the scenario**

- a tour of the premises ✓
- an overview of the business ✓

NOTE: Mark the first TWO (2) only.**(2 x 1) (2)****3.3.2 Benefits of induction**

- Allows new employees to settle in quickly ✓ and work effectively. ✓
- Ensures that new employees understand the rules ✓ and restrictions in the business. ✓
- New employees may establish relationships ✓ with fellow employees at different levels. ✓
- Make new employees feel at ease in the workplace, ✓ which reduces anxiety/ insecurity/fear. ✓
- The results obtained during the induction process ✓ provide a base for focussed training. ✓
- Increases quality of performance/productivity ✓ 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 the staff turnover ✓ as new employees have been inducted properly. ✓
- Any other relevant answer related to the benefits of induction for businesses.

Max (6)

3.4

Selection procedure**OPTION 1**

- Determine fair assessment criteria ✓ on which selection will be based. ✓
- Applicants must submit the application forms/curriculum vitae ✓ and certified copies of personal documents/IDs/proof of qualifications. ✓
- Sort the received documents/CVs ✓ according to the assessment/selection criteria. ✓
- Screen/Determine which applications meet the minimum job requirements ✓ and separate these from the rest. ✓
- Preliminary interviews are conducted ✓ if many suitable applications were received/to identify suitable applicants. ✓
- Reference checks/Vetting process should be made ✓ to verify the content of CVs/regarding work experience/criminal records/qualifications. ✓
- Compile a shortlist ✓ of potential candidates identified. ✓
- Shortlisted candidates may be subjected ✓ to various types of selection tests such as skills tests. ✓
- Invite shortlisted candidates ✓ for an interview. ✓
- A written offer is made ✓ to the selected candidate. ✓
- Inform unsuccessful applicants ✓ about the outcome of their application. ✓/Some advertisements indicate the deadline ✓ for informing only successful candidates. ✓
- Any other relevant answer related to the selection procedure as a human resources activity.

OR

OPTION 2

- Receive documentation such as application forms ✓ and sort it according to the criteria of the job. ✓
- Evaluate CVs ✓ and create a shortlist/screen the applicants. ✓
- Check information in the CVs ✓ and contact references. ✓
- Conduct preliminary sifting interviews ✓ to identify applicants who are not suitable for the job, although they meet all requirements. ✓
- Assess/Test candidates ✓ who have applied for senior positions/to ensure the best candidate is chosen. ✓
- Conduct interviews ✓ with shortlisted candidates. ✓
- Offer employment in writing ✓ to the selected candidate(s). ✓
- Any other relevant answer related to the selection procedure as a human resources activity.

NOTE: The procedure may be in any order.

Max (6)

3.5

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/competencies. ✓✓
- Employers and employees will have a healthy working relationship resulting in happy/productive workers/improved employee morale/ productivity. ✓✓
- Increased market share/Financial stability as 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)

3.6 Business functions that contribute to the success of the business from the scenario

BUSINESS FUNCTIONS	MOTIVATIONS
1. General management function ✓✓	The Chief Executive Officer (CEO) effectively communicates the shared vision and mission of the business with employees. ✓
2. Public relations function ✓✓	BE also provides regular press releases to all stakeholders. ✓
Submax (4)	Submax (2)

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

Max (6)

3.7 Act step of the PDCA model

- Institutionalise the improvement ✓ to meet the needs of the business. ✓
- Devise strategies ✓ on how to continually improve operational procedures. ✓
- If the change was successful, ✓ implement it on a wider scale. ✓
- The business should continuously revise the process ✓ to identify and improve on shortcomings/until they get it right. ✓
- Any other relevant answer related to how businesses can apply the act step of the PDCA model to improve the quality of products.

Max (4)

3.8 Impact of adequate financing and capacity as a total quality management/TQM element

Positives/Advantages

- Large businesses have sufficient financing ✓ to test everything before implementing. ✓
- They can afford to have systems in place ✓ to prevent errors in processes/defects in raw materials/products. ✓
- Able to afford product research/market researchers ✓ to gather information about products/customers. ✓/Large businesses can fund programmes ✓ aimed at improving quality processes. ✓
- Large businesses can afford to purchase ✓ quality raw materials and equipment. ✓
- Any other relevant answer related to the positive impact/advantages of adequate financing and capacity as a TQM element on large businesses.

AND/OR

Negatives/Disadvantages

- If the demand for a business product increases/orders begins coming in faster than expected, ✓ the business may lack the capital required to fund the production of the stock/to fill the orders. ✓
- These rapidly growing businesses can consume large amounts of capital ✓ as they try to balance normal operations and expansion. ✓
- Any other relevant answer related to the negative impact/disadvantages of adequate financing and capacity as a TQM element on large businesses.

Max (6)**[40]****BREAKDOWN OF MARKS**

QUESTION 3	MARKS
3.1	2
3.2	4
3.3.1	2
3.3.2	6
3.4	6
3.5	4
3.6	6
3.7	4
3.8	6
TOTAL	40



QUESTION 4: MISCELLANEOUS TOPICS**BUSINESS ENVIRONMENTS****4.1 Forces of Porter's Five Forces model**

- Bargaining power of suppliers/Power of suppliers ✓
- Bargaining power of buyers/Power of buyers ✓
- Threat/Barriers to new entrants to the market ✓
- Competitive rivalry/Power of competitors ✓
- Threat of substitutes/substitution ✓

NOTE: Mark the first FOUR (4) only.**(4 x 1) (4)****4.2 Business sectors from statements**

4.2.1 Secondary sector ✓✓

(2)

4.2.2 Tertiary sector ✓✓

(2)**4.3 Penalties for non-compliance with the Employment Equity Act/EEA**

- Businesses may face heavy fines ✓ for non-compliance. ✓
- They can be ordered to pay compensation/damages ✓ to the employee for unfair discrimination. ✓
- Labour inspectors may conduct onsite visits/interview employees ✓ to determine whether the information supplied on the employment equity plans is true or has been falsified. ✓
- Labour inspectors may investigate/inspect/ask questions about complaints ✓ 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. ✓
- The Department of Labour may block non-compliant businesses ✓ from doing business with the government/receiving government tenders. ✓
- Any other relevant answer related to penalties for non-compliance with the EEA.

Max (6)**4.4 Steps in strategy evaluation**

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

NOTE: The steps may be in any order.**Max (6)**

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4.5 Legal requirements of an employment contract

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

Max (4)

4.6 Impact of fringe benefits

Positives/Advantages

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

AND/OR

Negatives/Disadvantages

- Businesses which cannot offer fringe benefits, ✓ 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. ✓

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- 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)

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

4.7.1 **Ways in which total quality management/TQM can reduce the cost of quality from the scenario**

- The production manager works closely with suppliers to improve the standards of raw materials. ✓
- KM monitors their maintenance programmes on a regular basis to prevent the breakdown of equipment. ✓

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

(2 x 1) (2)

4.7.2 **Other ways in which total quality management/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 roles in quality management. ✓
- Develop work systems ✓ that empower employees to find new ways of improving quality. ✓
- 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. ✓
- Any other relevant answer related to other ways in which TQM can reduce the cost of quality.

NOTE: **Do not award marks for responses that are quoted from the scenario in QUESTION 4.7.1.**

Max (4)

4.8 How the quality of performance of the administration function can contribute to the success of the business

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

Max (4)
[40]

BREAKDOWN OF MARKS

QUESTION 4	MARKS
4.1	4
4.2.1	2
4.2.2	2
4.3	6
4.4	6
4.5	4
4.6	6
4.7.1	2
4.7.2	4
4.8	4
TOTAL	40

TOTAL SECTION B: 80



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

- The Consumer Protection Act aims to protect consumers from exploitation and unfair business practices. ✓
- The CPA was introduced to promote equality in the consumer market for all consumers of goods and services. ✓
- Businesses have a legal responsibility to protect/promote the rights of consumers, as they are held accountable for their actions. ✓
- Businesses that comply with the CPA are able to reduce heavy penalties which may prevent a financial loss in the long term. ✓
- Any other relevant introduction related to the purpose of the CPA/impact of the CPA on businesses/consumer rights in terms of the CPA/ways in which businesses can comply with the CPA.

Any (2 x 1) (2)**5.2 Purpose of the Consumer Protection Act/CPA**

- Promotes fair/accessible and sustainable places for people to sell their products. ✓✓
- Establishes national standards to protect consumers regardless of their economic status. ✓✓
- Provides guidelines for better consumer information and to prohibit unfair business practices. ✓✓
- Promotes responsible consumer behaviour amongst consumers. ✓✓
- Promotes consistent laws relating to consumer transactions and agreements. ✓✓
- Establishes a National Consumer Commission (NCC). ✓✓
- Ensures that consumers have access to information they need to make informed choices. ✓✓
- Promotes the rights and full participation of historically disadvantaged individuals as consumers. ✓✓
- Ensures that consumers are not misled/deceived by suppliers of goods/services. ✓✓
- Promotes consumer safety by protecting them from hazardous products/services. ✓✓
- Strengthens a culture of consumer rights and responsibilities. ✓✓
- Empowers consumers to take legal action if their rights are not upheld. ✓✓
- Protects consumers against contracts that include unfair terms, which limit the liability of suppliers. ✓✓
- Protects consumers against unscrupulous businesses such as fly-by-night franchisors. ✓✓
- Allows for consumers and businesses to resolve disputes fairly/effectively. ✓✓
- Any other relevant answer related to the purpose of the CPA.

Max (10)

5.3 Impact of the Consumer Protection Act/CPA

Positives/Advantages

- Businesses may be safeguarded ✓ from dishonest competitors. ✓
- Businesses may be protected ✓ if they are regarded as consumers. ✓
- Prevents larger businesses ✓ from undermining smaller ones. ✓
- May gain consumer loyalty, ✓ if they comply with CPA. ✓
- Enables businesses to resolve disputes fairly ✓ through the National Consumer Commission/Consumer Court/Industrial ombudsmen. ✓
- Businesses may build a good image ✓ if they ensure that they do not violate consumer rights. ✓
- Any other relevant answer related to the positive impact/advantages of CPA on businesses.

AND/OR

Negatives/Disadvantages

- Confidential business information ✓ may become available to competitors. ✓
- Penalties for non-compliance ✓ may be very high. ✓
- Businesses may feel unnecessarily burdened ✓ by legal processes. ✓
- They have to disclose more information ✓ about their products and processes/services. ✓
- Processes and procedures required by CPA ✓ can be expensive/time consuming. ✓
- Consumers can take advantage of the business ✓ and return goods when it is not necessary to do so. ✓
- Staff need to be trained/Legal experts need to be consulted, ✓ which can lead to an increase in operational costs. ✓
- Many business documents need to be simplified/revamped at extra cost ✓ as consumers have a right to receive contracts in a simple/ understandable language. ✓
- Administration costs increase ✓ as legal contracts need to be worded in plain language/pitched at the level of the consumer. ✓
- Businesses may need insurance ✓ against claims from consumers ✓/ Provisions in the Act increase risks ✓ for unforeseen claims and lawsuits. ✓
- Businesses have to replace/repair faulty items/refund money ✓ if the fault occurs within six months after purchase. ✓
- Supply chain management in stock levels will have to change, ✓ as defective goods have to be replaced within six months at the request of the consumer. ✓
- Information technology systems need to be improved ✓ as the retailer must keep more detailed records of interactions with consumers/be able to report to the National Consumer Commission (NCC). ✓
- Any other relevant answer related to the negative impact/disadvantages of CPA on businesses.

Max (14)

5.4 Consumer rights in terms of the Consumer Protection Act/CPA

5.4.1 Right to choose √√

Consumers have the right to:

- choose suppliers √ and/or goods. √
- shop around √ for the best prices. √
- return goods that are unsafe/defective √ for a full refund. √
- reject goods that are not the same √ as the sample marketed. √
- cancel/renew √ fixed term agreements. √
- request written quotations √ and cost estimates. √

Right (2)

Explanation (2)

Submax (4)

5.4.2 Right to privacy √√

- Consumers have the right to stop/restrict √ unwanted direct marketing. √
- They can object √ to unwanted promotional e-mails/telesales. √
- They have the right to stop/lodge complaints √ about the sharing of their personal details. √

Right (2)

Explanation (2)

Submax (4)

5.4.3 Right to fair and honest dealings √√

- Suppliers may not use physical force √ or harass customers. √
- Suppliers may not give √ misleading/false information. √
- Businesses may not promote pyramid schemes √ and/or chain-letter schemes. √
- Businesses may not overbook/oversell goods/services √ and then not honour the agreement. √

Right (2)

Explanation (2)

Submax (4)

5.4.4 Right to disclosure and information √√

- Contracts and agreements should be in plain language √ and easy to understand. √
- Businesses should display prices, √ which are fully inclusive/disclosing all costs. √
- Businesses should label products √ and trade descriptions correctly. √
- Consumers may request the unit and bulk price √ of the same product. √

- If two prices for the same product are displayed, ✓ consumers should pay the lower price. ✓
- All information related to the country of origin, ✓ expiry dates/ingredients of the products should be disclosed. ✓

Right (2)

Explanation (2)

Submax (4)

5.4.5 **Right to fair and responsible marketing** ✓✓

- Businesses should not mislead consumers ✓ on pricing/benefits/uses of goods and services. ✓
- Consumers may cancel purchases made through direct marketing ✓ within five working days/cooling-off period. ✓

Right (2)

Explanation (2)

Submax (4)

5.4.6 **Right to fair value/good quality and safety** ✓✓

- Consumers may demand ✓ quality goods/services. ✓
- They may receive ✓ an implied/written warranty. ✓
- To be informed and receive guidance ✓ about hazardous/dangerous products. ✓
- Reject goods that are not of the same quality ✓ as the sample marketed. ✓
- Return faulty items if the fault occurs within six months ✓ after purchasing the item. ✓

Right (2)

Explanation (2)

Submax (4)

5.4.7 **Right to accountability by suppliers** ✓✓

- Consumers have the right to be protected ✓ in lay-by agreements. ✓
- Businesses should honour credit vouchers ✓ and prepaid services. ✓

Right (2)

Explanation (2)

Submax (4)

5.4.8 **Right to fair/just and reasonable terms and conditions** ✓✓

- Businesses should provide consumers with written notices ✓ of clauses that may limit consumer rights. ✓
- Businesses may not market/sell goods ✓ at unfair prices. ✓

Right (2)

Explanation (2)

Submax (4)

5.4.9 **Right to equality in the consumer market** ✓✓

- Businesses should not limit access ✓ to goods and services. ✓
- Businesses may not vary the quality of their goods ✓ to different consumers. ✓
- Businesses should not discriminate when marketing ✓ their products and services in different areas/places. ✓
- Businesses may not charge different prices ✓ for the same goods/services. ✓
- Quality of goods may not vary ✓ when supplied to different consumers. ✓

Right (2)

Explanation (2)

Submax (4)

- Any other relevant answer related to consumer rights in terms of the CPA.

NOTE: Mark the first THREE (3) only.

Max (12)

5.5 **Ways in which businesses can comply with the Consumer Protection Act/CPA**

- Disclose prices of all products on sale. ✓✓
- Provide adequate training to staff on the CPA. ✓✓
- All agreements must provide for a five-day cooling-off period. ✓✓
- Ensure that goods/services offered are standardised/of the same quality. ✓✓
- Comply with the requirements regarding promotional competitions. ✓✓
- Comply with requirements regarding the display of information on labels/ packaging. ✓✓
- Display the name of the business on all business documents, such as invoices/contracts. ✓✓
- Bundling of goods/services should benefit consumers, such as offering a cell phone and a tablet at a special price. ✓✓
- Implement measures that will facilitate complaints, such as suggestion boxes. ✓✓
- Any other relevant answer related to ways in which businesses can comply with the CPA.

Max (10)

5.6 **Conclusion**

- The Consumer Protection Act requires both businesses and consumers to act responsibly when conducting business activities in the consumer market. ✓✓
- Businesses that correctly implement the CPA are able to gain the positive impact and reduce the negative impact on their business operations. ✓✓
- Businesses that apply the consumer rights are able to increase market share, gain more loyal customers and improve their customer base. ✓✓

- Compliance with CPA not only benefits consumers but also strengthens the overall integrity of the market by ensuring a balanced relationship between consumers and businesses. ✓✓
- Any other relevant conclusion related to the purpose of the CPA/impact of the CPA on businesses/consumer rights in terms of the CPA/ways in which businesses can comply with the CPA.

Any (1 x 2)

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

DETAILS	MAXIMUM	TOTAL
Introduction	2	Max 32
Purpose of the CPA	10	
Impact of the CPA on businesses	14	
Consumer rights in terms of the CPA	12	
Ways in which businesses can comply with the CPA	10	
Conclusion	2	
INSIGHT		8
Layout	2	
Analysis/Interpretation	2	
Synthesis	2	
Originality/Examples	2	
TOTAL MARKS		40

LASO – For each component:

Allocate 2 marks if all requirements are met.

Allocate 1 mark if some requirements are met.

Allocate 0 marks where requirements are not met at all.



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

- Recruitment procedure is a systematic process on identifying and filling vacant positions within the business. ✓
- External recruitment enables businesses to employ qualified people from outside the business. ✓
- The interviewer is responsible for administration and logistical arrangements of the interview process. ✓
- The reasons for the termination of employment contracts should be clearly explained to all employees. ✓
- Any other relevant introduction related to the recruitment procedure/impact of external recruitment on businesses/role of the interviewer during the interview/reasons for termination of an employment contract.

Any (2 x 1) (2)**6.2 Recruitment procedure as a human resources 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 responsibility/key performance areas related to the nature of the job. ✓✓
- The human resource manager should indicate the job specification/description/key performance areas to attract suitable candidates. ✓✓
- Choose the method of recruitment, such as internal/external, to reach/target the suitable applicants/candidates. ✓✓
- Vacancies can be internally advertised via internal email/word of mouth/posters/staff notices. ✓✓
- If internal recruitment is unsuccessful, external recruitment should be considered. ✓✓
- If the external recruitment is chosen, the relevant recruitment sources should be selected, such as recruitment agencies/tertiary institutions/newspapers. ✓✓
- The advertisement should be prepared with the relevant information, such as the name of the company/contact details/contact person. ✓✓
- 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 a human resources activity.

NOTE: The procedure can be in any order.**Max (12)**

6.3 Impact of external recruitment on businesses

Positives/Advantages

- New candidates bring new talents/ideas/experiences/skills ✓ into the business. ✓/Overall efficiency/Increase in productivity may occur ✓ as the new workers adds value to the business. ✓
- There is a larger pool of candidates ✓ from which to choose. ✓
- It may help the business to meet affirmative action ✓ and BBBEE targets. ✓
- Minimises unhappiness/conflict amongst current employees ✓ who may have applied for the post. ✓
- 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. ✓
- Any other relevant answer related to the positive impact/advantages of external recruitment on businesses.

AND/OR

Negatives/Disadvantages

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

Max (12)

6.4 Role of the interviewer during the interview

- Allocate the same amount of time ✓ to each candidate. ✓
- Introduce members of the interviewing panel ✓ to each candidate/interviewee. ✓
- Make the interviewee feel at ease ✓ to acquire good responses. ✓
- Explain the purpose of the interview ✓ to the panel and the interviewee. ✓
- Record interviewees' responses ✓ for future reference. ✓
- Do not misinform/mislead the interviewee ✓ by asking unrelated questions to the position. ✓
- Avoid discriminatory/controversial ✓ types of questions. ✓
- Provide an opportunity for the interviewee to ask questions ✓ about the position/job. ✓
- Close the interview by thanking the interviewee ✓ for attending the interview. ✓
- Any other relevant answer related to the role of the interviewer during the interview.

Max (12)

6.5 Reasons for termination of an employment contract

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

Max (10)

6.6 Conclusion

- Businesses that implement effective recruitment procedures are able to achieve their recruitment goals. ✓✓
- A business that uses external recruitment methods is able to ensure a diversified workforce. ✓✓
- The interviewer who understands their role during the interview will be able to successfully conduct effective interviews. ✓✓
- The human resource manager should be knowledgeable on the reasons for terminating an employment contract to avoid unnecessary lawsuits/ civil proceedings. ✓✓
- Any other relevant conclusion related to the recruitment procedure/ impact of external recruitment on businesses/role of the interviewer during the interview/reasons for termination of an employment contract.

Any (1 x 2)

(2)
[40]

QUESTION 6: BREAKDOWN OF MARK ALLOCATION

DETAILS	MAXIMUM	TOTAL
Introduction	2	Max 32
Recruitment procedure	12	
Impact of external recruitment on businesses	12	
Role of the interviewer during the interview	12	
Reasons for termination of an employment contract	10	
Conclusion	2	
INSIGHT		8
Layout	2	
Analysis/Interpretation	2	
Synthesis	2	
Originality/Examples	2	
TOTAL MARKS		40

LASO – For each component:

Allocate 2 marks if all requirements are met.

Allocate 1 mark if some requirements are met.

Allocate 0 marks where requirements are not met at all.

TOTAL SECTION C: 40
GRAND TOTAL: 150

