



Province of the
EASTERN CAPE
EDUCATION

**NATIONAL
SENIOR CERTIFICATE**

GRADE 12

SEPTEMBER 2019

**BUSINESS STUDIES
MARKING GUIDELINE**

MARKS: 300

This marking guideline consists of 52 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. Comprehensive marking guidelines have been provided but this is by no means exhaustive. Due consideration should be given to an answer that is correct, but:
 - Uses a different expression from that which appears in the marking guidelines
 - Comes from another source
 - Original
 - A different approach is used

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

2. Candidates' responses must be in full sentences for SECTIONS B and C. However, this would depend on the nature of the question.
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 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 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. Incorrect numbering of answers to questions or sub-questions in Section A and B will be severely penalised. Therefore, correct numbering is strongly recommended in all sections.
9. No additional credit must be given for repetition of facts. Indicate with an R.

10. Note that no marks will be awarded for indicating Yes/No in evaluation type questions requiring substantiation or motivation.
(Applicable to SECTIONS B and C).

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 guidelines and the context of each question.

Cognitive verbs, such as:

12.1 Advise, name, state, mention, outline, motivate, devise, recommend, suggest, (list not exhaustive) do not usually require much depth in candidates' responses. Therefore, the mark allocation for each statement/answer appears at the end.

12.2 Describe, explain, discuss, elaborate, compare, distinguish, differentiate, justify, analyse, evaluate, critically evaluate (list not exhaustive) require a greater depth of understanding, application and reasoning. Therefore, the marks must be allocated more objectively to ensure that assessing is conducted according to established norms so that uniformity, consistency and fairness are achieved.

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

14. SECTION B

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

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

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

- 14.3 If candidates are required to provide their own examples/views, brainstorm this to come up with alternative answers.

14.4 Use of the cognitive verbs and allocation of marks:

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

- Fact 2 marks (or as indicated in the marking guidelines)
- Explanation 1 mark

The 'fact' and 'explanation' are given separately in the marking guidelines 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 guidelines.

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

15. SECTION C

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

Introduction	Maximum: 32
Content	
Conclusion	
Insight	8
TOTAL	40

15.2 Insight consists of the following components:

Layout/Structure	Is there an introduction, a body and a conclusion?	2
Analysis and interpretation	<p>Is the candidate able to breakdown the question into headings/sub-headings/interpret it correctly to show understanding of what is being asked?</p> <p>Marks to be allocated using this guide:</p> <p>All headings addressed: 1 (One 'A')</p> <p>Interpretation (16 to 32 marks): 1 (One 'A')</p>	2
Synthesis	<p>Are there relevant decisions/facts/responses made based on the questions?</p> <p>Marks to be allocated using this guide:</p> <p>No relevant facts: 0 (Two '-S')</p> <p>Some relevant facts: 1 (One '-S')</p> <p>Only relevant facts: 2 (No '-S')</p> <p>Option 1: Where a candidate answers 50% or more of the question with only relevant facts; no '-S' appears in the left margin. Award the maximum of TWO (2) marks for synthesis.</p> <p>Option 2: Where a candidate answers less than 50% of the question with only OR some relevant facts; one '-S' appears in the left margin. Award a maximum of ONE (1) mark for synthesis.</p> <p>Option 3: Where a candidate answers less than 50% of the question with no relevant facts; two '-S' appear in the left margin. Award a ZERO mark for synthesis.</p>	2
Originality	Is there evidence of examples, recency of 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 allocated for layout, if the headings 'INTRODUCTION and CONCLUSION are not supported by an explanation.**

15.3 Indicate insight in the left-hand margin with a symbol e.g. ('L, A, -S and/or O').

- 15.4 The breakdown of marks is indicated at the end of the suggested answer/ marking guidelines to each question.
- 15.5 Mark all relevant facts until the SUB MAX/MAX mark in a subsection has been attained. Write SUB MAX/MAX after maximum marks have been obtained.
- 15.6 At the end of each essay indicate the allocation of marks for facts and marks for insight as follows: (L – Layout, A – Analysis, S – Synthesis, O – Originality) as in the table below.

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

- 15.7 When awarding marks for facts, take note of the sub-maxima indicated, especially if candidates do not make use of the same subheadings. Remember headings and sub-headings are encouraged and contribute to insight (structuring/logical flow/sequencing) and indicate clarity of thought.
(See MARKS 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.
- 16.9 If a different approach is used by candidates, ensure that the answers are assessed according to the mark allocation/subheadings as indicated in the memorandum.
- 16.10 16.10.1 Award TWO marks for complete sentences. Award ONE mark for phrases, incomplete sentences and vague answers.
- 16.10.2 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.
- 16.11 With effect from November 2017, the maximum of TWO (2) marks for facts shown as headings in the marking guidelines, will not necessarily apply to each question. This would also depend on the nature of the question.

SECTION A: COMPULSORY**QUESTION 1**

- 1.1 1.1.1 D ✓✓
 1.1.2 A ✓✓
 1.1.3 C ✓✓
 1.1.4 A ✓✓
 1.1.5 D ✓✓
 1.1.6 D ✓✓
 1.1.7 B ✓✓
 1.1.8 C ✓✓
 1.1.9 A ✓✓
 1.1.10 B ✓✓

(10 x 2) **(20)**

- 1.2 1.2.1 National Credit ✓✓
 1.2.2 written report ✓✓
 1.2.3 CSR ✓✓
 1.2.4 association ✓✓
 1.2.5 external ✓✓

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

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

(5 x 2) **(10)****TOTAL SECTION A: 40****BREAKDOWN OF MARKS**

QUESTION 1	MARKS
1.1	20
1.2	10
1.3	10
TOTAL	40

SECTION B

Mark **ONLY** the **FIRST THREE (3)** questions in this section.

QUESTION 2: BUSINESS ENVIRONMENTS**2.1 Defensive strategies**

- Retrenchment ✓
- Divestiture ✓
- Liquidation ✓

NOTE: Mark the first THREE (3) only.

(3 x 1) (3)

2.2 Steps in strategy evaluation

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

**NOTE: 1. Accept steps in any order.
2. Mark the first FOUR (4) only.**

(4 x 2) (8)

2.3.1 Provisions of leave from the scenario

PROVISIONS FOR LEAVE	MOTIVATION
1. Maternity leave ✓✓	PFM requires their female employees to report to work immediately after giving birth. ✓
2. Family responsibility leave ✓✓	Workers are also not allowed to take time off to attend the funeral of a relative. ✓
Sub-max. (4)	Sub-max. (2)

**NOTE: 1. The answer does not have to be in tabular format.
2. Do not award marks for the motivation quoted, if the provision for leave was not mentioned.
3. Award marks for the provision for leave even if the quote is incomplete.**

Max. (6)

2.3.2 Impact of BCEA on PFM Positives/Advantages

- Creates a framework of acceptable employment practices, ✓ e.g. legal employment contracts, work hours, leave, ✓ etc.
- Promotes fair treatment ✓ of employees in business. ✓
- The rules and regulations are very specific, ✓ which clearly guides the employer how to deal with employment issues. ✓
- Encourages consultation ✓ between employers and employees. ✓
- Outlines minimum requirements ✓ that form the basis of employment contracts. ✓
- Working hours are specified so that the employer ✓ cannot exploit employees. ✓
- Employees are permitted to consult labour unions ✓ in cases where the BCEA conditions are violated. ✓
- Employees may submit complaints ✓ to labour inspectors who can address them. ✓
- Any other relevant answer related to the positive impact of BCEA on PFM.

AND/OR

Negatives/Disadvantages

- Developing/Drafting a formal/legal employment contract ✓ may be time-consuming/costly. ✓
- Businesses may regard employment contracts as restrictive/negative and may refrain from implementing it, ✓ which results in non-compliance/penalties. ✓
- No employer may force an employee to work more than 45 hours in a week/nine hours in a five-day (or less) work week/eight hours in a six-day work week ✓ which may result in low productivity. ✓
- Hiring cheap labour is no longer possible, ✓ so businesses cannot exploit workers. ✓
- BCEA forces businesses to comply with many legal requirements, ✓ which may increase labour costs. ✓
- Businesses not complying to the Act, may be charged with high penalties, ✓ which may affect their cash flow negatively. ✓
- Businesses may consider the provisions of the BCEA as unimportant, ✓ and an unnecessary administrative burden that increase operating costs. ✓
- Any other relevant answer related to the negative impact of BCEA on PFM.

Max. (8)

2.4 Purpose of the Employment Equity Act

- The Employment Equity Act states that employees who do the same work (work of equal value) ✓ must be paid equally (equal pay). ✓
- There should be no discrimination ✓ on grounds of gender 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. ✓
- Provides for employees to refer unresolved disputes ✓ to the CCMA. ✓
- Any other relevant answer related to the purpose of the Employment Equity Act.

Max. (6)

2.5 Human Resources Development Strategy

- Addresses skills shortages ✓ in the South African workforce. ✓
- Aims at achieving faster economic growth/ higher employment levels ✓ and reduced levels of poverty. ✓
- Promotes social development and social justice ✓ which helps to alleviate poverty. ✓
- Develops short term ✓ and long term workforce skills. ✓
- Improves the supply ✓ of skills. ✓
- Increases employee participation ✓ in lifelong learning. ✓
- Any other relevant answer related to the Human Resources Development Strategy.

Max. (6)

2.6 Challenges and the extent of control over business environment

CHALLENGES (2.6.1)	BUSINESS ENVIRONMENTS (2.6.2)	EXTENT OF CONTROL (2.6.3)
1. Kevin, the farmer, does not have any knowledge of poultry farming. ✓	Micro ✓	Full control ✓
2. The suppliers of chicken feed have increased their prices by 30%.	Market ✓	Some/Limited control ✓
3. CCF lost more than half of their chicks due to a heavy rain storm. ✓	Macro ✓	No control ✓
Sub-max. (3)	Sub-max. (3)	Sub-max. (3)

- NOTE:**
1. Do not award marks for challenges that are not fully quoted from the scenario.
 2. Do not award marks for business environments if it is not linked to the challenge.
 3. Award marks for the business environments even if the quote is incomplete.
 4. The extent of control must be linked to the business environment.
 5. Do not award marks for the extent of control if the businesses environment is not mentioned.
 6. The order may be different.
 7. The answer does not have to be in tabular format.

Max. (9)

2.7 Advantages of intensive strategies

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

Max. (6)

2.8 Porter's Five Forces Model

2.8.1 Bargaining power of buyers/Buyer power

- Business must assess how easy it is for its buyers/customers to drive prices down. ✓✓
- Determine the number of buyers/the importance of each buyer to the business and the cost of switching to other products. ✓✓
- A few powerful buyers are often able to dictate terms to the business. ✓✓
- Buyers buying in bulk can bargain for prices in their favour. ✓✓
- If buyers/customers can do without the business's products they may have more power to determine the prices and terms of sale. ✓✓
- Conduct market research to gather more information about its buyers. ✓✓
- Any other relevant answer related to the bargaining power of buyers/buyer power as a Porter's Five Forces.

Sub-max. (4)

2.8.2 Competitive rivalry

- If competitors have a unique product/service, they have greater power/impact on the market. ✓✓
- Draw up a competitor's profile of each similar business in the area to determine its strength ✓✓/Business should determine how many competitors there are and how influential they are in the market. ✓✓
- If a business has many competitors with similar products, the business will have very little power in the market. ✓✓
- Some businesses have the necessary resources to start price wars and continue selling at a loss until some/all competitors leave the market. ✓✓
- Any other relevant answer related to competitive rivalry as a Porter's Five Force.

Sub-max. (4)

Max. (8)

[60]

BREAKDOWN OF MARKS

QUESTION 2	MARKS
2.1	3
2.2	8
2.3.1	6
2.3.2	8
2.4	6
2.5	6
2.6.1	3
2.6.2	3
2.6.3	3
2.7	6
2.8	8
TOTAL	60

QUESTION 3: BUSINESS VENTURES**3.1 Types of preference shares**

- Participating ✓
- Non-participating ✓
- Non-cumulative ✓
- Cumulative ✓
- Redeemable ✓
- Non-redeemable ✓
- Convertible ✓
- Non-convertible ✓

NOTE: Mark the first THREE (3) only.

(3 x 1) (3)

3.2 Functions of the Johannesburg Securities Exchange Ltd (JSE)

- Gives opportunities to financial institutions such as insurance companies to invest their funds in shares. ✓✓
- Serves as a barometer/indicator of economic conditions in South Africa. ✓✓
- Keeps investors informed about share prices by publishing the share prices daily. ✓✓
- Acts as a link between investors and public companies. ✓✓
- Shares are valued and assessed by experts. ✓✓
- Small investors are invited to take part in the economy of the country through the buying of shares. ✓✓
- Venture capital market is made possible. ✓✓
- Orderly market for securities serves as a disciplined market for securities. ✓✓
- Encourages new investments. ✓✓
- Mobilises the funds of insurance companies and other institutions. ✓✓
- Raises primary capital. ✓✓
- Regulates market for dealing with shares. ✓✓
- Plans, researches and advises on investment possibilities. ✓✓
- Ensures that the market operates in a transparent manner. ✓✓
- Provides protection for investors. ✓✓
- Encourages short-term investments. ✓✓
- Facilitates electronic trading of shares/STRATE. ✓✓
- Any other relevant answer related to the functions of the Johannesburg Securities Exchange (JSE.)

Max. (8)

3.3 Types of investments

- 3.3.1 Shares ✓✓
- 3.3.2 Fixed property ✓✓
- 3.3.3 Unit trusts ✓✓
- 3.3.4 Mutual funds/stokvels ✓✓

(4 x 2) (8)

3.4 Importance/Advantages of insurance

- Transfer the risk from business/insured ✓ to an insurance company/insurer. ✓
- Transfer of the risk is subject to the terms and conditions ✓ of the insurance contract. ✓
- Protects the business against theft and loss of stock and/or damages ✓ caused by natural disasters such as floods, storm damage, etc. ✓
- The business will be compensated ✓ for insurable losses, e.g. destruction of property through fire. ✓
- Business assets ✓ e.g. vehicles/equipment/buildings need to be insured against damage and/or theft. ✓
- Business is protected against the loss of earnings ✓ e.g. strikes by employees result in losses worth millions of rands. ✓
- Protects the business against deeds of dishonesty ✓ by employees. ✓
- Life insurance can be taken against the life of partners ✓ in a partnership, to prevent unexpected loss of capital. ✓
- Should the services of key personnel be lost due to accidents or death, ✓ the proceeds of an insurance policy can be paid out to the business/beneficiaries. ✓
- Replacement costs for damaged machinery/equipment are very high, ✓ therefore, insurance can reduce/cover these costs. ✓
- Protects businesses from claims made by members of the public ✓ for damages that the business is responsible for. ✓
- Protects the business against losses ✓ due to the death of a debtor. ✓
- Any other relevant answer related to the importance/advantages of insurance to businesses.

Max. (6)

3.5 Form of ownership

3.5.1 Sole trader/proprietorship ✓✓ (2)

Motivation

Luke is the only owner of the business and is also liable for all the business debts. ✓ (1)

NOTE: Do not award marks for the motivation, if the form of ownership was incorrectly identified.

Max. (3)

3.5.2 Success factors of a sole trader/proprietorship and a private company

CRITERIA	SOLE TRADER	PRIVATE COMPANY
(a) Management	<ul style="list-style-type: none"> - There is only one owner ✓ so there is no disagreement. ✓ - The business can make quick decisions ✓ without having to consult others. ✓ - The owner has personal interest ✓ in the business and will be motivated to work hard/actively involved in the management. ✓ - Any other relevant answer related to the influence of management on the success of a sole trader. 	<ul style="list-style-type: none"> - Business managed by directors ✓ with expertise. ✓ - Directors are usually highly skilled individuals ✓ who know how to run a business. ✓ - Directors are accountable ✓ to shareholders. ✓ - It is easy to make quick decisions ✓ regarding new opportunities that arise, since only one board member is needed. ✓ - Any other relevant answer related to the influence of management on the success of a private company.
	Sub-max. (2)	Sub-max. (2)

CRITERIA	SOLE TRADER	PRIVATE COMPANY
(b) Legislation	<ul style="list-style-type: none"> - It is easy/inexpensive ✓ to start. ✓ - There are limited regulatory requirements ✓ regarding the name of the business. ✓ - It is not compulsory ✓ to have financial statements audited. ✓ - Any other relevant answer related to the influence of legislation on the success of a sole trader. 	<ul style="list-style-type: none"> - Procedures to form a private company ✓ have been simplified by the new Companies Act 71 of 2008. ✓ - Limited liability allows for greater risk taking, ✓ which may lead to growth of the business. ✓ - Auditing of financial statements (if required), ✓ gives shareholders the assurance that the business is being properly managed and supports raising additional finance. ✓ - There is no longer a limit ✓ on the number of shareholders in a private company. ✓ - A private company can benefit from government programmes ✓ if they comply with the relevant legislation. ✓ - Personal liability of shareholders ✓ does not affect the company's assets. ✓ - Any other relevant answer related to the influence of legislation on the success of a private company.
	Sub-max. (2)	Sub-max. (2)

CRITERIA	SOLE TRADER	PRIVATE COMPANY
(c) Division of profits	<ul style="list-style-type: none"> - Owner receives all profits ✓ from the business. ✓ - The owner may use the profit ✓ to expand the business. ✓ - Any other relevant answer related to the influence of division of profits on the success of a sole trader. 	<ul style="list-style-type: none"> - Profits generated can be reinvested ✓ to expand business operations. ✓ - Shareholders receive profits according to the type ✓ and number of their shares. ✓ - Any other relevant answer related to the influence of division of profits on the success of a private company.
	Sub-max. (2)	Sub-max. (2)

NOTE:

1. The answer does not have to be in tabular format.
2. Consider similarities if the sole trader was incorrectly identified.

Max. (12)

3.6 Factors to consider when preparing for a presentation

- Clear purpose/intentions/objectives ✓ and main points of the presentation. ✓
- Main aims captured ✓ in the introduction/opening statement of the presentation. ✓
- Information presented ✓ should be relevant and accurate. ✓
- Fully conversant ✓ with the content/objectives of the presentation. ✓
- Background/diversity/size/pre-knowledge of the audience ✓ to determine the appropriate visual aids. ✓
- Prepare a rough draft of the presentation ✓ with a logical structure/format with an introduction, body and conclusion. ✓
- The conclusion must summarise the key facts ✓ and how it relates to the objectives/shows that all aspects have been addressed. ✓
- Create visual aids/graphics ✓ that will consolidate the information/facts to be conveyed to the board of directors. ✓
- Find out about the venue for the presentation, ✓ e.g. what equipment is available/appropriate/availability of generators as backup to load shedding. ✓
- Consider the time frame ✓ for presentation, e.g. fifteen minutes allowed. ✓
- Rehearse ✓ to ensure a confident presentation/effective use of time management. ✓
- Prepare for the feedback session, ✓ by anticipating possible questions/comments. ✓
- Any other relevant answer that relate to the factors to be considered when preparing for a presentation.

Max. (8)**3.7 Situation in which democratic leadership style could be applied in the workplace**

This leadership style can be used when:

- Group members are skilled and eager to share their ideas. ✓✓
- The leader does not have all the information needed to make a decision and employees have valuable information to contribute. ✓✓
- Cooperation is needed between a leader and a team. ✓✓
- Decisions need to be looked at from several perspectives. ✓✓
- Any other relevant answer related to situations in which the democratic leadership style may be applied in the workplace.

NOTE: Mark the first TWO (2) only.

(2 x 2) (4)

3.8 Impact of autocratic leadership style

Positives/Advantages

- Quick decisions can be taken ✓ without consulting/considering followers/employees. ✓
- Work gets done ✓ in time/on schedule. ✓
- Line of command/communication is clear ✓ as it is top-down/followers know exactly what to do. ✓
- Direct supervision and strict control ✓ ensure high quality products/service. ✓
- Provides strong leadership ✓ which makes new employees feel confident and safe. ✓
- Works well in large companies where consultation ✓ with every employee is impractical. ✓
- Clear guidance can be given ✓ to low-skilled/inexperienced/new staff. ✓
- Useful in a crisis/urgent situation, ✓ e.g. after an accident/meeting tight deadlines. ✓
- Any other relevant analysis related to a positive/advantages impact of an autocratic leadership style.

AND/OR

Negatives/Disadvantages

- Leaders and followers may become divided ✓ and may not agree on ways to solve problems. ✓
- Workers can be demotivated ✓ as their opinions/ideas are not considered. ✓
- De-motivated workers ✓ impact negatively on productivity. ✓
- New/Creative/Cost reducing ideas ✓ may not be used/implemented/never be considered. ✓
- Followers may feel that they are not valued ✓ resulting in high absenteeism and high employee turnover. ✓
- Experienced and highly skilled workers will resist an autocratic leadership style ✓ because it results in less growth, participation and creativity. ✓
- Any other relevant analysis related to a negative/disadvantages impact of an autocratic leadership style.

Max. (8)
[60]

BREAKDOWN OF MARKS

QUESTION 3	MARKS
3.1	3
3.2	8
3.3	8
3.4	6
3.5.1	3
3.5.2	12
3.6	8
3.7	4
3.8	8
TOTAL	60

QUESTION 4: BUSINESS ROLES**4.1 Examples of unfair advertising**

- Giving goods deceptive names/False labelling. ✓
- Selling second-hand goods as new goods. ✓
- Exaggerating the merits of the product. ✓
- Using fine print to conceal important information. ✓
- Criticising competitor's goods. ✓
- Exploitation of children's lack of understanding. ✓
- Misuse of people with disabilities in advertisements. ✓
- Advertising that encourages violence. ✓
- Advertising goods at a very low price to attract customers but when the customer reaches the store the item is no longer there/Bait and switch. ✓
- Advertising a product showing additional items, but do not clearly state that these items are excluded. ✓
- Any other relevant examples of unfair advertising.

NOTE: Mark the first FOUR (4) only.

(4 x 1) (4)

4.2 Causes of conflict

- Lack of proper communication between management and workers. ✓✓
- Ignoring rules/procedures may result in disagreements and conflict. ✓✓
- Management and/or workers may have different personalities/backgrounds. ✓✓
- Different values/levels of knowledge/skills/experience of managers/workers. ✓✓
- Little/no co-operation between internal and/or external parties/stakeholders. ✓✓
- Lack of recognition for good work, e.g. a manager may not show appreciation for extra hours worked to meet deadlines. ✓✓
- Lack of employee development may increase frustration levels as workers may repeat errors due to a lack of knowledge/skills. ✓✓
- Unfair disciplinary procedures, e.g. favouritism/nepotism. ✓✓
- Little/no support from management with regard to supplying the necessary resources. ✓✓
- Leadership styles used, e.g. autocratic managers may not consider worker inputs. ✓✓
- Unrealistic deadlines/Heavy workloads lead to stress resulting in conflict. ✓✓
- Lack of agreement on mutual matters, e.g. remuneration/working hours. ✓✓
- Unhealthy competition/Inter-team rivalry may cause workers to lose focus on team targets. ✓✓
- Lack of commitment which may lead to an inability to meet pre-set targets. ✓✓
- Any other relevant answer related to the causes of conflict.

Max. (8)

4.3.1 Problem-solving techniques

PROBLEM-SOLVING TECHNIQUE	MOTIVATION
Nominal group technique ✓✓	Employees are requested to first generate ideas and then share the ideas with other group members. ✓
Delphi technique ✓✓	The management also contacted designer experts to complete a questionnaire on how to change the designs. ✓
Sub-max. (4)	Sub-max. (2)

- NOTE:**
1. The answer does not have to be in tabular format.
 2. Do not award marks for the motivation quoted, if the problem-solving technique were not mentioned.
 3. Award marks for the problem-solving technique even if the quote is incomplete.

Max. (6)

4.3.2 Advantages of creative thinking in the workplace

- Better/Unique/Unconventional ideas/solutions ✓ is generated. ✓
- May give the business a competitive advantage ✓ if unusual/unique solutions/ideas/strategies are implemented. ✓
- Complex business problems ✓ may be solved. ✓
- Productivity increases ✓ as management/employees may quickly generate multiple ideas which utilises time and money more effectively. ✓
- Managers/Employees have more confidence ✓ as they can live up to their full potential. ✓
- Managers will be better leaders ✓ as they will be able to handle/manage change(s) positively and creatively. ✓
- Managers/Employees can develop a completely new outlook, ✓ which may be applied to any task(s) they may do. ✓
- Leads to more positive attitudes ✓ as managers/employees feel that they have contributed towards problem solving. ✓
- Improves motivation ✓ amongst staff members. ✓
- Managers/Employees have a feeling of great accomplishment ✓ and they will not resist/obstruct the process once they solved a problem/ contributed towards the success of the business. ✓
- Management/employees may keep up ✓ with fast changing technology. ✓
- Stimulates initiative from employees/managers, ✓ as they are continuously pushed out of their comfort zone. ✓
- Creativity may lead to new inventions ✓ which improves the general standard of living. ✓
- Any other relevant answer related to the advantages of creative thinking.

Max. (8)

4.4 Positive impact of corporate social responsibility (CSR) on communities

- Socio-economic issues are attended to ✓ which will improve the welfare of the community. ✓
- Training opportunities in the community increase the possibility ✓ of appointments of members of the community. ✓
- Implementing developmental programmes in the community ✓ improves entrepreneurial skills of communities. ✓
- Provision of bursaries ✓ encourages communities to improve their skills. ✓
- The standard of living of the community ✓ is uplifted ✓/quality of life of communities ✓ is improved. ✓
- Better educational facilities are established ✓ in poor communities. ✓
- Improve the health of communities ✓ by providing medical infrastructure. ✓
- Provide rehabilitation centres to community members ✓ who have addiction problems. ✓
- Any other relevant answer related to a positive impact of CSR in the community.

Max. (6)

4.5 4.5.1 Quotation of the responsibilities of employees in promoting human health and safety in the workplace from the scenario

- The management is very proud of the way in which their workers are taking responsibility for their own safety. ✓
- The workers also report unsafe and unhealthy conditions to the management. ✓

NOTE: Mark the first TWO (2) only.

(2 x 1) (2)

4.5.2 Other responsibilities of employees in promoting human health and safety in the workplace

- Co-operate and comply with the rules and procedures ✓ e.g. wear prescribed safety clothing. ✓
- Report accidents ✓ to the employer by the end of the shift. ✓
- Use prescribed ✓ safety equipment. ✓
- Take reasonable care ✓ of their own safety. ✓
- Inform the employer of any illness ✓ that may affect the ability to work. ✓
- Any other relevant answer related to the responsibilities of employees in promoting human health and safety in the workplace.

NOTE: Do not award marks for responses quoted in QUESTION 4.5.1.

Max. (6)

4.5.3 Strategies to protect the environment and human health in the workplace

- Laws and regulations should be adhered to so that profits are not generated at the expense of the environment. ✓✓
- Pollution and other environmental issues should always be considered in all business activities, e.g. safe disposal of waste/dumping of toxic waste ✓✓, etc.
- Become involved in environmental awareness programs. ✓✓
- The environment can be protected by altering production techniques in favour of cleaner and greener technologies. ✓✓
- Water for human consumption should be tested before it is used. ✓✓
- Promote nature conservation by looking after natural resources. ✓✓
- Minimise pollution, by re-using, reducing and recycling. ✓✓
- Reduce consumption of goods/services which are environmentally unfriendly. ✓✓
- Register/Engage with recognised institutions/bodies that promote green peace. ✓✓
- Physical working conditions should always be worker friendly, safe and promote occupational health. ✓✓
- Physical working conditions, e.g. adequate lighting/ventilation should be available and functional. ✓✓
- Machines must be serviced/maintained regularly. ✓✓
- Educate people about hygiene issues. ✓✓
- Encourage employees to do regular health checks. ✓✓
- Any other relevant answer related to strategies to protect the environment and human health in the workplace.

Max. (4)

4.6 Dealing with diversity issues in the workplace

4.6.1 Language

- Business may specify that all communications should be in one specific language only ✓ and would expect employees to have a certain level of fluency in that language. ✓
- Provide training ✓ in the official language of the business. ✓
- Employ an interpreter ✓ so that everyone can fully understand what is being said in a meeting. ✓
- All business contracts should be in an easy-to-understand language ✓ and should be available in the language of choice for the relevant parties signing the contract. ✓
- No worker should feel excluded in meetings ✓ conducted in one language only. ✓
- Any other relevant answer related to how business could deal with language as a diversity issue in the workplace.

Sub-max. (4)

4.6.2 Age

- Promotions should not be linked to age, ✓ but rather to a specific set of skills. ✓
- A business may not employ children ✓ aged 15 or younger. ✓
- The ages of permanent workers should vary ✓ from 18 to 65 to include all age groups. ✓
- A business may employ a person who is older than the normal retirement age, ✓ provided that person is the most suitable candidate. ✓
- Businesses must encourage older employees to help young employees ✓ to develop their potential. ✓
- Young employees must be advised to respect and learn ✓ from older employees. ✓
- The business should encourage employees to be sensitive ✓ to different perspectives of various age groups. ✓
- Any other relevant answer related to how businesses could deal with age as a diversity issue in the workplace.

Sub-max. (4)

Max. (8)**4.7 Handling conflict in the workplace**

- Acknowledge that there is conflict in the workplace. ✓✓
- Identify the cause of the conflict. ✓✓
- Pre-negotiations may be arranged where workers/complainants will be allowed to state their case/views separately. ✓✓
- A time and place are arranged for negotiations where all employees involved are present. ✓✓
- Arrange a meeting between conflicting employers/employees. ✓✓
- Make intentions for intervention clear so that parties involved may feel at ease. ✓✓
- Each party has the opportunity to express his/her own opinions/feelings/ Conflicting parties may recognise that their views are different. ✓✓
- Analyse the cause(s) of conflict by breaking it down into different parts/Evaluate the situation objectively. ✓✓
- Blame shifting should be avoided and a joint effort should be made. ✓✓
- Direct conflicting parties towards finding/focusing on solutions. ✓✓
- Devise/Brainstorm possible ways of resolving the conflict. ✓✓
- Conflicting parties agree on criteria to evaluate the alternatives. ✓✓
- The best possible solution(s) is/are selected and implemented. ✓✓
- Parties must agree to on the best solution. ✓✓
- Evaluate/Follow up on the implementation of the solution(s). ✓✓
- Monitor progress to ensure that the conflict has been resolved. ✓✓
- Expertise on handling conflict maybe sourced from outside the business. ✓✓
- Any other relevant answer related to how businesses should handle conflict in the workplace.

NOTE: If problem-solving steps do not demonstrate the handling of conflict (explanation), award a maximum of FOUR (4) marks.

Max. (8)**[60]**

BREAKDOWN OF MARKS

QUESTION 4	MARKS
4.1	4
4.2	8
4.3.1	6
4.3.2	8
4.4	6
4.5.1	2
4.5.2	6
4.5.3	4
4.6	8
4.7	8
TOTAL	60

QUESTION 5: BUSINESS OPERATIONS**5.1 Methods of salary determination**

- Piecemeal ✓
- Time-related ✓

NOTE: Mark the first TWO (2) only.

(2 x 1) (2)

5.2 Placement procedure

- Businesses should outline the specific responsibilities of the new position, ✓ including the expectations/skills required for this position. ✓
- Determine the successful candidate's strengths/weaknesses/interests/skills ✓ by subjecting him/her to a range of psychometric tests. ✓
- Determine the relationship between the position ✓ and the competencies of the new candidate. ✓
- Any other relevant answer related to the placement procedure that businesses should follow to place a new employee.

Max. (6)

5.3.1 Quotation of Maggie's role during the interview

- During the interview Maggie carefully listened to the questions before responding to them. ✓
- She made eye contact with the interviewer ✓
- and asked clarity seeking questions. ✓

NOTE: Mark the first THREE (3) only.

(3 x 1) (3)

5.3.2 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. ✓
- Explain the purpose of the interview ✓ to the panel and the interviewee. ✓
- Record interviewees' responses ✓ for future reference. ✓
- Do not misinform/mislead ✓ the interviewee. ✓
- Avoid discriminatory/controversial types of questions, ✓ e.g. asking a female candidate about family planning/having children. ✓
- Provide an opportunity for the interviewee ✓ to ask questions. ✓
- 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. (8)

5.4 Difference between job description and job specification

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

- NOTE:**
1. The answer does not have to be in tabular format but differences must be clear.
 2. Allocate a maximum of FOUR (4) marks if distinction is not clear./Mark either job description or job specification only.

Max. (8)

5.5 Contribution of the quality indicators of the financial function to the success of a business

- Obtain capital ✓ from the most suitable/available/reliable sources. ✓
- Negotiate better interest rates ✓ in order to keep financial cost down. ✓
- Draw up budgets ✓ to ensure sufficient application of monetary resources. ✓
- Keep financial records up to date ✓ to ensure timely/accurate tax payments. ✓
- Analyse strategies ✓ to increase profitability. ✓
- Invest surplus funds ✓ to create sources of passive income. ✓
- Implement financial control measures/systems ✓ to prevent fraud. ✓
- Implement credit granting/debt collecting policies ✓ to monitor cash flow. ✓
- Draw up accurate ✓ financial statements timeously/regularly. ✓
- Accurately analyse and interpret ✓ financial information. ✓
- Invest in strategies ✓ that will assist the business to remain profitable. ✓
- Avoid over/under-capitalisation ✓ so that financial resources will be utilised effectively. ✓
- Any other relevant answer related to the contribution of the quality indicators of the financial function to the success of a business.

Max. (6)

5.6.1 Total quality management

TQM ELEMENTS	MOTIVATION
1 Total client satisfaction/Total customer satisfaction ✓✓	The management always ensure that customer complaints are handled within a short period of time. ✓
2 Continuous skills development/ Education and training ✓✓	The employees regularly attend training courses. ✓
3 Involvement of all employees/ People Based Management ✓✓	The management also allows staff to make inputs during designing sessions. ✓
Sub-max. (6)	Sub-max. (3)

- NOTE:**
1. Mark the first THREE (3) only.
 2. The answer does not have to be in tabular format.
 3. Do not award marks for the motivation quoted, if the TQM elements were not mentioned.
 4. Award marks for the TQM element even if the quote is incomplete.

Max. (9)

5.6.2 Benefits of a good quality management system

- Effective customer service will be rendered, resulting in increased customer satisfaction. ✓✓
- Time and resources are used efficiently. ✓✓
- Productivity increase through proper time management and using high quality resources. ✓✓
- Products and services are constantly improved, resulting in greater customer satisfaction. ✓✓
- Vision and mission may be achieved. ✓✓
- The business may achieve a competitive advantage over its competitors. ✓✓
- Continuous training will continuously improve the quality of employees' skills and knowledge. ✓✓
- Employers and employees will have a healthy working relationship which results in happy workers. ✓✓
- Increased market share and profitability. ✓✓
- Any other relevant answer related to the benefits of a good quality control system.

Max. (6)**5.7 Negative impact if TQM is poorly implemented**

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

Max. (6)

5.8 Impact of continuous improvement to processes and systems on large businesses

Positives/Advantages

- Large businesses have more resources ✓ to check on quality performance in each unit/business function. ✓
- Enough capital resources are available for new equipment required ✓ to stay relevant to new developments. ✓
- Large businesses have a person dedicated ✓ to the improvement of systems and processes. ✓
- Willing to take risk on/try new processes and systems ✓ because they are able to absorb the impact of losing money. ✓
- They can afford to use the services of the quality circles ✓ to be competitive. ✓
- Large businesses use the PDCA model ✓ to continuously plan/do/check/act on new/revised processes and systems. ✓
- Any other relevant answer related to the positive impact of continuous improvement to processes and systems on large businesses.

AND/OR

Negatives/Disadvantages

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

Max. (6)
[60]

BREAKDOWN OF MARKS

QUESTION 5	MARKS
5.1	2
5.2	6
5.3.1	3
5.3.2	8
5.4	8
5.5	6
5.6.1	9
5.6.2	6
5.7	6
5.8	6
TOTAL	60

QUESTION 6: MISCELLANEOUS TOPICS**BUSINESS ENVIRONMENTS****6.1 Pillars of BBBEE**

- 6.1.1 Enterprise and supplier development (ESD) ✓✓
- 6.1.2 Socio-economic development/social responsibility ✓✓
- 6.1.3 Ownership ✓✓
- 6.1.4 Skills development ✓✓

(4 x 2) (8)**6.2 Difference between market development and product development**

MARKET DEVELOPMENT	PRODUCT DEVELOPMENT
- It is a growth strategy where businesses aim to sell their existing products ✓ in new markets. ✓	- Businesses generate new It is a growth strategy where businesses aim to introduce new products ✓ into existing markets. ✓
- Business implements ✓ the idea of expanding/selling products/services in other areas. ✓	- Business improves the product line ✓ by adding different types of related products/services. ✓
- Finds new ways ✓ of distributing products/services. ✓	- Conduct test marketing/market research ✓ to establish whether new products will be accepted by existing customers. ✓
- Restructure pricing policies ✓ to cater for customers of all income levels. ✓	- Ensure that new products of a higher quality are more reasonably priced ✓ than those of competitors. ✓
- Any other relevant answer related to market development.	- Any other relevant answer related to product development.
Sub-max. (4)	Sub-max. (4)

- NOTE:**
- 1. The answer does not have to be in a tabular format but the distinction must be clear.**
 - 2. Award a maximum of FOUR (4) marks if the distinction is not clear./Mark either market development or product development only.**

Max. (8)**BUSINESS VENTURE****6.3 Forms of ownership**

- 6.3.1 Public company ✓✓
- 6.3.2 Personal liability company ✓✓
- 6.3.3 Partnership ✓✓

(3 x 2) (6)

6.4 Role of personal attitude in successful leadership

- Positive attitude ✓ releases leadership potential. ✓
- A leader's good/bad attitude ✓ can influence the success/failure of the business. ✓
- Leaders must know their strengths and weaknesses ✓ to apply their leadership style effectively. ✓
- Great leaders understand that the right attitude ✓ will set the right atmosphere. ✓
- Leaders attitude can influence employees/teams' thoughts ✓ and behaviour. ✓
- Leaders should model the behaviour ✓ that they want to see in team members. ✓
- Leaders must know/understand their teams ✓ to be able to allocate tasks/roles effectively. ✓
- Enthusiasm ✓ produces confidence in a leader. ✓
- A positive attitude is critical for good leadership ✓ because good leaders will stay with the task regardless of difficulties/challenges. ✓
- Successful employees and leaders have a constant desire to work ✓ and achieve personal and professional success. ✓
- Leaders with a positive attitude know that there is always more to learn ✓ and space to grow. ✓
- Any other relevant answer related to the role of personal attitude in successful leadership.

Max. (8)**BUSINESS ROLES****6.5.1 Quotation of the characteristics of a successful team from the scenario**

- The workers have good interpersonal relationships ✓
- and show mutual respect towards each other despite their differences. ✓
- The workers support and trust each other ✓
- and have open discussions that lead to effective solutions of problems. ✓

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

6.5.2 Benefits of having a diverse workforce

- Workforce diversity improves the ability of a business ✓ to solve problems/innovate/cultivate diverse markets. ✓
- Employees value each other's diversity ✓ and learn to connect/communicate across lines of difference. ✓
- Diversity in the workforce improves ✓ morale/motivation. ✓
- Employees demonstrate greater loyalty to the business ✓ because they feel respected/accepted/understood. ✓
- A diversified workforce can give businesses a competitive advantage ✓ as they can render better services. ✓
- Being respectful of differences/demonstrating diversity ✓ makes good business sense/improves profitability. ✓
- Diverse businesses ensure that its policies/practices ✓ empower every employee to perform at his/her full potential. ✓
- Customers increasingly evaluate businesses ✓ on how they manage diversity in the workplace. ✓
- Employees from different backgrounds ✓ can bring different perspectives to the business. ✓
- A diversified workforce stimulates debate ✓ on new and improved ways of getting things done. ✓
- Employees represent various groups ✓ and are therefore better able to recognise customer needs and satisfy consumers. ✓
- Businesses with a diverse workforce are more likely to have a good public image ✓ and attract more customers. ✓
- Any other relevant answer related to the benefits of having a diverse workforce.

Max. (6)

6.6 Ways to promote cultural rights in the workplace

- Provide the environment in which employees are free to use their own language when interacting with others during their free time. ✓✓
- Encourage employees to participate in cultural activities. ✓✓
- Allow employees to provide solutions to challenges from their own cultural perspective. ✓✓
- Regular cultural information sessions will help employees to respect each other's culture in the workplace. ✓✓
- Make provision for different cultures, such as food served in the canteen/entertainment at staff functions. ✓✓
- Employ people from various cultural backgrounds. ✓✓
- Employees should be trained on cultural tolerance. ✓✓
- Any other relevant answer related to ways in which businesses could promote cultural rights in the workplace.

Max. (6)

BUSINESS OPERATIONS

6.7 Importance of quality circles

- Solve problems related to quality and implement improvements. ✓✓
- Investigate problems and suggest solutions to management. ✓✓
- Ensure that there is no duplication of activities/tasks in the workplace. ✓✓
- Make suggestions for improving systems and processes in the workplace. ✓✓
- Improve the quality of products/services/productivity through regular reviews of quality processes. ✓✓
- Monitor/Reinforce strategies to improve the smooth running of business operations. ✓✓
- Reduce costs of redundancy in the long run. ✓✓
- Increase employees' morale/motivation. ✓✓
- Quality circles discuss ways of improving the quality of work/workmanship. ✓✓
- Contribute towards the improvement and development of the organisation. ✓✓
- Reduce costs/wasteful efforts in the long run. ✓✓
- Increase the demand for products/services of the business. ✓✓
- Create harmony✓ and high performance in the workplace. ✓
- Build a healthy workplace relationship between the employer and employee. ✓✓
- Improve employees' loyalty and commitment to the business and its goals. ✓✓
- Improve employees' communication at all levels of the business. ✓✓
- Develop a positive attitude/sense of involvement in decision making processes of the services offered. ✓✓
- Any other relevant answer related to the importance of quality circles in TQM.

Max. (4)

6.8 Differences between quality performance and quality management

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

Max. (4)

- NOTE:**
1. The answer does not have to be in a tabular format but the distinction must be clear.
 2. Award a maximum of TWO (2) marks if the distinction is not clear./Mark either quality performance or quality management only.

6.9 Impact of TQM on the reduction of the cost of quality

- Introduce quality circles to discuss ways of improving the quality of work/workman-ship. ✓✓
- Schedule activities to eliminate duplication of tasks. ✓✓
- Share responsibility for quality output amongst management and workers. ✓✓
- Train employees at all levels, so that everyone understands their role in quality management. ✓✓
- Develop work systems that empower employees to find new ways of improving quality. ✓✓
- Work closely with suppliers to improve the quality of raw materials/inputs. ✓✓
- Improve communication about quality challenges/deviations, so that everyone can learn from experience. ✓✓
- Reduce investment on expensive, but ineffective inspection procedures in the production process. ✓✓
- Implement pro-active maintenance programmes for equipment/machinery to reduce/eliminate breakdowns. ✓✓
- Any other relevant answer related to the impact of TQM on the reduction of the cost of quality.

Max. (6)
[60]

BREAKDOWN OF MARKS

QUESTION 6	MARKS
6.1	8
6.2	8
6.3	6
6.4	8
6.5.1	4
6.5.2	6
6.6	6
6.7	4
6.8	4
6.9	6
TOTAL	60

TOTAL SECTION B: 180

SECTION C

Mark the first TWO (2) questions only.

QUESTION 7: BUSINESS ENVIRONMENTS (LEGISLATION)**7.1 Introduction**

- The Compensation for Occupational Injuries and Diseases Amendment Act (COIDA), 1997 (Act 61 of 1997) was introduced to protect the health and safety of employees in the workplace. ✓
- COIDA provides guidelines for the compensation of employees who are disabled because of injuries sustained/diseases contracted at work. ✓
- It also provides for compensation if a worker dies due to a work-related injury/ disease. ✓
- Injuries and diseases for which claims can be made are specified in the Act. ✓
- Any other relevant introduction related to COIDA.

(Any 2 x 1) (2)

7.2 Purpose of COIDA

- COIDA applies to all casual and full-time workers who become ill/injured/disabled/killed ✓ due to a workplace accident/disease. ✓
- It excludes workers ✓ who are guilty of willful misconduct/workers working outside South Africa for at least twelve months/members of the SA Defence Force/Police services. ✓
- It provides for the establishment of a Compensation Board ✓ whose function is to advise the Minister of Labour on the application/provisions of COIDA. ✓
- Medical expenses/Other types of compensation are paid to employees and/or their families ✓ depending on the type/severity of the injuries. ✓
- Employers have to pay a monthly amount to the Compensation Fund ✓ depending on the number of employees/the level of risk they are exposed to. ✓
- Employees must be a bona-fide employee of the company ✓ and the injury must have been caused while carrying out duties. ✓
- Provides compensation for employees/families for injuries or death ✓ occur while carrying out their duties. ✓
- Any other relevant answer related to the purpose of COIDA.

Max. (10)

7.3 Penalties/Consequences for non-compliance with COIDA

- Businesses can be fined ✓ for refusing to lodge the claim/contravening the Act. ✓
- Businesses can be forced to make large payments ✓ if it did not take the necessary precautions according to the Act. ✓
- Businesses can be forced to pay any recovery costs ✓ required by the Compensation Fund. ✓
- The employee may take the business to court ✓ for not registering him/her with the Commissioner of the Compensation Fund. ✓
- If the business is found guilty of any misconduct, ✓ they will have to pay large penalties/face imprisonment. ✓
- Any other relevant answer related to penalties for non-compliance with COIDA.

Max. (8)

7.4 Impact of COIDA on businesses

Positives/Advantages

- Promotes safety ✓ in the workplace. ✓
- Creates a framework ✓ for acceptable employment practices/safety regulations. ✓
- Supply administrative guidelines/mechanisms ✓ for dealing with/processing claims. ✓
- Eliminates time and costs spent ✓ on lengthy civil court proceedings. ✓
- Employers are protected from financial burden should an accident occur in the workplace ✓ provided that the employer was not negligent. ✓
- Claiming processes ✓ are relatively simple. ✓
- Makes businesses more socially responsible ✓ as they cannot just employ workers at random in dangerous working conditions. ✓
- Workers are treated with dignity and respect ✓ as businesses view them as valuable assets and not just as workers. ✓
- Covers all employees at the workplace ✓ if both parties meet all the necessary safety provisions of the Act. ✓
- Employees do not contribute ✓ towards this fund. ✓
- 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. ✓
- Any compensation to an employee/the family ✓ is exempt from income tax. ✓
- Any other relevant answer related to the positive impact/advantages of COIDA on businesses.

AND/OR

Negatives/Disadvantages

- Claiming processes/procedures ✓ can be time consuming. ✓
- Processes/Procedures required by this Act may be costly ✓ as paperwork places an extra administrative burden on businesses. ✓
- Employers have to register all their workers/make annual contributions to COIDA, ✓ which may result in cash flow problems. ✓
- Employers may be forced to pay heavy penalties ✓ if they are found guilty of negligence/not enforcing safety measures. ✓
- Workers who are temporarily/permanently employed in foreign countries ✓ are not covered. ✓
- Domestic/Military workers ✓ are not covered. ✓
- Any other relevant answer related to the negative impact/disadvantages of COIDA on businesses.

Max. (14)**7.5 Compliance to COIDA**

- Businesses should provide a healthy/safe working environment. ✓✓
- They should register with the Compensation Commissioner and provide the particulars of the business. ✓✓
- Must keep records of employees' income and details of work for four years. ✓✓
- Obligated to report all incidents causing death/injury/illness of employees. ✓✓
- Businesses should submit returns of earnings by no later than 1 March annually. ✓✓
- Levies must be paid to the Compensation Fund. ✓✓
- Ensure that the premises/equipment/machinery is in good working condition. ✓✓
- Should 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 the ways in which businesses can comply with COIDA.

Max. (14)**7.6 Conclusion**

- Good progress has been made as businesses are now more socially responsible in improving safety measures/working conditions/being responsible for workers and their dependents. ✓✓
- Workers in some industries are being compensated for contracting diseases such as tuberculosis, silicosis, ✓✓ etc.
- If death occurs, families may benefit as the deceased worker may be substituted by another family member in the same industry. ✓✓
- Any other relevant conclusion related to COIDA.

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

QUESTION 7: BREAKDOWN OF MARKS

DETAILS	MAXIMUM	TOTAL
Introduction	2	Max. 32
Purpose of COIDA	10	
Penalties of non-compliance	8	
Impact of COIDA on businesses	14	
Compliance to COIDA	14	
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 8: BUSINESS VENTURES**8.1 Introduction**

- Insurance is a contract between a person/business/insured requiring insurance cover and the insurance company/insurer bearing the financial risk. ✓
- The law requires businesses to contribute to compulsory insurance on behalf of employees. ✓
- The purpose of insurance is to indemnify/cover the insured against certain kinds of insurable risks. ✓
- The purpose of a verbal presentation is to exchange information as it involves speaking and listening for both the presenter and the audience/directors. ✓
- When responding to questions/remarks, the presenter should not be aggressive/defensive. ✓
- Any other relevant introduction related to insurance and responding to feedback.

(Any 2 x 1) (2)

8.2 Differences between compulsory and non-compulsory insurance

COMPULSORY INSURANCE	NON-COMPULSORY INSURANCE
- Is required by law/There are legal obligations ✓ for it to be taken out and paid for. ✓	- Is voluntary/The insured has a choice ✓ whether to enter into an insurance contract. ✓
- It is regulated by government ✓ and does not necessarily require insurance contracts/brokers. ✓	- Insured will enter into a legal insurance contract with the insurer, ✓ who may be represented by an insurance broker. ✓
- Payment is in the form of a levy/contribution paid into a common fund ✓ from which benefits may be claimed under certain conditions. ✓	- Monthly/Annual payments/premiums that must be paid ✓ in order to be covered for a nominated risk/insured event. ✓
- Any other relevant answer related to compulsory insurance.	- Any other relevant answer related to non-compulsory insurance.
Sub-max. (4)	Sub-max. (4)

- NOTE:** 1. The answer does not have to be in tabular format but differences must be clear.
2. Allocate a maximum of FOUR (4) marks if distinction is not clear./Mark either compulsory or non-compulsory insurance only.

Max. (8)

8.3 Types of compulsory insurance

8.3.1 Unemployment Insurance Fund (UIF) ✓✓

- The UIF provides benefits to workers who have been working ✓ and become unemployed for various reasons. ✓
- Businesses contribute 1% of basic wages towards UIF, ✓ therefore reducing the expense of providing UIF benefits themselves. ✓
- Employees contribute 1% ✓ of their basic wage to UIF. ✓
- The contribution of businesses towards UIF ✓ increases the amount paid out to employees that become unemployed. ✓
- All employees who work at least 24 hours per month ✓ are required to be registered for UIF/contribute to the UIF. ✓
- It is an affordable contribution that makes it possible for businesses ✓ to appoint substitute workers in some instances. ✓
- The business cannot be held responsible for unemployment cover ✓ as the UIF pays out to contributors directly/dependants of deceased contributors. ✓
- Businesses are compelled to register their employees with the fund ✓ and to pay contributions to the fund. ✓
- Any other relevant answer related to UIF as a compulsory insurance.

Identification (2)

Explanation (4)

Sub-max. (6)

8.3.2 Road Accident Fund (RAF)/Road Accident Benefit Scheme (RABS) ✓✓

- RAF/RABS insures road-users against the negligence ✓ of other road users. ✓
- The RAF/RABS provides compulsory cover for all road users in South Africa, ✓ which include South African businesses. ✓
- Drivers of business vehicles are indemnified ✓ against claims by persons injured in vehicle accidents. ✓
- RAF/RABS is funded by a levy ✓ on the sale of fuel/diesel/petrol. ✓
- The amount that can be claimed for loss of income ✓ is limited by legislation. ✓
- The next of kin of workers/breadwinners who are injured/killed in road accidents, ✓ may claim directly from RAF/RABS. ✓
- Injured parties and negligent drivers ✓ are both covered by RAF/RABS. ✓
- The injured party will be compensated, ✓ irrespective of whether the negligent driver is rich/poor/insured/uninsured. ✓
- RABS aims to provide a benefit scheme ✓ that is reasonable/equitable/affordable/sustainable, ✓ etc.
- RABS aims to simplify/speed up the claims process ✓ as victims of road accidents no longer have to prove who caused the accident. ✓
- RABS enables road accident victims speedy access to medical care ✓ as delays due to the investigation into accidents has been minimised. ✓
- Any other relevant answer related to RAF/RABS as a compulsory insurance.

Identification	(2)
Explanation	(4)
Sub-max.	(6)

NOTE: Mark the first TWO (2) only.

(2 x 6) (12)

8.4 Visual aids

8.4.1 PowerPoint Presentation

Positives/Advantages

- Graphic programmes have the capacity to convey ideas ✓ and support what the presenter says. ✓
- Easy to combine ✓ with sound/video clips. ✓
- Simple/Less cluttered slides ✓ may capture the interest of the audience. ✓
- Video clips can provide variety ✓ and capture the attention of the audience. ✓
- Variations of colour/background/sound immediately capture the attention of the audience ✓ and retain their interest throughout the presentation. ✓
- Slides should only be used ✓ where they can enhance the facts or summarise information. ✓
- PowerPoint slides can help to convey a large amount of facts ✓ in a short time. ✓
- Any other relevant answer related to the positive impact of a PowerPoint presentation.

AND/OR

Negatives/Disadvantages

- Unprofessional handling of the data projector/PowerPoint presentation material ✓ may lead to irritation/may result in the audience losing interest. ✓
- Less effective ✓ to people with visual impairments. ✓
- Simply reading off the slides ✓ makes a presentation boring/meaningless. ✓
- Unable to show slides ✓ without electricity/data projector. ✓
- Any other relevant answer related to the negative impact of PowerPoint presentation.

Sub-max. (8)

8.4.2 Hand-outs

Positives/Advantages

- Meaningful hand-outs may be handed out at the start of the presentation ✓ to attract attention. ✓
- Notes/Hard copies of the slide presentation can be distributed at the end of the presentation ✓ as a reminder of the key facts of the presentation. ✓
- Extra information, e.g. contact details/price lists ✓ may be handed out ✓ to promote the services of the business. ✓
- Useful information for improving the next presentation may be obtained, ✓ when the audience completes feedback questionnaires after the presentation. ✓
- Any other relevant answer related to the positive impact of hand-outs.

AND/OR

Negatives/Disadvantages

- Hand-outs cannot be combined with audio material, ✓ so it only focuses on the visual aspects of support material. ✓
- Handing out material at the start of the presentation ✓ may distract the audience. ✓
- Any other relevant answer related to the negative impact of hand-outs.

Sub-max. (8)

Max. (16)

8.5 Ways to respond to feedback in a professional manner

- Ms Witbooi must stand up throughout the feedback session. ✓✓
- Be polite, confident and courteous/humorous. ✓✓
- Listen and then respond. ✓✓
- Make sure that you understand the question/s before responding. ✓✓
- Acknowledge good questions. ✓✓
- Rephrase questions if uncertain. ✓✓
- Do not get involved in a debate. ✓✓
- Do not avoid the question. If you do not know the answer, refer the question to the audience or the employees ✓✓ /Rectify if incorrect answers are given. ✓✓
- Address the whole audience and not only the person asking the question. ✓✓
- Provide feedback as soon as possible after the observed event. ✓✓
- Be direct, honest, sincere. ✓✓
- Use simple language and support what you say with an example/keep the answer short and to the point. ✓✓
- Presenter must encourage questions from the audience. ✓✓
- Do not allow any one member of the audience to dominate the discussion. ✓✓
- Note/write down the questions asked to be able to respond correctly. ✓✓
- Ms Witbooi should address questions in an orderly manner. ✓✓
- Any other relevant answer related to how Ms Witbooi may respond to feedback in a professional manner.

Max. (10)

8.6 Conclusion

- The insurance agreement should take into consideration the risks applicable to each situation. ✓✓
- Compulsory insurance reduces the financial risk of businesses. ✓✓
- Effective presentation of business information is one of the key elements of communicating with various stakeholders. ✓✓
- A good presentation promotes the image of the business/owner/management. ✓✓
- Professional behaviour during a presentation/feedback/questions session should contribute to the success of the presentation. ✓✓
- Any other relevant conclusion related to insurance, visual aids and responding to feedback.

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

QUESTION 8: BREAKDOWN OF MARK ALLOCATION

DETAILS	MAXIMUM	TOTAL
Introduction	2	Max. 32
Compulsory and non-compulsory insurance	8	
Types of compulsory insurance	12	
PowerPoint presentation and hand-outs	16	
Ways to respond to questions	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 9: BUSINESS ROLES**9.1 Introduction**

- Ethical behaviour and business practice are expected from every employee in the business. ✓
- Ethical and professional behaviour means that the highest legal and moral standards are upheld when dealing with stakeholders. ✓
- Businesses that adopt professional, responsible and ethical business practices will remain profitable/sustainable over a long period of time. ✓
- Any other relevant introduction related to ethical and professional business practices.

(Any 2 x1) (2)

9.2 Differences between professional behaviour and ethical behaviour

PROFESSIONAL BEHAVIOUR	ETHICAL BEHAVIOUR
- Refers to what is right/wrong/acceptable ✓ in a business. ✓	- Refers to the principles of right and wrong/acceptable ✓ in society. ✓
- Set of standards ✓ of expected behaviour. ✓	- Conforms to a set of values ✓ that are morally acceptable. ✓
- Applying a code of conduct ✓ of a profession or business. ✓	- Forms part of a code of conduct ✓ to guide employees to act ethically. ✓
- Focuses on upholding the reputation ✓ of a business/profession. ✓	- Focuses on developing a moral compass ✓ for decision making. ✓
- Includes guidelines ✓ on employees' appearance/communication/attitude/responsibility, ✓ etc.	- Involves following the principles of right or wrong ✓ in business activities/practices/dealings. ✓
- Any other relevant answer related to professional behaviour.	- Any other relevant answer related to ethical behaviour.
Sub-max. (6)	Sub-max. (6)

- NOTE:**
1. The answer does not have to be in tabular format but differences must be clear.
 2. Allocate a maximum of SIX (6) marks if distinction is not clear./Mark either professional behaviour or ethical behaviour only.

Max. (12)

9.3 King Code principles

Transparency

- Regular audits should be done ✓ to determine the effectiveness of the business. ✓
- Auditing and other reports ✓ must be accurate/available to shareholders/employees. ✓
- Business deals should be conducted openly ✓ so that there is no hint/sign of dishonesty/corruption. ✓
- Staffing and other processes ✓ should be open and transparent. ✓
- Employees/Shareholders/Directors should be aware ✓ of the employment policies of the business. ✓
- Any other relevant application of transparency as a King Code principle.

Sub-max. (6)

Accountability

- There must be regular communication ✓ between management and the stakeholders like shareholders. ✓
- Company should appoint internal and external auditors ✓ to audit financial statements. ✓
- Businesses should be accountable ✓ for their decisions and actions. ✓
- Business should present annual report ✓ to shareholders at the Annual General Meeting (AGM). ✓
- Top management should ensure that all other levels of management are clear about their roles ✓ and responsibilities to improve accountability. ✓
- The board should ensure that the company's ethics ✓ are effectively implemented. ✓
- Any other relevant application of accountability as a King Code principle.

Sub-max. (6)
Max. (12)

9.4 Ways to conduct business professionally, responsibly, ethically and effective

- Businesses should not start other business ventures at the expense of others. ✓✓
- They should pay fair wages. ✓✓
- All employees should be treated equally. ✓✓
- Appoint honest/trustworthy accountants with a good reputation. ✓✓
- Staffing and other processes should be open and transparent. ✓✓
- Draw up a code of ethics. ✓✓
- Managers must set the tone for professional/responsible/ethical behaviour. ✓✓
- There must be adequate internal control systems in place. ✓✓
- There should be honesty in all relationships/transactions in the business. ✓✓
- Employees should understand ethical business practices through effective communication/training. ✓✓
- Seminars on business ethics should be held for managers and the employees to help them understand the importance of the ethical work culture of the business. ✓✓
- Management must consider the impact of their decisions/actions on all stakeholders. ✓✓
- Regulations applicable to environmental protection should be taken seriously. ✓✓
- They should charge fair prices in rural areas. ✓✓
- Any other relevant recommendation related to ways in which businesses should conduct business professionally, responsibly and ethically.

Max. (14)

9.5 Unethical business practices

9.5.1 Abuse of work time

- Businesses should speak directly to those employees who abuse work time. ✓✓
- Businesses should monitor employees to ensure that tasks are completed. ✓✓
- Structure working hours in such a way that employees have free/flexible time for personal matters. ✓✓
- Create a culture of responsibility/strengthen team spirit in order for all employees to feel responsible for what has to be achieved. ✓✓
- Any other relevant answer related to strategies to deal with pricing of goods in rural areas.

Sub-max. (4)

9.5.2 Pricing of goods in rural areas

- A business may lobby with other businesses in the area to convince government to improve infrastructure in the rural area. ✓✓
- Charge fair/market related prices for goods and services. ✓✓
- Avoid unethical business practices to attract customer loyalty. ✓✓
- Investigate cost-effective ways of transporting products./Hire a large truck to combine deliveries to shop-owners in the same area. ✓✓
- Work together with suppliers to share delivery costs to remote rural areas. ✓✓
- Any other relevant answer related to strategies to deal with pricing of goods in rural areas.

Sub-max. (4)

Max. (8)

9.6 Conclusion

- A business code on ethics and conduct should improve relationships and eliminate unethical business practices. ✓✓
- Employees who do not adhere to a code of ethics and conduct should be disciplined. ✓✓
- Businesses can make use of good corporate governance to address issues that challenge ethical and professional behaviour. ✓✓
- Any other relevant conclusion related to ethical and professional business practices.

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

QUESTION 9: BREAKDOWN OF MARK ALLOCATION

DETAILS	MAXIMUM	TOTAL
Introduction	2	Max 32
Differences between professional behaviour and ethical behaviour	12	
King Code principles	12	
Ways to conduct business professionally, responsibly, ethically and effective	14	
Unethical business practices	8	
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 only some of the requirements are met.

Allocate 0 marks where requirements are not met at all.

QUESTION 10: BUSINESS OPERATIONS**10.1 Introduction**

- Employers and employees should adhere to the terms and conditions of the employment contract. ✓
- The aim of induction is to introduce the new employee to the job/the new environment. ✓
- Induction is the process of introducing new employees to a business/work environment. ✓
- A good induction programme will enable the new employee to settle in quickly. ✓
- Businesses should ensure that induction is done before the employee starts in his/her new position. ✓
- Any other relevant introduction related to employment contract, benefits and induction

(Any 2 x 1) (2)

10.2 Legal requirements of an employment contract

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

Max. (12)

10.3 Impact of fringe benefits on businesses

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. ✓
- It increases employee satisfaction/loyalty ✓ as they may be willing to go the extra mile. ✓
- Improves productivity ✓ resulting in higher profitability. ✓
- Businesses save money ✓ as benefits are tax deductible. ✓
- Fringe benefits can be used as leverage ✓ for salary negotiations. ✓
- Any other relevant answer related to the positive impact of fringe benefits on businesses.

AND/OR

Negatives/Disadvantages

- Fringe benefits are additional costs ✓ that may result in cash flow problems. ✓
- Administrative costs increase ✓ as benefits need to be correctly recorded for tax purposes. ✓
- Decreases business profits, ✓ as incentive/package/remuneration costs are higher. ✓
- It can create conflict/lead to corruption ✓ if allocated unfairly. ✓
- Workers only stay with the business for fringe benefits, ✓ and may not be committed/loyal to the tasks/business. ✓
- Businesses who offer employees different benefit plans may create resentment ✓ to those who receive fewer benefits resulting in lower productivity. ✓
- Businesses who cannot offer fringe benefits ✓ fail to attract skilled workers. ✓
- 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 of fringe benefits on businesses.

Max. (12)**10.4 Purpose of induction**

- Introduce new employees to management/colleagues ✓ to establish relationships with fellow colleagues at different levels. ✓
- Create opportunities for new employees ✓ to experience/explore different departments. ✓
- Explain safety regulations and rules, ✓ so that new employees will understand their role/responsibilities in this regard. ✓
- Communicate information ✓ about the products/services of Blue Bay Fisheries. ✓
- Allow new employees the opportunity to ask questions ✓ that will put them at ease/reduce insecurity/anxiety/fear. ✓
- Make new employees feel welcome ✓ by introducing them to their physical work space. ✓
- Give new employees a tour/information ✓ about the layout of the building/office. ✓
- Improve skills ✓ through in-service training. ✓
- Familiarise new employees ✓ with the organisational structure/their supervisors. ✓
- Ensure that employees understand their roles/responsibilities ✓ so that they will be more efficient/productive. ✓
- Communicate business policies ✓ regarding ethical/professional conduct/procedures/employment contract/conditions of employment, ✓ etc.
- Any other relevant answer related to the purpose of induction.

Max. (10)

10.5 Benefits of induction

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

Max. (12)

10.6 Conclusion

- The relationship between the employer and employee should be guided by the employment contract. ✓✓
- A good induction programme enables new employees to have a basic understanding of what is expected in the new job/position. ✓✓
- Employees are one of the most important resources in any business, therefore their success should be guaranteed by an effective induction programme. ✓✓
- It is important that the employer and employees sign the employment contracts. ✓✓
- Any other relevant introduction related to related to induction, employment contract and benefits.

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

QUESTION 10: BREAKDOWN OF MARK ALLOCATION

Details	Maximum	Total
Introduction	2	Max. 32
Legal requirements of an employment contract	12	
Impact of fringe benefits	12	
Purpose of induction	10	
Benefits of induction	12	
Conclusion	2	
INSIGHT		8
Layout	2	
Analysis, interpretation	2	
Synthesis	2	
Originality/Examples	2	
TOTAL MARKS		40

*LASO – For each component:

Allocate 2 marks if all requirements are met.

Allocate 1 mark if only some of the requirements are met.

Allocate 0 marks where requirements are not met at all.

TOTAL SECTION C: 80

GRAND TOTAL: 300