



Province of the  
**EASTERN CAPE**  
EDUCATION

**NATIONAL  
SENIOR CERTIFICATE**

**GRADE 12**

**SEPTEMBER 2015**

**BUSINESS STUDIES  
MEMORANDUM**

**MARKS: 300**

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This memorandum consists of 32 pages.

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**NOTES TO MARKERS (COMPULSORY)**

1. Candidates' responses for SECTIONS B and C must be in full sentences; however this would depend on the nature of the question.
2. A comprehensive memorandum 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 memorandum
  - Comes from another source
  - Original
  - A different approach is used

**NOTE: SECTION A:**

- There are no alternative answers.
  - Each question has only one correct answer.
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.
  6. In an indirect question, the theory as well as the response must be relevant and related to the question.
  7. Incorrect numbering of answers will be penalised. This is applicable to all sections of the paper with effect from November 2015. For this paper it applies to SECTIONS A and B only.
  8. No additional credit must be given for repetition of facts. Indicate with an R.
  9. 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 memo. Only the total for each question should appear in the left-hand margin next to the appropriate question number.
  10. Note that with effect from 2012 (final examination) 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 difference between 'evaluate' and 'critically evaluate' can be explained as follows:

- (a) 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.'* ✓
- (b) 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. Mark allocation should also be considered.  
2. The above could apply to 'analyse' as well.

## SECTION B

12. 12.1 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.

12.2 If two facts are written in one sentence, award the candidate FULL credit. Point 12.1 above still applies.

12.3 If candidates are required to provide their own examples/views, brainstorm this at the marking centre to finalise alternative answers.

### 12.4 USE OF THE COGNITIVE VERB AND ALLOCATION OF MARKS

12.4.1 Where the number of facts are specified questions that require candidates to 'explain/discuss/describe' will be marked as follows:

- Heading/Fact 2 marks
- Explanation 1 mark (or as indicated in the memorandum).

The 'heading' and 'explanation' are given separately to facilitate mark allocation.

12.4.2 If the number of facts is not specified, the candidate must be informed by the nature of the question and the maximum marks allocated.

- 12.5 **ONE mark will be awarded for answers that are easy to recall, requires one-word answers or is quoted directly from scenario/case study. This applies to SECTIONS B and C in particular.**

## SECTION C

13. 13.1 The breakdown of the mark allocation for the essays is as follows:

Introduction	<b>Maximum: 32</b>
Content	
Conclusion	
Insight	<b>8</b>
<b>TOTAL</b>	<b>40</b>

- 13.2 Insight consists of the following components:

Layout/Structure :	Is there an introduction, body, proper paragraphs and a conclusion?)	<b>2</b>
Analysis and interpretation:	(Learners' ability to break down the question/interpret it correctly to show understanding of what is being asked.)	<b>2</b>
Synthesis:	(What parts of the question would you have included in the answer? Are there decisions made from a combination of relevant points) Marks to be allocated using this guide: Mostly irrelevant facts/No relevant facts: 0 Some irrelevant facts/Some relevant facts: 1 No irrelevant facts/Only relevant facts: 2	<b>2</b>
Originality:	(Examples, recency of information, current trends and developments.)	<b>2</b>
	<b>TOTAL FOR INSIGHT:</b>	<b>8</b>
	<b>TOTAL MARKS FOR FACTS:</b>	<b>32</b>
	<b>TOTAL MARKS FOR ESSAY (8 + 32)</b>	<b>40</b>

- 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, Conclusion,' etc. in 'Insight' is not supported by an explanation.**

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

- 13.4 The components of insight are indicated at the end of the suggested answer for each question.
- 13.5 Mark all relevant facts until the MAXIMUM mark in a subsection has been attained. Write MAX after maximum marks have been obtained.
- 13.6 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	<b>32 (max.)</b>
L	<b>2</b>
A	<b>2</b>
S	<b>2</b>
O	<b>2</b>
<b>TOTAL</b>	<b>40</b>

- 13.7 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 MARKS BREAKDOWN at the end of each question.)
- 13.8 If the candidate identifies/interprets the question INCORRECTLY, then he/she may still obtain marks for layout.
- 13.9 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.
- 13.10 (a) Award TWO marks for complete sentences. Award ONE mark for phrases, incomplete sentences and vague answers.
- (b) 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.' ✓

**SECTION A: COMPULSORY****QUESTION 1**

- 1.1 1.1.1 D ✓✓ Attract investors
- 1.1.2 C ✓✓ Compensation for Occupational Injuries and Diseases Act
- 1.1.3 C ✓✓ Encourage a spirit of play and experimentation
- 1.1.4 B ✓✓ Retirement annuity fund
- 1.1.5 D ✓✓ Public company
- 1.1.6 C ✓✓ Performance appraisal
- 1.1.7 B ✓✓ R60 000.
- 1.1.8 C ✓✓ Workplace forum
- 1.1.9 C ✓✓ charismatic
- 1.1.10 C ✓✓ an optimistic (10 x 2) (20)
- 1.2 1.2.1 C – ✓✓ Code of ethics
- 1.2.2 G – ✓✓ Skills Development Act
- 1.2.3 A – ✓✓ Outsourcing
- 1.2.4 B – ✓✓ Strike
- 1.2.5 D – ✓✓ Delphi technique (5 x 2) (10)
- 1.3 1.3.1 Management ✓✓
- 1.3.2 macro ✓✓
- 1.3.3 Balanced Scorecard ✓✓
- 1.3.4 Staff development ✓✓
- 1.3.5 The King Code ✓✓ (5 x 2) (10)

**TOTAL SECTION A: 40**

## SECTION B

## QUESTION 2

2.1 2.1.1 Secondary sector ✓✓ (2)

2.1.2 Credit provider – financial institution (bank, loan shark) and retail etc., who provides credit to the customer. ✓✓  
National Credit Regulator – A body responsible for the registration of credit providers, enforcement of compliance with NCA, regulates credit market/industry. ✓✓ (2 x 2) (4)

2.1.3 THREE challenges and identify the business environment

Challenge	Business environment
Increase in orders ✓	Micro environment ✓✓ control it – manufacture more
Needs capital – get a loan ✓	Macro environment ✓✓ credit providers decides – Yes or No – can't control
Interest rate increase ✓	Macro environment ✓✓ part of economic environment – cannot control
Candy – no experience ✓	Micro environment ✓✓ internal training – can control it.
Candy – treats customers unprofessionally ✓	Micro environment ✓✓ internal training – can control it – teach her how to treat them
Increased rates and taxes ✓	Macro environment ✓✓ part of economic environment – can't control
Unique Clothing Manufacturers demand higher prices. ✓	Market environment ✓✓ Supplier, No control, but influence – negotiate better prices
Decrease in profits ✓	Micro environment ✓✓ Owner is responsible for profits and losses

(Any 3 x 3) (9)

2.1.4 Challenge of Skills Development Act for business:

- The 1% is an additional cost for the business. ✓✓
- Incentives are only paid out when they employ people from designated groups. ✓✓
- It requires a large amount of paperwork, administration, cost time, effort. ✓✓
- Extra administrative staff to capture data. ✓✓
- Specialist positions must be created in the business to drive the skills development programme. ✓✓
- Application procedures can be complicated. ✓✓
- Learnerships request lots of coaching, mentoring and monitoring. ✓✓
- Many service providers that offer training are not SAQA accredited. ✓✓
- Any relevant challenge of SDA answer accepted. (Any 3 x 2) (6)

2.1.5 She has the right to reasons given for credit being refused. ✓ (1)

2.1.6 **NCA protects credit provider and consumer. Do you agree?**

Yes (no marks allocated)

**CREDIT PROVIDER**

- Right to assess the credit worthiness of consumer, right to refuse credit. ✓✓
- Credit providers will be controlled by a regulatory body. ✓✓
- Allowed to charge interest and other fees. ✓✓
- Protects the credit provider against bad debts. ✓✓
- If customer provides false information, provider is protected. ✓✓
- The credit agreement must be in writing. ✓✓

**CONSUMER**

- Right to receive information free of charge. ✓✓
- Entitled to be given reasons for credit refusal. ✓✓
- Right to have a credit agreement in writing and understandable language. ✓✓
- Right not to be discriminated against by credit providers. ✓✓
- Right to receive monthly statements. ✓✓
- All costs involved must be disclosed to the consumer. ✓✓
- Lower interest rates and longer payment periods available. ✓✓
- Debt relief is available – debt counsellor to restrict their debt. ✓✓
- Personal information may not be shared with others. ✓✓(Any 2 x 2) (4)

**2.2 Different types of strategies:**

2.2.1 Intensive: ✓ market development ✓

2.2.2 Concentric: ✓ diversification ✓

2.2.3 Backward integration ✓✓

2.2.4 Defensive: ✓ divestiture ✓

2.2.5 Intensive: ✓ market penetration ✓ (5 x 2) (10)



## 2.3 Impact of Consumer Protection Act on businesses

### Positive impact

- Protects the consumers from unfair, exploitative and aggressive business and marketing activities. ✓✓
- Promotes consumer rights and ensures that businesses do not violate these rights. ✓✓
- Consumers are forced to make responsible and informed decisions. ✓✓
- Educates consumers about how to participate in the goods and services market responsibly. ✓✓
- Allows all consumers fair access to goods and services. ✓✓
- Ensures that consumers do not buy goods of poor quality which do not meet quality standards. ✓✓
- Any other relevant answer related to the advantages of CPA.

### Negative Impact

- Non-compliance may result in heavy penalties. ✓✓
- The Act encourages consumers to complain. ✓✓
- Legal contracts must be worded in plain language and pitched at the level of the consumer who is being targeted. ✓✓
- Consumers can take advantage of businesses. ✓✓
- The processes and procedures required of the businesses by the Act can be expensive and time consuming. ✓✓
- Staff need to be trained and legal experts need to be consulted, which can be expensive for smaller businesses. ✓✓
- The provisions in the Act increase the risks for insurance companies in protecting businesses against unforeseen claims and lawsuits. ✓✓
- Any other relevant answer related to the impact of CPA on businesses.

Max. (12)

## 2.4 Advantages of the Employment Equity Act, 1998 (Act 55 of 1998)

- Provides a framework for implementation of affirmative action. ✓✓
- Encourage diversity and inclusivity in the workplace. ✓✓
- Discrimination in the workplace will be eradicated. ✓✓
- Promote equal opportunities – workplace. ✓✓
- Prevents unfair discrimination. ✓✓

(Any 4 x 2) (8)

[60]

**QUESTION 3**

- 3.1 3.1.1  $R5\ 000 + R500 (R5\ 000 \times 10\%) = R5\ 500 \checkmark\checkmark$   
 $R5\ 500 + R550 (R5\ 500 \times 10\%) = R6\ 050 \checkmark\checkmark$   
 $R6\ 050 + R605 (R6\ 050 \times 10\%) = R6\ 655 \checkmark\checkmark$  (6)

**NOTE:** If calculations were shown correctly, but the final answer is wrong, award a maximum of FOUR marks.

- 3.1.2  $R6\ 655$  (answer from 3.1.1) –  $R5\ 000 \checkmark\checkmark$   
 $= R1\ 655 \checkmark\checkmark$  (4)

- 3.1.3 Types of investments
- Shares
  - Notice deposit
  - Investment in a business
  - Debentures
  - Retail bonds
  - Unit trust
  - Any other relevant answer related to the types of investment.
- (Any 2 x 2) (4)

- 3.2 3.2.1 Autocratic / Boss-orientated style.  $\checkmark\checkmark$  (2)

- 3.2.2 Different leadership style – different challenges
- Every situation is unique and a leader must adapt.  $\checkmark\checkmark$
  - A good manager/ leader must learn to adapt to different management styles.  $\checkmark\checkmark$
  - It depends on the nature and function of the job/business.  $\checkmark\checkmark$
  - Workers have different personalities and management must approach each worker differently.  $\checkmark\checkmark$
  - Any other relevant motivation regarding the use of more than one leadership style.
- (Max. 4) (4)

- 3.2.3 Situations where 3.2.1 can be applied:
- Used in crisis situations, e.g. disaster relief management.  $\checkmark\checkmark$
  - Applied when implementing business policies/government legislation.  $\checkmark\checkmark$
  - Used when all the information is available to solve the problem.  $\checkmark\checkmark$
  - Used when dealing with employees who are not cooperative in the workplace.  $\checkmark\checkmark$
  - Any other relevant application of the autocratic leadership style.
- (Any 2 x 2) (4)

- 3.3 Five forces of Michael E Porter:
- Supplier power (the bargaining power of suppliers)  $\checkmark\checkmark$
  - Buyer power (bargaining power of buyers)  $\checkmark\checkmark$
  - The threat of substitute products or services  $\checkmark\checkmark$
  - Rivalry amongst existing competitors  $\checkmark\checkmark$
  - Threat of new entrants  $\checkmark\checkmark$
- (5 x 2) (10)

## 3.4 Forms of ownership

<b>Criteria</b>	<b>Partnership</b>	<b>Personal-liability Company</b>
<b>Capacity</b>	<b>Success factors</b> <ul style="list-style-type: none"> <li>- Expansion is possible because more partners can join partnership. ✓✓</li> <li>- When buying in bulks they can enjoy discounts. ✓✓</li> <li>- Partners are contributing their skills which can lead the partnership to grow. ✓✓</li> </ul>	<b>Success factors</b> <ul style="list-style-type: none"> <li>- Directors are geared to improve business prospects in the market. ✓✓</li> <li>- The company is controlled by the new companies Act, it can attract more shareholders. ✓✓</li> </ul>
	<b>Failure factors</b> <ul style="list-style-type: none"> <li>- In large partnership, the partners may struggle to agree on business issues. ✓✓</li> <li>- As the number of partners increases it becomes difficult to control the expenses and the drawings. ✓✓</li> </ul> <p style="text-align: right;">Max (2)</p>	<b>Failure factors</b> <ul style="list-style-type: none"> <li>- It is expensive to run the company and profits may not sustainable resulting in liquidation. ✓✓</li> <li>- It does not have a capacity to draw on large financing sources therefore cannot grow into financially strong companies. ✓✓</li> </ul> <p style="text-align: right;">Max. (2)</p>
<b>Legislation</b>	<b>Success factors</b> <ul style="list-style-type: none"> <li>- There are no legal requirements to establish or end a partnership, but they may draw up the partnership agreement or article. ✓✓</li> <li>- The partnership is not a legal entity and partners therefore have unlimited liability for the debts of the partnership. ✓✓</li> <li>- Partnership may apply for local tenders. ✓✓</li> </ul>	<b>Success factors</b> <ul style="list-style-type: none"> <li>- The rights and duties of shareholders are stipulated in the Companies Act, therefore minimising unethical and corrupt behaviour. ✓✓</li> <li>- Shareholders have limited liability. ✓✓</li> <li>- May obtain government tenders, as PLC is properly registered. ✓✓</li> </ul>
	<b>Failure factors</b> <ul style="list-style-type: none"> <li>- Partners are jointly and severally liable for the debts of the business. ✓✓</li> <li>- No continuity – If one of the partners dies retires or leaves the partnership automatically dissolves and new one can be formed. ✓✓</li> <li>- The wrongful action of one partner can has a negative influence on the business. ✓✓</li> </ul> <p style="text-align: right;">Max. (2)</p>	<b>Failure factors</b> <ul style="list-style-type: none"> <li>- Private companies cannot freely sell shares to the public. ✓✓</li> <li>- Companies have to comply with many legal requirements when they are established. ✓✓</li> <li>- An audit is required only if PLC meets the requirements test as stipulated in the Act. ✓✓</li> </ul> <p style="text-align: right;">Max (2)</p>

<b>Management</b>	<b>Success factors</b> <ul style="list-style-type: none"> <li>- All partners are actively involved in the management of the partnership. ✓✓</li> <li>- As the partnership they are making collective decisions. ✓✓</li> </ul>	<b>Success factors</b> <ul style="list-style-type: none"> <li>- It is managed by the board of directors elected by the shareholders. ✓✓</li> <li>- Quick decisions can be made if there is only one director. ✓✓</li> </ul>
	<b>Failure factors</b> <ul style="list-style-type: none"> <li>- Quick decisions cannot be made as all partners should be informed. ✓✓</li> <li>- Some partners may not work as hard as others as all of them are actively involved in the daily running of the partnership. ✓✓</li> <li>- Too many partners in the partnership day to day running may hamper the success of the business. ✓✓</li> </ul>	<b>Failure factors</b> <ul style="list-style-type: none"> <li>- Shareholders have powers to decide on the directors' remuneration or compensation; directors may be demotivated to work hard. ✓✓</li> <li>- The board of directors may not have a personal interest in the PLC. ✓✓</li> </ul>
	Max. (2)	Max. (2)

Max (12)

## 3.5 Types of non-verbal presentation

- Tables ✓✓
- Diagrams ✓✓
- Graphs ✓✓
- Pie charts ✓✓
- Business reports ✓✓
- Any other relevant answer related to non-verbal presentation.

(Any 4 x 2) (8)

3.6 3.6.1 Identification

Secondary sector ✓

Reason

Changing/transforming/ manufacturing of raw material into useful goods or services ✓

(2)

3.6.2 Identification

Tertiary sector ✓

Reason

This is rendering of service. ✓

(2)

**[60]**

**QUESTION 4: BUSINESS ROLES****4.1 Dealing with difficult employees**

- Ask someone in authority for their input into the situation. ✓✓
- Treat people with respect. ✓✓
- Let the person know what your intentions and the reasons for your actions are, this will make them at ease. ✓✓
- The approach to employees plays an important role. ✓✓
- Be calm and in control of the situation to get the person to collaborate. ✓✓
- Not be driven by emotions but get down to the roots of the problem or frustrations of the employee. ✓✓
- Understand the person's intentions and why they react in a certain way. ✓✓
- Any relevant answer related to ways of dealing with a difficult employee.

(Any 5 x 2) (10)

**4.2 Triple bottom line**

<b>Economic sustainability</b> <b>Economic prosperity</b> ✓✓	<b>Environmental</b> <b>Sustainability</b> ✓✓	<b>Social sustainability</b> <b>Social responsibility</b> ✓✓
Focus on long-term profits and growth. Making a profit is important to satisfy investors. Ensure continuity of business. Investors want a return – dividends. Employees expect remuneration. ✓✓	Protect the environment, because business depends on resources. If we do not take care of the planet, there will be not future. Minimise pollution. Protect the infrastructure. ✓✓	Help poor communities. Social upliftment, development and poverty reduction. SR is important as the focus should also be on the people in the community, customers, suppliers, etc. ✓✓

(12)

**4.3 Corporate social responsibility**

- When business voluntary take steps in uplifting the communities/take steps to improve the quality of life.
- It can be defined as the way businesses manage their business processes to affect their stakeholder in a positive way.
- It is the duty of businesses to contribute towards the well-being of the community.
- Refers to any strategy used by a business to take responsibility for their impact on society and the environment.
- It is not a single action but an approach to doing business that guides all decision making in the firm.

(Any 2 x 2) (4)

**Corporate social investment**

- The money that businesses spend on the community to improve the standard of living of the community.
- The aim is to contribute to sustainable economic development.
- Projects are external to the business and have a strong developmental approach.
- Is not linked to increasing the profits of the business.
- Intended to benefit and uplift communities through social development.

(Any 2 x 2) (4)  
Max. 4

## 4.4 4.4.1 Workplace forum

- Is to solve labour-related problems by establishing non-adversarial and co-operative relationships between all workers and the employer.
- It can be established in a business with more than 100 employees.

(Any 1 x 1) (1)

## Trade Union

- An employee organisation with the purpose of regulating employer-employee relations through collective bargaining.
- Collective bargaining is a process where employer/employee organisations and trade unions negotiate with one another to achieve an agreement regarding conflicting needs, interests or goals.

(Any 1 x 1) (1)

## 4.4.2 Functions of the workplace forum

- Be actively involved in collective bargaining√√ on issues such as conditions of employment/remuneration.√
- Protects the employees against unfair dismissals√√ by representing employees during hearings.√
- Consults with employees and employers on all workplace√√ related issues before implementing new policies.√
- Protects the fundamental human rights of the workers in the workplace√√ by acting as a watchdog for workers' human rights.√
- Must be consulted by the employer when decisions are taken√√ regarding issues such as restructuring at the workplace.√
- Protects employees against discrimination in the workplace√√ by ensuring equal treatment of all employees.√
- Any other relevant answer related to the functions of a workplace forum.

**NOTE: Mark first THREE (3) only.**

(Any 3 x 3) (9)

## 4.5 Belbin's terms:

- James plays the role of specialist, √√ which is a cerebral role. √√
- John plays the role of co-ordinator, √√ which is a people-oriented role.√√
- Suzanne plays the role of implementer, √√ which is an action-oriented role. √√

(6 x 2) (12)

## 4.6 Characteristics of a successful team

- Commit willingly to team goals. √√
- Help co-workers to do their jobs. √√
- Provide emotional support to co-workers. √√
- Team members support one another. √√
- Team members display mutual respect and trust. √√
- Team members respect each other's skills.√√
- Minimise negative attitudes. √√
- Possess the necessary skills to resolve problems. √√
- The team has clearly defined goals and objectives which are realistic and achievable. √√
- Any other relevant characteristics of a successful team.

(4 x 2) (8)

4.7 Dispute – A conflict of interest between the employer and members of a trade union. √√

Grievance

- A conflict interest between the employer and the employee. √√
- An employee's complaint regarding a real or imagined breach of the terms of the employment contract. √√
- Any other relevant answer differences between a dispute and grievance.

(2 x 2) (4)  
[60]

## QUESTION 5: BUSINESS OPERATIONS

5.1 5.1.1 External recruitment. √√ (2)

- Vacancies were advertised in the newspaper. √√
- Advertising took place outside the business. √√ (Any 1 x 2) (2)

5.1.2 THREE advantages of external recruitment

- Chances are better of finding suitable candidates with the right skills. √√
- Prevents unhappiness between existing employees. √√
- There are more candidates to choose from. √√
- It supports the implementation of affirmative action and BEE plans. √√
- Recruitment agencies can find candidates and this saves the business time. √√
- New candidates bring new talents, ideas, insight, and experience into the business. √√ (Any 3 x 2) (6)

5.1.3 THREE possible attributes in questions during the interview

- Ability to solve problems (problem-solving skills). √√
- Ability to work in a team. √√
- Creativity. √√
- The necessary knowledge that is needed. √√
- Does applicant have financial skills? √√
- In-depth knowledge of a particular topic. √√
- Persuasiveness and perseverance. √√ (Any 3 x 2) (6)

5.1.4 Main purpose of a job interview

- To verify the information provided on the CV and the application form. √√
- To meet the applicant personally and to find out more. √√
- It determines the suitability of the applicant to do the job. √√
- To get more information about the candidate and to evaluate the candidate. √√
- To test attitude, mannerisms, personality, goals of the person. √√
- It allows the candidate to ask questions about the business. √√
- To evaluate the applicant's communication skills. √√ (Any 2 x 2) (4)

## 5.1.5 FOUR clauses in the employee contract

- Full name and address of the employer. ✓✓
  - Name and personal information of the employee. ✓✓
  - Working hours.(days and working hours) ✓✓
  - Remuneration (Salary and other incentives. ✓✓
  - Date of commencement of the work. ✓✓
  - Rate of pay and deductions to be made. ✓✓
  - Benefits such as subsidies and medical benefits. ✓✓
  - Conditions for the termination of the contract.✓✓
  - Employees' placement (place of work) and job description. ✓✓
- (Any 5 x 2) (10)

## 5.1.6 Two examples of voluntary deductions:

- Medical aid ✓✓
  - Funeral scheme ✓✓
  - Provident funds ✓✓
  - Payment for cellphone contracts ✓✓
  - Vehicle instalments ✓✓
  - Membership fees to a staff association/trade union ✓✓
  - Insurance premium ✓✓
  - Mortgage bond repayment✓✓
- (Any 2 x 2) (4)

## 5.1.7 Job interview; unreliable assessment?

- Discrimination/judging? – Applicant and interviewer have different outlooks. ✓✓
  - Unfair questions – applicant may feel unease by uncomfortable questions. ✓✓
  - Submit false after school qualifications and present it on the CV. ✓✓
  - Candidate can present a false “picture” of himself. ✓✓
  - The candidate can lie during the interview. ✓✓
  - CV can hide certain information, information in CV is selective.✓✓
  - You can only disclose certain information in the interview. ✓✓
- (Any 2 x 2) (4)

## 5.1.8 Compulsory deduction and example:

- Deductions prescribed by law to be deducted from the employees' salaries. ✓✓
- (2)
- A. PAYE (tax) – pay as you earn  
SARS collects tax from salaries on a monthly basis.
- B. UIF – unemployment insurance (gross salary – 2%)  
Employer contributes 1% and worker contributes 1%.
- C. Deductions based on a court order.
- D. Over-payment of salaries
- E. Garnishee order
- F. Pension funds
- (Any 1 x 2) (2)



## 5.1.9 Fringe benefits

(Examples: cellphone allowance, petrol card, car allowance)

No, it is a privilege and not a right. √√

OR

Yes, it is a financial Manager (middle management) post – try to make the job more attractive. √√

(2)

## 5.2 Purpose of the Human Resources function

- Appraising and managing work performance. √√
- Managing employees' careers. √√
- Providing incentives and benefits to employees. √√
- Establishing and maintaining employee wellness. √√
- Ensuring the right staff with right skills to perform a job. √√
- Is responsible for the recruitment, selection, and placement of staff in the right positions. √√
- Orientation employees (induction). √√
- HR ensures a happy, motivated, committed workforce. √√
- A business's people are often considered its most important asset. √√

(Any 2 x 2)

(4)

Explain how HR can influence the quality of performance of a business

- Ensure effective recruitment and selection of new employees.
- Conducting an induction programme for all new staff members to introduce them.
- Using an effective placement programme to ensure workers are placed in positions.
- Ensuring that employment contracts are in place for all staff.
- Implementing employment equity measures – no discrimination is allowed.
- Ensuring that employees are appropriately and fairly remunerated.
- Find suitable candidate for the right job.
- Appoint people to positions where their capabilities can be used to the advantage of the business.
- Test applicants – ensure they are placed in the best position.
- For effective quality performance, it is necessary to do continuous training and development of the staff.
- Qualified and highly stable staff leads to a low rate of staff turnover.

(Any 3 x 2)

(6)

## 5.3 Name any TWO Acts relevant to the Human Resources function and explain

- Basic Conditions of Employment Act
  - To ensure the fair remuneration of workers – minimum wages.
  - To ensure fair labour practices in the workplace.
  - Also provide information regarding the contract of employment.
  - HR must follow conditions set out in the Act.
  - Applies to all employees/employer to improve working conditions.

(Any 1 x 2)

(2)

- Labour Relations Act
    - Guidelines for collective bargaining, grievance procedures, strikes
    - Disciplinary codes and procedures.
    - Allow workers to belong to a trade union, access to workplace.
    - Regulates labour relationships between employer, employee and trade unions. (Any 1 x 2) (2)
  
  - Compensation for Occupational Injuries and Diseases Act
    - Provide compensation to employee for work related injuries.
    - Every employer must pay an annual assessment fee to the compensation fund.
    - All employers must be registered – injuries/diseases at work. (Any 1 x 2) (2)
  
  - Employment Equity Act
    - Implementation of affirmative action in the workplace.
    - To redress imbalances of the past.
    - Prevent discrimination in the workplace.
    - Ensures equity in the workplace. (Any 1 x 2) (2)
  
  - Skills Development Act
    - HR must identify the training needs of the workers.
    - HR must register and pay the 1% of the payroll
    - Ensure that quality training takes place – make use of SETAs
    - Ensure training by accredited service providers. (Any 1 x 2) (2)
  
  - Unemployment Insurance act
    - HR must register workers, working longer than 24 hours per month.
    - It provides short-term relief to the workers for unemployment.
    - HR must contribute 2% (1% employee and 1% employer) to UIF (Any1 x 2) (2)
- (1 heading (2) and 1 explanation (2) x 2 =) (8)**  
**[60]**

**QUESTION 6: MISCELLANEOUS****6.1 Causes of conflict**

- Weak leadership✓✓
- Poor communication/miss – communication✓✓
- Social factors/Personality clashes✓✓
- Lack of teamwork✓✓
- Distrust✓✓
- Scarce/Limited resources in the workplace✓✓
- Gender bias/discrimination ✓✓

(Any 5 x 2) (10)

**6.2 6.2.1 Advantages of quality management system (Conditions that will be stipulated in the employment contract, as in the question paper)**

- Increased customer satisfaction. ✓✓
- Efficient use of resources and time. ✓✓
- Increased productivity through good time management and using high-quality resources. ✓✓
- Constant improvement of products and services. ✓✓
- Increased likelihood of achieving business vision and goals. ✓✓
- Increased competitiveness as high quality places products above those of competitors. ✓✓
- Improved employee skills and knowledge through constant training. ✓✓

(Any 3 x 2) (6)

**6.2.2 Principles/Elements of TQM**

- Continuous skills development. ✓✓
- Total client satisfaction. ✓✓
- Continuous improvements to processes and systems. ✓✓
- Adequate financing and capacity. ✓✓
- Planning, monitoring and evaluation. ✓✓
- Involvement of all and employee responsibility. ✓✓
- Quality decisions should be made based on measurements. ✓✓
- Top management should act as the main driver for TQM and create an environment that ensures its success. ✓✓

(Any 3 x 2) (6)

## 6.3 Responsibilities of business in terms of COIDA

- Records must be kept safely by the business for a period of four. ✓✓
- In the event of an injury, the Commissioner must be notified within seven days. ✓✓
- The employer is responsible for submitting a series of forms – to claim on behalf of the injured. ✓✓
- Businesses make an annual payment after assessment (calculations) of Commissioner. ✓✓
- Employer must also provide a report every year with details of employees, wages and time worked. ✓✓
- Business must register with the Commissioner of Compensation – Department of Labour. ✓✓

(Any 3 x 2) (6)

## 6.4 Principles in the King Code

- Sustainability ✓✓
- Independence ✓✓
- Good governance ✓✓
- Innovation ✓✓
- Board of Directors – leadership ✓✓
- Shareholder specification ✓✓
- Transparency ✓✓
- Accountability and audit conditions ✓✓
- Social transformation – requirements specified ✓✓
- Fairness ✓✓

(Any 4 x 2) (8)

## 6.5 Steps in grievance procedure

- Verbal complaint ✓ – the employee states his problem to his supervisor. ✓✓
- Investigation ✓ – the supervisor listens, investigates the problem and suggests solutions. ✓✓
- Formal written complaint ✓ – if the employee is not satisfied with the suggested solutions, he/she can make a formal written complaint to the next level of management. ✓✓
- Further investigation by next level of management ✓ – this level investigates the problem again, suggests a solution and makes a recommendation. ✓✓
- Resolution of the problem ✓ – grievance is solved and the employee is happy. ✓✓
- If not satisfied, the employee declares a dispute ✓ – the matter is referred for mediation and arbitration i.e. CCMA. ✓✓
- Any relevant answer related to steps in grievance procedures.

Steps – 1 mark  
Explanation – 2 marks  
(Any 4 x 3) (12)

## 6.6 Distinguish between leadership and management

<b>MANAGEMENT</b>	<b>LEADERSHIP</b>
A person becomes a manager, because of his position.	Leaders are born
The process of getting things done by exercising responsibility	Inspiring or influencing people to become achievers.
Try to keep risks under control	Guiding and leading people to become active participants.
Manager has power because of the position of authority given to him.	Leader has power because of his knowledge, skills.
Enforce rules on subordinates	Always trying to find more efficient ways of completing tasks.
Management distributes tasks to others	Motivate people, empower people
Acts as advisors – give instructions	Always on the lookout for business opportunities
Ensure that tasks are completed.	Leaders are activity involved in most of the projects.
(Any 3x 2) (6)	(Any 3 x 2) (6)

(12)  
[60]**TOTAL SECTION B: 180**

**SECTION C****Mark only the first TWO (2) questions****QUESTION 7****7.1 Introduction**

- The BBBEE Acts deals with codes of good practice and industry charters.
- BBBEE aims to distribute wealth amongst all South Africans by encouraging businesses to employ black South Africans.
- BBBEE is the economic empowerment of all black people including women, workers, youth people with disabilities and people living in rural areas.
- Companies are ranked according to a total BEE score achieved on the seven pillars of BBBEE.
- Any relevant introduction related to BBBEE. (Any 3 x 1) (3)

**7.2 7.2.1 Impact of BBBEE pillars on businesses****7.2.1.1 Ownership.**

- Many black people cannot afford shares/contributions to partnerships.
- More opportunities are created for black people to become owners.
- Businesses sometimes find it difficult to find suitable black business partners.
- Business should include black people in shareholding.
- Any other relevant answer related to the ownership according to BBBEE. Sub max (6)

**7.2.1.2 Management.**

- Due to shortage of skilled black managers, some businesses find it difficult to make appointments.
- Blacks need to be capacitated on managerial skills.
- Business must ensure black female representation in management i.e. gender equity.
- Appointing black people in senior executive positions/to management.
- Any other relevant answer related to the impact of management according to BBBEE. Sub max (6)

**7.2.1.3 Preferential procurement**

- Suppliers purchasing from BBBEE compliant businesses are given preference to Government tenders.
- Business may outsource their services to unreliable suppliers.
- Purchasing goods and services from other businesses with a good BEE Scorecard.
- Businesses may not have a choice but to use the preferred suppliers.
- Any other relevant answer related to the impact of preferential procurement according to BBBEE. Sub max. (6)

## 7.2.1.4 Skills Development.

- Business must go the extra mile to train staff where learnerships are not offered.
- Business benefits from the increased pool of skilled workers.
- Provide learnerships and learning programmes to black employees.
- The Skills Development Act stipulate that each business to contribute 1% of their payroll to fund the skills development programmes.
- Any other relevant answer related to the impact of skills development according to BBBEE.

Sub max (6)

## 7.2.1.5 Employment Equity.

- May lead to conflict between management and employees.
- Businesses must have Employment Equity Plan in place.
- Voluntary employment equity targets are set and then monitored by the government.
- Business should employ suitable and qualified employees regardless of gender/race/culture, etc.
- Any other relevant answer related to the impact of Employment Equity according to the BBBEE.

Sub max (6)

## 7.2.1.6 Corporate social Investment/social Responsibility

- Social Investment is paid from enterprise's profit that could have been used to lower prices and this could benefit customers.
- Detailed reports must be drawn up.
- Social spending reduces an enterprise's economic efficiency, making it less competitive.
- The community may not support the enterprise i.e. does not buy the product of the enterprise.
- Difficulty in adherence to legislation governing the CSI.
- Any other relevant answer related to the impact of CSI/CSR according to the BBBEE.

Sub max (6)

## 7.2.1.7 Enterprise development

- Black-owned SMME's may become too reliant on support from other businesses.
- Businesses are encouraged to invest/support black owned SMME's.
- Contribution can be monetary or non-monetary.
- Any other relevant answer related to the impact of enterprise development according to the BBBEE.

Sub max (6)

**Max (30)****Only the first FIVE pillars to be marked.**

## 7.3 Role of government.

- Imposes penalty/fines on businesses that do not comply with the BBBEE Act.
- Allocates tenders to those businesses that comply with the legislation.
- Prevents and acts on fronting.
- Prescribes scorecards to score small and large businesses.
- Trains businesses to be correctly implement the scorecards.
- Gives recognition certificates to those businesses which comply with this act.
- Any other relevant answer related to the role of the government.

Sub max (8)

## 7.4 Conclusion

- The government main objective is to address the imbalances of the past.
- Each and every citizen of the country is able to own the factors of production.
- One of the strategies to stimulate the economic growth.
- Any other relevant conclusion related to the pillars of BBBEE (Any 1 x 2) (2)

## BREAKDOWN OF MARKS

DETAILS	MAXIMUM	TOTAL
Introduction	3	Max 32
Impact of any FIVE pillars on business	30	
Role of the government	8	
Conclusion	2	
<b>INSIGHT</b>		
Layout		2
Analysis, interpretation		2
Synthesis		2
Originality		2
<b>TOTAL MARKS</b>		<b>40</b>

- \*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 met.

**[40]**



**QUESTION 8****8.1 Introduction**

- Business ethics means the highest legal and moral standards are upheld when dealing with any stakeholders of the business.
- Business managers need to constantly measure the ethicality of their decisions.
- It is important for businesses to develop their own code of ethics.
- Before making decisions, it is necessary to consider the impact of their decisions and actions. (Any 2 x 1) (2)

**8.2 Ethical behaviour**

- Ethical behaviour goes beyond obeying laws, rules and regulations and involves doing the right thing.
- Set of values that are morally acceptable in society which displays good, right and fair actions.
- These are rules and principles which influence the best business practice.
- Ethical behaviour is a requisite for professionalism.
- Refer to accepted principles of right or wrong. (Any 2 x 2) (4)

**Professional behaviour**

- Various occupational practices e.g. doctors, develop their own code of professionalism.
- Set of standards of expected practices.
- It means:
- Representing your employer, co-workers and yourself with dignity.
- Demonstrating appropriate behaviour towards colleagues, superiors, subordinates and the public at large. (Any 2 x 2) (4)

**8.3 Practical examples****PROFESSIONAL**

- Treating people with respect, helping others, polite languages, dress code.
- Doing the best job possible.
- Do not discuss clients/employees with others
- Any relevant answer (Any 1 x 2) (2)

**ETHICAL**

- No business should be started at the expense of others.
- Pay tax regularly
- Pay fair wages/salaries.
- Environment should be protected.
- No dishonest advertising, corruption, selling of defective products.
- Any relevant answer. (Any 1 x 2) (2)

#### 8.4 TAXATION/TAX EVASION

- Professional behaviour in this regard would be to pay the due tax to the Receiver of Revenue.
- Evasion is punishable by law. (it is a criminal offence)
- The business needs to be familiar with latest changes in tax legislation to avoid fines.
- Tax evasion (company and personal income tax) is a criminal act.
- Government needs all the tax to provide for services such as education, housing, health, etc. (Any 2 x 2) (4)

##### Recommendations

- Government can use bonuses as incentives when businesses pay their taxes before the due date.
- Professional behaviour includes paying taxes and businesses must be educated on the importance of paying taxes.
- Reduce tax and more people will choose to pay tax.
- Evaluate the risk of being caught against the benefit gained from tax evasion. (Any 2 x 2) (4)

#### SEXUAL HARASSMENT

- It is wrong to abuse your position to take advantage of people.
- This is any sexual advance, gesture or remark that causes a person to feel intimidated and threatened.
- It is unwelcome/unwanted attention.
- Sexual harassment is prohibited by labour legislation and companies must educate its employees on this issue.
- Sexual harassment occurs when a superior offers a promotion or a raise in salary in return for sexual favours from the subordinate. (Any 2 x 2) (4)

##### Recommendations

- Formulate a clear policy regarding sexual harassment.
- Businesses must strive to create a positive corporate culture – everyone is protected and members are respected.
- Implementation of a protocol for dealing with sexual harassment.
- Implement a clear complaints and disciplinary procedures. (Any 2 x 2) (4)

#### PRICING OF GOODS IN RURAL AREAS

- Big businesses are reluctant to open outlets in rural areas because of poor returns on their investments.
- Manufactured products in rural areas are much higher than the national average prices.
- The lack of infrastructure in rural areas results in monopolising of some of the goods.
- It is common practice for people in rural areas to pay higher prices for goods which in most cases are inferior quality.
- As a result the businesses lose loyalty of their customers. (Any 2 x 2) (4)

##### Recommendations

- Government is focusing on infrastructure development in rural areas, this include shopping centres.
- Suppliers can work together – take turns to deliver goods.
- Rural storeowners should be encouraged to be more ethical in their dealings – determine fair prices. (Any 2 x 2) (4)

## 8.5 Conclusion

- Profitability of the business is being affected by each of the above issues.
- Ethics and professionalism form an integral part of business operations and practices.
- Businesses who behave professionally and ethically are usually sustainable and have a good public image.
- Accept any appropriate conclusion

(Any 1 x 2) (2)

**BREAKDOWN OF MARKS**

Details	Maximum	Subtotal	Total
Introduction		2	
Ethical behaviour	4	36	
Professional behaviour	4		
Practical examples	4		
Sexual harassment	4		
Taxation	4		
Pricing of goods in rural areas	4		
recommendations	4		
Conclusion		2	
Maximum			32
Layout			2
Analysis			2
Synthesis			2
Originality			2
TOTAL MARKS			40

\*LASO – For each component.

Allocate 2 marks if all requirements are met.

Allocate 1 mark if some of the requirements are met.

Allocate 0 marks where requirements are not met at all.

**[40]**

**QUESTION 9****9.1 Introduction**

- An investment is when you put money into something with the expectation of a gain or returns, either through income or by increasing the investment.
- Investors have range of investment opportunities to choose from.
- They measure these investment opportunities against criteria for good investment.
- Any other relevant introduction related to investment. (Max.) (3)

**9.2 INVESTMENT FACTORS TO BE CONSIDERED****Return on Investment (ROI)**

- The return should be expressed as net after-tax return.
- Refers to income from the investment, namely interest, dividends or capital appreciation on the original amount invested.
- Generally, there will be a direct link between risk and return.
- The net after tax return should be higher than the inflation rate at the time.
- Accept any other relevant introduction. (3)

**Risk**

- An investment with a high rate of return will usually have a greater degree of risk.
- A good investment will be at low risk.
- Example: investing in shares has a high risk than investing in a fixed deposit. (4)

**Liquidity**

- A certain amount of capital should be invested in a type of investment that can be converted to cash.
- The term liquidity is used to describe the ease and speed with which you can convert an investment.
- Example: an investment in a savings account will be easier to convert into cash than an investment in a fixed deposit which is usually deposited for a fixed period of time or property which will take time to sell before investment is converted.
- Any other relevant answer related to liquidity. (4)

**Taxation**

- A good investment will yield good after-tax returns.
- Income tax implications must be considered in order to get to a high net after-tax rate of return.
- South Africa has a high interest rate.
- Tax rates are not necessary the same for different investments. (4)

**Inflation rate**

- Inflation refers to a decrease in the value of money and rising prices
- Income from an investment should be higher than the inflation rate.
- People are highly affected by a high inflation rate because if prices increase they can buy less with their money/ purchasing power decreases.

Investment period ✓✓

- This is the duration of the investment. ✓✓
- It can be short, medium or long term. ✓✓
- The investment period will depend on the customer's personal needs. ✓✓ (4)

### 9.3 FORMS OF INVESTMENT

Unit trusts ✓✓

- It is a package made up of shares in different companies and can be bought directly from the unit trust company. ✓✓
- Risk factor: a stock exchange crash will have a negative impact on the value of the unit. ✓✓ Sub max.

Endowment policies

- This is where companies invest investor's money in large projects such as buildings.
- Risk factor: a forecast is made, which is not always accurate and high unrealistic expectations of the investors are created.

Bonds

- The investors' money is used to finance the purchasing of buildings and the rate of return is normally above average.
- Risk factor: is low

Fixed deposit

- This is a very conservative method of investment – it is based on a fixed rate but it is also more secure.
- Risk factor: is very low as the investor will receive what was promised.

32-day notice account

- Your money is invested at a fixed rate, although you may withdraw it at any time provided you give the bank 32-day notice.
- Risk factor: low because interest rate or rate of return is low.

Property

- Property can keep up with inflation and can be a very effective way of gearing your investment.
- Risk factor: is moderate to high as much depends on the location of the property and the political and economic environment.

Offshore investment

- Offshore investment is the keeping of money in a jurisdiction other than one's country of residence.
- They also allow legitimate investors to take advantage of higher rates of return or lower rates of tax on that return.
- Risk factor: is low medium or high risk – influenced by the economic performance of the country that has been invested in.

## Retirement Annuities (RAs)

- Investment in which an individual pays a monthly premium over a long period of time before retirement.
- On retirement the money is paid out to the investor, to provide for his/her retirement.
- Risk factor: low risk – funds are protected from creditors.

NOTE: Mark first FIVE (5) types of investment only.

Type: Sub max (4)  
 Risk: Sub max (2)  
 Max (30)

## 9.5 Conclusion

- Money can be invested on behalf of an individual by an asset management company.
- After considering the various investment opportunities and risk factors, the partners can make a calculated decision. (max) (2)

**BREAKDOWN OF MARK ALLOCATION**

DETAILS	MAXIMUM	TOTAL
Introduction	3	Max. 32
Investment factors	12	
Types of investment & risk factor	5 x 6 = 30	
Conclusion	2	
<b>INSIGHT</b>		
Layout		2
Analysis, interpretation		2
Synthesis		2
Originality, examples		2
<b>TOTAL MARKS</b>		<b>40</b>

\*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.

**[40]**

**QUESTION 10**

## 10.1 Introduction

- Human resources management involves the process of finding the appropriate worker with the relevant skills to fill a particular vacancy to meet the goals of the enterprise.✓
- Businesses must follow a step-by-step process to ensure that most efficient candidates will be selected for the post.✓
- Human Resources Management is an on-going management function.✓
- It ensures that the aim and objectives of the business are achieved and proper planning of human resource is done.✓
- Any other relevant introduction related to Human Resources Function.

(Any 3 x 1) (3)

## 10.2 Recruitment✓✓

- Determine the key performance areas of the specific job.✓✓
- If, external, select the relevant recruitment source e.g. from recruitment agencies, tertiary institution or placing an advertisement in the newspaper.✓✓
- The job analysis must be done, e.g. the job description and job specification.✓✓
- The two kinds of resources are internal or external.✓✓
- The internal source is when the candidate is found from within the business and external is when the business makes use of advertising educational institutions, head hunting, etc.✓✓
- Any relevant answer relating to recruitment.

Heading 2

Discussion (Any 3 x 2) 6

Maximum (8)

## Selection ✓✓

- Drawing up criteria stating factors such as skills, characteristics and experience that are applicable to the post. ✓✓
- Select the most suitable candidates from the application forms (CV). ✓✓
- The Human resources manager must formulate short-listing criteria for the applicants. ✓✓
- Inform unsuccessful candidates about the outcome of their application. ✓✓
- The HR manager invites the candidates who were short-listed to an interview. ✓✓
- Candidates may also ask to complete certain tests, e.g. personality tests, aptitude tests and/ or skills tests. ✓✓
- The successful candidate is informed by correspondence, that he/she is appointed. ✓✓
- The successful candidate will receive a written contract and he/she must sign it.

Heading 2

Discussion (Any 3 x 2) 6

Max. (8)

**Legalities of the employment contract**

- Employment contract is an agreement between the employer and the employee and is legally binding. ✓✓
- It may not contain any requirements that are in conflict with the BCEA. ✓✓
- Aspects of the employment contract can be re-negotiated during the course of employment. ✓✓
- No party may unilaterally change aspects of the employment contract. ✓✓
- The employment contract should include a code of conduct and code of ethics. ✓✓
- The HR manager must be explaining the clauses in the employment contract to the employee in his/her understandable language preferably his/her home language. ✓✓
- Conditions of employment, duties and responsibilities of the employee must be stipulated clearly. ✓✓
- All company policies, procedures and disciplinary codes/rules can form part of the employment contract. ✓✓
- Any other relevant answer related to the legalities of the employment contract.

Max (12)

**Contents of the employment contract****Details of the employer**

- The employment contract must contain the address and contact details of the business.

**Personal details of the employee**

- The contract must have the physical address, contact details, as well as other details of the employee, e.g. ID number, age, full name(s)

**Job title and job description**

- The contract must clearly state the job title and outline the duties and responsibilities of the employee.

**Working hours**

- Hours of work, in line with the BCEA, must be clearly stated in the contract.

**Overtime**

- Overtime hours per day and per week must be clearly outlined in the contract.
- Work time that will be deemed as overtime should be explained in detail. e.g. Sundays and public holidays

**Remuneration package**

- The contract stipulated the amount payable to the employee.

**Leave**

- Employment contract must stipulate the different types of leaves and the number of days allowed for each type of leave as per BCEA.

**Termination of employment contract**

- Employment contract must give clear guidelines regarding the procedures involved in terminating the contract.

Max. (10)



## 10.3 Conclusion

- An effective human resource recruitment process will ensure a low employee turnover for the company.
- The human resources manager must also ensure that employees are well motivated, trained and committed to their duties. (Any 1 x 2) (2)

**BREAKDOWN OF MARK ALLOCATION**

Details	Maximum	Total
Introduction	3	Max. 32
Recruitment and selection	16	
Legal requirements	12	
Contents of contract	10	
Conclusion	2	
<b>INSIGHT</b>		
Layout		2
Analysis		2
Synthesis		2
Originality		2
<b>TOTAL MARKS</b>		<b>40</b>

(40)

**TOTAL SECTION C: 80**  
**GRAND TOTAL: 300**