



Province of the  
**EASTERN CAPE**  
EDUCATION



# **NATIONAL SENIOR CERTIFICATE**

**GRADE 12**

**JUNE 2022**

## **BUSINESS STUDIES P1 MARKING GUIDELINE**

**MARKS: 150**

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This marking guideline consists of 26 pages.

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## NOTES TO MARKERS

### 1. 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

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

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

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

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

Cognitive verbs, such as:

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

**14. SECTION B**

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

**NOTE:** This applies only 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 at the marking centre to finalise alternative answers.

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

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

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

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

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

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

**15. SECTION C**

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

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

15.2 Insight consists of the following components:

Layout/Structure	Is there an introduction, a body, and a conclusion?	<b>2</b>
Analysis and interpretation	Is the candidate able to break down the question into headings/subheadings/interpret it correctly to show understanding of what is being asked?  Marks to be allocated using this guide: All headings addressed: 1 (One 'A') Interpretation (16 to 32 marks): 1 (One 'A')	<b>2</b>
Synthesis	Are there relevant decisions/facts/responses made based on the questions? Marks to be allocated using this guide:  Option 1: <b>Only relevant facts: 2 marks (No '-S')</b> Where a candidate answers 50% or more (two to four sub-questions) of the question with only relevant facts; no '-S' appears in the left margin. Award the maximum of TWO (2) marks for synthesis.  Option 2: <b>Some relevant facts: 1 mark (One '-S')</b> Where a candidate answers less than 50% (only one sub-question) of the question with only OR some relevant facts; one '-S' appears in the left margin. Award a maximum of ONE (1) mark for synthesis.  Option 3: <b>Some relevant facts: 1 mark (One '-S')</b> Where a candidate writes FOUR questions, but one sub-question of the question with no relevant facts; one '-S' appears in the left margin. Award a maximum of ONE (1) mark for synthesis.  Option 4: <b>No relevant facts: 0 marks (Two '-S')</b> Where a candidate answers less than 50% (only one sub-question) of the question with no relevant facts; two '-S' appear in the left margin. Award a ZERO mark for synthesis.	<b>2</b>
Originality	Is there evidence of examples based on recent 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 awarded for layout, if the headings **INTRODUCTION** and **CONCLUSION** are not supported by an explanation.

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

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

CONTENT	MARKS
Facts	<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>

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

**SECTION A****QUESTION 1**

- 1.1    1.1.1    D ✓✓  
       1.1.2    A ✓✓  
       1.1.3    C ✓✓  
       1.1.4    A ✓✓  
       1.1.5    B ✓✓

(5 x 2) (10)

- 1.2    1.2.1    learnership ✓✓  
       1.2.2    SWOT ✓✓  
       1.2.3    strategy evaluation ✓✓  
       1.2.4    fringe benefits ✓✓  
       1.2.5    quality control ✓✓

(5 x 2) (10)

- 1.3    1.3.1    C ✓✓  
       1.3.2    H ✓✓  
       1.3.3    I ✓✓  
       1.3.4    G ✓✓  
       1.3.5    B ✓✓

(5 x 2) (10)

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

QUESTION 1	MARKS
1.1	10
1.2	10
1.3	10
<b>TOTAL</b>	<b>30</b>

**SECTION B**

Mark the **FIRST TWO** answers only.

**QUESTION 2: BUSINESS ENVIRONMENTS****2.1 Consumer rights as stipulated in the Consumer Protection Act/CPA**

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

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

**2. Only award marks for the consumer rights as mentioned above.**

(4 x 1) (4)

**2.2 Role of SETAs in supporting the SDA**

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

Max. (4)

**2.3 Intensive strategies**

2.3.1 Market development ✓✓

(2)



**2.3.2 Advantages of intensive strategies**

- Increase in sales/income/profitability ✓ due to a variety of advertising campaigns ✓
- Regular sales ✓ to existing customers may increase. ✓
- Gain customer loyalty ✓ through effective promotion campaigns. ✓
- Improved service delivery ✓ may positively impact/increase sales. ✓
- Eliminates competitors ✓ and dominates market prices. ✓
- Decrease in price could influence customers ✓ to buy more products. ✓
- Businesses can have more control ✓ over the price of products/services. ✓
- Enables the business to focus ✓ on markets/well researched quality products that satisfy the needs of consumers. ✓
- Increased market share ✓ reduces the business's vulnerability to actions of competitors. ✓
- Any other relevant answer related to the advantages of intensive strategies.

Max. (4)

**2.4 Strategic management process****OPTION 1**

- Have a clear ✓ vision/mission statement/measurable/realistic objective in place. ✓
- Identify opportunities/weaknesses/strengths/threats ✓ by conducting environmental scanning/situational analysis. ✓
- Tools available for environmental scanning ✓ may include a SWOT analysis/Porter's Five Forces model/PESTLE analysis/industrial analysis tools. ✓
- Formulate alternative strategies ✓ to respond to the challenges. ✓
- Develop (an) action plan(s), ✓ including the tasks to be done/deadlines to be met/resources to be procured. ✓
- Implement selected strategies ✓ by communicating it to all stakeholders/organising business resources/motivating staff. ✓
- Continuously evaluate/monitor/measure strategies ✓ in order to take corrective action. ✓
- Any other relevant answer related to the strategic management process.

**OR****OPTION 2**

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

Max. (6)

## 2.5 Legislation

2.5.1 Basic Conditions of Employment Act/BCEA ✓✓ (2)

2.5.2 **Other actions that could be regarded as non-compliance to the BCEA**

- Forbidding workers to discuss wages/salaries ✓ with co-workers. ✓
- Preventing workers from having access ✓ to employment contracts. ✓
- Refusing to accept a valid medical certificate ✓ of a sick worker. ✓
- Any other relevant answer related to the other actions that could be regarded as non-compliance to the BCEA.

Max. (4)

## 2.6 Impact of Compensation for Occupational Injuries and Diseases Amendment Act

### Positives/Advantages

- Promotes safety ✓ in the workplace. ✓
- Employees do not contribute ✓ towards this fund. ✓
- Claiming processes ✓ are relatively simple. ✓
- Eliminates time and costs spent ✓ on lengthy civil court proceedings. ✓
- Any compensation to an employee/the family ✓ is exempt from income tax. ✓
- Employers are protected from financial burden should an accident occur in the workplace ✓ provided that the employer was not negligent. ✓
- Makes businesses more socially responsible ✓ as they cannot just employ workers at random in dangerous working conditions. ✓
- Workers are treated with dignity and respect ✓ as businesses view them as valuable assets and not just as workers. ✓
- Covers all employees at the workplace ✓ if both parties meet all the necessary safety provisions in the Act. ✓
- Creates a framework ✓ for acceptable employment practices/safety regulations. ✓
- Supply administrative guidelines/mechanisms ✓ for dealing with/processing claims. ✓
- Employees are compensated financially for any injury/disability ✓ resulting from performing their duties at their workplace. ✓
- In the event of the death of an employee as a result of a work-related accident/disease, ✓ his/her dependent(s) will receive financial support. ✓
- Employees receive medical assistance ✓ provided there is no other medical assistance option. ✓/Cannot claim medical assistance from the fund ✓ and medical aid. ✓
- Medical expenses/Other types of compensation are paid to employees and/or their families ✓ depending on the type/severity of the injuries. ✓
- 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. ✓
- Any other relevant answer related to the positive impact/advantages of the COIDA on businesses.

**AND/OR**

**Negatives/Disadvantages**

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

Max. (6)

**2.7 Ways in which businesses can deal with the challenges posed by the PESTLE factors****2.7.1 Environmental**

- Chemicals/Ingredients should be clearly indicated on labels/ packaging to inform customers about possible side effects/correct use of products. ✓✓
- Implement cost effective measures to dispose of medical waste. ✓✓
- Implement recycling measures to prevent pollution of the environment/Use packaging that is re-usable/recyclable. ✓✓
- Any other relevant answer related to ways in which businesses could deal with the challenges posed by the environmental factors as a PESTLE factor.

Max. (4)

**2.7.2 Technological**

- Continuous research on the latest available technology/ equipment in the market. ✓✓
- Businesses should train existing/appoint new employees to maintain/use new equipment. ✓✓
- Compare prices/Select suitable suppliers for new equipment at reasonable prices. ✓✓
- Businesses must be geared for online trading/ e-commerce. ✓✓
- Any other relevant answer related to the ways in which businesses could deal with challenges posed by technological factors as a PESTLE element.

Max. (4)

**[40]**

**BREAKDOWN OF MARKS**

<b>QUESTION 2</b>	<b>MARKS</b>
<b>2.1</b>	<b>4</b>
<b>2.2</b>	<b>4</b>
<b>2.3.1</b>	<b>2</b>
<b>2.3.2</b>	<b>4</b>
<b>2.4</b>	<b>6</b>
<b>2.5.1</b>	<b>2</b>
<b>2.5.2</b>	<b>4</b>
<b>2.6</b>	<b>6</b>
<b>2.7.1</b>	<b>4</b>
<b>2.7.2</b>	<b>4</b>
<b>TOTAL</b>	<b>40</b>

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

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

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

(4 x 1) (4)

### 3.2 Role of the interviewee during an interview

- Greet the interviewer by name with a solid handshake and a friendly smile. ✓✓
- Listen carefully to the questions before responding. ✓✓
- Make eye contact and have good posture/body language. ✓✓
- Show confidence and have a positive attitude/be assertive. ✓✓
- Be inquisitive and show interest in the business. ✓✓
- Ask clarity seeking questions. ✓✓
- Show respect and treat the interview with its due importance. ✓✓
- Be honest about mistakes and explain how you dealt with it. ✓✓
- Know your strengths and weaknesses and be prepared to discuss it. ✓✓
- Thank the interviewer for the opportunity given to be part of the interview. ✓✓
- Any other relevant answer related to role of the interviewee during the interview.

Max. (4)

### 3.3.1 Reasons for termination of employment contracts from the scenario

REASONS FOR TERMINATION OF EMPLOYMENT CONTRACTS		MOTIVATIONS
1.	Resignation ✓✓	John, the marketing manager decided to leave GLT after being offered a better job opportunity. ✓
2.	Retirement ✓✓	Mary's employment contract was terminated when she reached the age of 65. ✓
Sub-max. (4)		Sub-max. (2)

- NOTE:**
1. Mark the first TWO (2) only.
  2. The answer does not have to be in tabular format.
  3. Award marks for the reasons for termination of employment contracts even if the quotes were incomplete.
  4. Do not award marks for the motivations if the reasons for termination of employment contracts were incorrectly identified.

Max. (6)

### 3.4 Impact of internal recruitment on businesses

#### Positives/Advantages

- Cheaper/Quicker to fill ✓ the post. ✓
- Placement is easy, ✓ as management knows the employees' skills/personality/experience/strengths. ✓
- Provides opportunities for career paths ✓ within the business. ✓
- The employee already has an understanding of how the business operates, ✓ induction/training is not always necessary. ✓
- Reduces the chances of losing employees, ✓ as future career prospects are available. ✓
- Detailed, reliable information can be obtained ✓ from the supervisors/employee records. ✓
- Any other relevant answer related to the positive impact/advantages of internal recruitment on businesses.

**AND/OR****Negatives/Disadvantages**

- Current employees may not bring new ideas ✓ into the business. ✓
- Promoting a current employee may cause resentment ✓ amongst other employees. ✓
- Promotion may disrupt business operations ✓ as it creates open vacancies that need to be filled. ✓
- The number of applicants is limited ✓ to current staff only. ✓
- Employees who do not really have the required skills for the new job ✓ may be promoted. ✓
- Current employees may need to be trained/developed ✓ before they can be promoted, which can be expensive. ✓
- Staff that is not promoted may feel demotivated ✓ which may hamper productivity. ✓
- Any other relevant answer related to the negative impact/ disadvantages of internal recruitment on businesses.

Max. (6)

**3.5 Roles of quality circles as part of continuous improvement to processes and systems****3.5.1 Roles of quality circles as part of continuous improvement to processes and systems from the scenario**

- The management always requests quality circles to make suggestions for improving systems and processes. ✓
- Quality circles also ensure that there is no duplication of tasks in the workplace. ✓

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

(2 x 1) (2)

**3.5.2 Other roles of quality circles as part of continuous improvement to processes and systems**

- Solve problems related to quality ✓ and implement improvements. ✓
- Investigate problems ✓ and suggest solutions to management. ✓
- Improve the quality of products/services/productivity ✓ through regular reviews of quality processes. ✓
- Monitor/Reinforce strategies ✓ to improve the smooth running of business operations. ✓
- Increase employees' morale ✓ and motivation. ✓
- Quality circles discuss ways of improving ✓ the quality of work/workmanship. ✓
- Contribute towards the improvement ✓ and development of the organisation. ✓
- Reduce costs of redundancy/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/commitment ✓ to the organisational 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 other roles of quality circles as part of continuous improvement to processes and systems.

**NOTE: Do not award marks for responses quoted in QUESTION 3.5.1.**

Max. (6)

**3.6 Ways in which total quality management (TQM) reduces the cost of quality**

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

Max. (6)

**3.7 Quality indicators of the general management function**

- Develop/Implement/Monitor effective strategic plans. ✓✓
- Efficient organisation/allocation of business resources to provide for the successful achievement of long-term and short-term plans. ✓✓
- Structured standards and norms should be in place so that control mechanisms can be implemented. ✓✓
- Learn about/understand changes in the business environment on an on-going basis.
- Effectively communicate shared vision, mission and values. ✓✓
- Set direction and establish priorities for their business. ✓✓
- Be prepared to set an example of the behaviour that is expected from employees in terms of ethics as well as productivity. ✓✓
- Be proactive and always seeks to improve competitive advantage over competitors. ✓✓
- Ensure that all departments/the business meet their deadlines/targets. ✓✓
- Any other relevant answer related to the quality indicators of the general management function.

Max. (6)  
**[40]**

**BREAKDOWN OF MARKS**

<b>QUESTION 3</b>	<b>MARKS</b>
<b>3.1</b>	<b>4</b>
<b>3.2</b>	<b>4</b>
<b>3.3.1</b>	<b>6</b>
<b>3.4</b>	<b>6</b>
<b>3.5.1</b>	<b>2</b>
<b>3.5.2</b>	<b>6</b>
<b>3.6</b>	<b>6</b>
<b>3.7</b>	<b>6</b>
<b>TOTAL</b>	<b>40</b>

**QUESTION 4: MISCELLANEOUS TOPICS****BUSINESS ENVIRONMENTS****4.1 Types of diversification strategies**

- Concentric ✓
- Horizontal ✓
- Conglomerate ✓

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

(2 x 1) (2)

**4.2 Force of Porter's Five Forces model from statements**

4.2.1 Barriers to new entrants to the market ✓✓

4.2.2 Power of the competitors/Competitive rivalry ✓✓

(4)

**4.3 Business environments and extent of control**

<b>BUSINESS ENVIRONMENTS</b> <b>4.3.1</b>	<b>EXTENT OF CONTROL</b> <b>4.3.2</b>
1. Micro environment ✓	Full control ✓
2. Market environment ✓	Partial/Some/Limited/Less/Little control ✓
3. Macro environment ✓	No control ✓
Sub-max. (2)	Sub-max. (2)

- NOTE:**
1. Mark the first TWO (2) environments only.
  2. The answer does not have to be in tabular format.
  3. Award marks for the business environment even if the extent of control is not indicated/incorrect.
  4. The extent of control must be linked to the business environment.
  5. Accept responses in any order.

Max. (4)



#### 4.4 Types of defensive strategies

##### Divestiture/Divestment ✓✓

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

Strategy (2)  
Discussion (1)  
Sub-max. (3)

##### Liquidation

- Selling all assets to pay creditors due to a lack of capital. ✓
- Selling the entire business in order to pay shareholders a fair price for their shares. ✓
- Allowing creditors to apply for forced liquidation in order to have their claims settled. ✓
- Any other relevant answer related to liquidation as a defensive strategy.

Strategy (2)  
Discussion (1)  
Sub-max. (3)

##### Retrenchment

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

Strategy (2)  
Discussion (1)  
Sub-max. (3)

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

Max. (6)

**4.5 Application of enterprise and supplier development/ESD as a BBBEE pillar**

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

Max. (4)

**BUSINESS OPERATIONS****4.6 Salary determination methods that businesses could apply to remunerate their employees**

- Piecemeal ✓
- Time-related ✓

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

(2 x 1) (2)

**4.7 Source of external recruitment from given statements**

4.7.1 Headhunting ✓✓

4.7.2 Social networks ✓✓

(4)

**4.8 UIF as a benefit required by law**

- The employer and the worker each contribute 1%. ✓
- Employers must pay unemployment insurance contributions ✓ of 2% of the value of each worker's salary per month. ✓
- The fund also assists the dependants ✓ of a contributing worker who has died. ✓
- The fund offers short-term financial assistance to workers ✓ when they become unemployed or are unable to work due to illness, maternity or adoption leave. ✓
- Contributions are paid to the Unemployment Insurance Fund (UIF) ✓ or the South African Revenue Services (SARS). ✓
- Any other relevant answer related to UIF as a benefit required by law.

Max. (4)

## 4.9 Quality of performance

### 4.9.1 Business functions from the scenario

BUSINESS FUNCTIONS		MOTIVATIONS
1.	Production ✓✓	They utilise machines and equipment optimally. ✓
2.	Human resources ✓✓	SM offered performance incentives to their staff to encourage quality work. ✓
Sub-max. (4)		Sub-max. (2)

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

Max. (6)

### 4.10 Advantages of continuous skills development/education and training on large businesses as a total quality management (TQM) element.

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

Max. (4)  
[40]

### BREAKDOWN OF MARKS

QUESTION 4	MARKS
4.1	2
4.2	4
4.3	4
4.4	6
4.5	4
4.6	2
4.7	4
4.8	4
4.9	6
4.10	4
<b>TOTAL</b>	<b>40</b>

**TOTAL SECTION B: 80**

**SECTION C**

Mark the **FIRST** question only.

**QUESTION 5: BUSINESS ENVIRONMENTS (LEGISLATION)****5.1 Introduction**

- The Employment Equity Act was introduced to redress the economic imbalances of the past. ✓
- Penalties/Consequences for non-compliance encourage businesses to comply to this Act. ✓
- The EEA applies to all employers, employees and people applying for jobs. ✓
- The aim of the Act is to ensure that transformation takes place in the workplace. ✓
- Employment policies and procedures must be aligned with the requirements of the Act. ✓
- Any other relevant introduction related to the purpose/penalties of non-compliance/impact of the EEA on businesses/ways in which businesses can comply with the EEA.

(Any 2 x 1) (2)

**5.2 Purpose of the EEA**

- The EEA allows employees who do the same work to be paid equally. ✓✓
- Eliminates discrimination on grounds of gender/race/disability in the workplace. ✓✓
- Promotes equal opportunity and fair treatment in the workplace. ✓✓
- Protects employees from victimisation if they exercise the rights given to them by the EEA. ✓✓
- Promotes diversity in the workplace by ensuring that people of diverse backgrounds are appointed. ✓✓
- Ensures equal representation in the workplace through the implementation of affirmative action. ✓✓
- Ensure equal representation of all population groups in the workplace. ✓✓
- Any other relevant answer related to the purpose of the Employment Equity Act.

Max. (10)

**5.3 Penalties/Consequences for non-compliance to the EEA**

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

Max. (10)

**5.4 Impact of the EEA on businesses****Positives/Advantages**

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

**AND/OR****Negatives/Disadvantages**

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

Max. (14)

### 5.5 Ways in which businesses can comply with the EEA

- Businesses should guard against discriminatory appointments. ✓✓
- Assess the racial composition of all employees, including senior management. ✓✓
- Ensure that there is equal representation of all racial groups in every level of employment. ✓✓
- Clearly define the appointment process, so that all parties are well informed. ✓✓
- Ensure that diversity/inclusivity in the workplace is achieved. ✓✓
- Prepare an employment equity plan in consultation with employees. ✓✓
- Compile employment equity plans that indicate how they will implement affirmative action. ✓✓
- Ensure that affirmative action measures promote diversity in the workplace. ✓✓
- Implement the employment equity plan. ✓✓
- Implement affirmative action measures to redress disadvantages experienced by designated groups. /Accommodate people from different designated groups. ✓✓
- Submit the employment equity plan to the Department of Labour. ✓✓
- Assign one or more senior managers to ensure implementation and monitoring of the employment equity plan. ✓✓
- Eliminate barriers that have an adverse impact on designated groups. ✓✓
- Regularly report to the Department of Labour on progress in implementing the plan. ✓✓
- Display a summary of the Act where employees can clearly see/have access to the document. ✓✓
- Conduct medical/psychological tests fairly to employees/when deemed necessary/Use certified psychometric tests to assess applicants/employees to ensure that suitable candidates are appointed. ✓✓
- Ensure that the workplace represents the demographics of the country at all levels. ✓✓
- Restructure/Analyse current employment policies/practices/procedures to accommodate designated groups. ✓✓
- Retrain/Develop/Train designated groups through skills development programmes. ✓✓
- Employees must be paid equal for work of equal value. ✓✓
- Any other relevant answer related to ways in which businesses can comply with the EEA.

Max. (12)

### 5.6 Conclusion

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

(Any 1 x 2) (2)

[40]

**QUESTION 5: BREAKDOWN OF MARKS**

DETAILS	MAXIMUM	TOTAL
Introduction	2	<b>Max. 32</b>
Purpose of the Employment Equity Act	10	
Penalties/consequences of non-compliance with the EEA	10	
Impact of the EEA on businesses	14	
Ways in which businesses can comply with the EEA	12	
Conclusion	2	
<b>INSIGHT</b>		
Layout	2	<b>8</b>
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.

**QUESTION 6: BUSINESS OPERATIONS (QUALITY OF PERFORMANCE)****6.1 Introduction**

- Quality management should not just be an inspection process, but become part of the culture of the business. ✓
- Businesses that implement quality concepts enjoy the benefit of good quality products and services. ✓
- Total quality relates to products that totally satisfy consumers' needs and expectations in every respect on a continuous basis. ✓
- The poor implementation of TQM need to be avoided to prevent unnecessary businesses expenses and possible failure and ensure quality products at a lower cost. ✓
- Any other relevant introduction related to the differences between quality management and quality performance/benefits of a good quality management system/impact of total client/customer satisfaction as a TQM element on large businesses/impact of TQM if poorly implemented by businesses. (Any 2 x 1) (2)

## 6.2 Differences between quality management and quality performance

QUALITY MANAGEMENT	QUALITY PERFORMANCE
- Techniques/tools ✓ used to design/improve the quality of a product. ✓	- Total performance of each department measured ✓ against the specified standards. ✓
- Can be used for accountability ✓ within each of the business functions. ✓	- Can be obtained if all departments work together ✓ towards the same quality standards. ✓
- Aims to ensure that the quality of goods/services ✓ is consistent ✓/ Focuses on the means ✓ to achieve consistency. ✓	- Quality is measured ✓ through physical product/statistical output of processes/surveys of the users and/ or buyers of goods/services. ✓
- Any other relevant answer related to quality management.	- Any other relevant answer related to quality performance.
Sub-max. (4)	Sub-max. (4)

- NOTE:**
1. The answer does not have to be in tabular format.
  2. The differences do not have to link but must be clear.
  3. Award a maximum of FOUR (4) marks if the differences are not clear/Mark either quality management or quality performance only.

Max. (8)

## 6.3 Benefits of a good quality management system

- Effective customer services are rendered, ✓ resulting in increased customer satisfaction. ✓
- Time and resources ✓ are used efficiently. ✓
- Productivity increases ✓ through proper time management/using high quality resources. ✓
- Products/Services are constantly improved ✓ resulting in increased levels of customer satisfaction. ✓
- Vision/Mission/Business goals ✓ may be achieved. ✓
- A business has a competitive advantage ✓ over its competitors. ✓
- Regular training will continuously improve ✓ the quality of employees' skills/ knowledge. ✓
- Employers and employees will have a healthy working relationship ✓ resulting in happy/productive workers. ✓
- Increased market share/more customers ✓ improve profitability. ✓
- Improves business image ✓ as there are less defects/returns. ✓
- Any other relevant answer related to the benefits of a good quality management system.

Max. (14)



**6.4 Impact of total client/customer satisfaction as a TQM element on large businesses****Positives/Advantages**

- Large businesses use market research/customer surveys ✓ to measure/monitor customer satisfaction/analyse customers' needs. ✓
- Continuously promote ✓ a positive company image. ✓
- May achieve a state of total client/customer satisfaction, ✓ if businesses follow sound business practices that incorporate all stakeholders. ✓
- Strive to understand and fulfil customer expectations ✓ by aligning cross-functional teams across critical processes. ✓
- Ensures that cross-functional teams understand their core competencies ✓ and develop/strengthen it. ✓
- May lead to higher customer retention/loyalty ✓ and businesses may be able to charge higher prices. ✓
- Large businesses may be able to gain access ✓ to the global market. ✓
- May lead to increased ✓ competitiveness/profitability. ✓
- Any other relevant answer related to the positive impact/advantages of total client/customer satisfaction as a TQM element on large businesses.

**AND/OR****Negatives/Disadvantages**

- Employees who seldom come into contact with customers ✓ often do not have a clear idea of what will satisfy their needs. ✓
- Monopolistic companies have an increased bargaining power ✓ so they do not necessarily have to please customers. ✓
- Not all employees may be involved /committed ✓ to total client/customer satisfaction. ✓
- Any other relevant answer related to the negative impact/disadvantages of total client/customer satisfaction as a TQM element on large businesses.

Max. (12)

**6.5 Impact of total quality management/TQM if 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 of products/services to satisfy the needs of customers. ✓✓
- Businesses' reputation/image may suffer because of poor quality/defective goods. ✓✓
- Customers will have many alternatives to choose from and the impact could be devastating to businesses. ✓✓
- Investors might withdraw investment, if there is a decline in profits. ✓✓
- Decline in sales as more goods are returned by unhappy customers. ✓✓
- High staff turnover, because of poor skills development. ✓✓
- Undocumented/Uncontrolled quality control processes/systems could result in errors/deviations from pre-set quality standards. ✓✓
- Any other relevant answer related to the impact of TQM if poorly implemented by businesses.

Max. (12)

### 6.6 Conclusion

- Quality management and quality performance is important to a business to be sustainable. ✓✓
- Every business should have a quality management system that ensure that all systems and processes are carried out correctly and safely. ✓✓
- Total client/customer satisfaction as a TQM element should be emphasised on a regular basis to ensure the success of a business. ✓✓
- The importance of the correct implementation of TQM should be communicated to all the employees. ✓✓
- Any other relevant conclusion related to the differences between quality management and quality performance/benefits of a good quality management system/impact of total client/customer satisfaction as a TQM element on large businesses/impact of TQM if poorly implemented by businesses.

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

### QUESTION 6: BREAKDOWN OF MARK ALLOCATION

DETAILS	MAXIMUM	TOTAL
Introduction	2	<b>Max. 32</b>
Differences between quality management and quality performance	8	
Benefits of a good quality management systems	14	
Impact of total client/customer satisfaction as a TQM element on large businesses	12	
Impact of TQM if poorly implemented	12	
Conclusion	2	
<b>INSIGHT</b>		
Layout	2	<b>8</b>
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.

**TOTAL SECTION C: 40**  
**GRAND TOTAL: 150**