



Province of the
EASTERN CAPE
EDUCATION

Iphondo leMpuma Kapa; Isibini leMfundo
Provinsie van die Oos-Kaap; Departement van Onderwys
Foratzenle Ya Kapa; Bofelaphisa; Lelapha le Thutha

NATIONAL SENIOR CERTIFICATE

GRADE 12

JUNE 2026

BUSINESS STUDIES P2 MARKING GUIDELINE

MARKS: 150

This marking guideline consists of 29 pages.

NOTES TO MARKERS

PREAMBLE

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

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

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

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

3. Take note of other relevant answers provided by candidates and allocate marks accordingly. (In cases where the answer is unclear or indicates some understanding, part-marks should be awarded, for example, one mark instead of the maximum of two marks.)
4. The word 'Sub-max' is used to facilitate the allocation of marks within a question or sub-question.
5. The purpose of circling marks (guided by 'max' in the breakdown of marks) on the right-hand side is to ensure consistency and accuracy in the marking of scripts as well as for calculation and moderation purposes.
6. Subtotals to questions must be written in the right-hand margin. Circle the subtotals as indicated by the allocation of marks. This must be guided by 'max' in the marking guidelines. Only the total for each question should appear in the left-hand margin next to the appropriate question number.
7. In an indirect question, the theory as well as the response must be relevant and related to the question.
8. Correct numbering of answers to questions or sub questions is recommended in SECTIONS A and B. However, if the numbering is incorrect, follow the sequence of the candidate's responses. Candidates will be penalised if the latter is not clear.

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

Cognitive verbs, such as:

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

13. SECTION B

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

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

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

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

13.4 Use of the cognitive verbs and allocation of marks:

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

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

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

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

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

14. SECTION C

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

Introduction	Maximum: 32
Content	
Conclusion	
Insight	8
TOTAL	40

14.2 Insight consists of the following components:

Layout/Structure	Is there an introduction, paragraphs and a conclusion?	2
Analysis and interpretation	Is the candidate able to break down the question into headings/subheadings/interpret it correctly to show understanding of what is being asked? Marks to be allocated using this guide: All headings addressed: 1 (One 'A') Interpretation (16 to 32 marks): 1 (One 'A')	2
Synthesis	Are there relevant decisions/facts/responses made based on the questions? Option 1: Only relevant facts: 2 marks (No '-S') Where a candidate answers 50% or more (two to four sub-questions) of the question with only relevant facts; no '-S' appears in the left margin. Award the maximum of TWO (2) marks for synthesis. Option 2: Some relevant facts: 1 mark (One '-S') Where a candidate answers less than 50% (only one sub-question) of the question with only/some relevant facts; one '-S' appears in the left margin. Award a maximum of ONE (1) mark for synthesis. Option: 3 Some relevant facts: 1 mark (One '-S') Where a candidate writes FOUR questions, but one/two/three sub-question of the question with no relevant facts; one '-S' appears in the left margin. Award a maximum of ONE (1) mark for synthesis. Option 4: No relevant facts: 0 marks (Two '-S') Where a candidate answers less than 50% (only one sub-question) of the question with no relevant facts; two '-S' appear in the left margin. Award a ZERO mark for synthesis.	2
Originality	Is there evidence of two examples, not older than two (2) years that are based on recent information, current trends and developments?	2
TOTAL FOR INSIGHT:		8
TOTAL MARKS FOR FACTS:		32
TOTAL MARKS FOR ESSAY (8 + 32):		40

- NOTE:**
- 1. No marks will be awarded for contents repeated from the introduction and conclusion.**
 - 2. The candidate forfeits marks for layout if the words INTRODUCTION and CONCLUSION are not stated.**
 - 3. No marks will be awarded for layout, if the headings INTRODUCTION and CONCLUSION are not supported by an explanation.**

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

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

- 14.7 When awarding marks for facts, take note of the sub-maxima indicated, especially if candidates do not make use of the same subheadings. Remember, headings and subheadings are encouraged and contribute to insight (structuring/logical flow/sequencing) and indicate clarity of thought. (See MARK BREAKDOWN at the end of each question.)
- 14.8 If the candidate identifies/interprets the question INCORRECTLY, then he/she may still obtain marks for layout.
- 14.9 If a different approach is used by candidates, ensure that the answers are assessed according to the mark allocation/subheadings as indicated in the marking guideline.
- 14.10 14.10.1 Award TWO marks for complete sentences. Award ONE mark for phrases, incomplete sentences and vague answers.
- 14.10.2 With effect from November 2015, the TWO marks will not necessarily appear at the end of each completed sentence. The ticks (✓) will be separated and indicated next to each fact, e.g. 'Product development is a growth strategy, ✓ where businesses aim to introduce new products into existing markets.' ✓
- This will be informed by the nature and context of the question, as well as the cognitive verb used.
- 14.11 With effect from November 2017, the maximum of TWO (2) marks for facts shown as headings in the marking guidelines, will not necessarily apply to each question. This would also depend on the nature of the question.

SECTION A**QUESTION 1**

- 1.1 1.1.1 C ✓✓
 1.1.2 D ✓✓
 1.1.3 A ✓✓
 1.1.4 B ✓✓
 1.1.5 C ✓✓ (5 x 2) (10)
- 1.2 1.2.1 management ✓✓
 1.2.2 bonus ✓✓
 1.2.3 insurable ✓✓
 1.2.4 responsibility ✓✓
 1.2.5 conflict ✓✓ (5 x 2) (10)
- 1.3 1.3.1 F ✓✓
 1.3.2 E ✓✓
 1.3.3 J ✓✓
 1.3.4 H ✓✓
 1.3.5 A ✓✓ (5 x 2) (10)

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

QUESTION 1	MARKS
1.1	10
1.2	10
1.3	10
TOTAL	30

SECTION B

Mark the answers to the FIRST TWO questions only.

QUESTION 2: BUSINESS VENTURES**2.1 Examples of long-term insurance**

- Endowment policy ✓
- Life cover policy/Life insurance ✓
- Retirement annuity/Pension fund/Provident fund ✓
- Disability policy ✓
- Trauma insurance ✓
- Funeral insurance ✓
- Health insurance/Medical aid ✓
- Any other relevant answer related to the examples of long-term insurance

NOTE: Mark the first FOUR (4) only.

(4 x 1) (4)

2.2 Advantages of autocratic leadership style for businesses

- Quick decisions can be taken without consulting/considering followers/employees. ✓✓
- Work gets done in time/on schedule. ✓✓
- Line of command/communication is clear as it is top-down/followers know exactly what to do. ✓✓
- Direct supervision and strict control ensure high quality products/service. ✓✓
- Provides strong leadership which makes new employees feel confident and safe. ✓✓
- Works well in large companies where consultation with every employee is impractical. ✓✓
- Clear guidance can be given to low-skilled/inexperienced/new staff. ✓✓
- Any other relevant answer related to the advantages of autocratic leadership style for businesses.

Max. (4)

2.3 Forms of investments

- | | | |
|-------|---|-----|
| 2.3.1 | Shares ✓✓ | (2) |
| 2.3.2 | RSA Retail Savings Bonds/Government Retail Bonds ✓✓ | (2) |
| 2.3.3 | Unit trust ✓✓ | (2) |

2.4 Factors to be considered when making investment decisions

2.4.1 Investment term

- This refers to the duration of the investment ✓ which may influence the return on investment. ✓
- The longer the investment period ✓ the higher the returns. ✓
- The investment period will depend ✓ on an investor's personal needs. ✓
- Short term investments enable investors ✓ to access their money on a short period if needed. ✓
- The investment period can be short, medium and/or long term ✓ depending on the investors' needs. ✓
- Any other relevant answer related to the investment term/period.

Max. (4)

2.4.2 Taxation

- A good investment will yield good ✓ after-tax returns. ✓
- Income tax implications must be considered ✓ in order to ensure a high net after-tax return. ✓
- Tax rates are not necessarily the same ✓ for different investments. ✓
- Any other relevant answer related to the taxation as a factor to consider.

Max. (4)

2.5 Impact of charismatic leadership styles on businesses

Positives/Advantages

- Is an expert at selling vision and achieve excellent results. ✓✓
- Employees are motivated as the leader is energetic/ inspiring. ✓✓
- Inspires loyalty/hard work among employees. ✓✓
- Any other relevant answer related to positives/advantages of charismatic leadership style.

AND/OR

Negatives/Disadvantages

- Leader believes more in him/her than the team. ✓✓
- Projects can collapse if the leader leaves the team. ✓✓
- Leaders are intolerant of challenges and regard themselves as irreplaceable. ✓✓
- Leader' emotions may often be important than the purpose of the team. ✓✓
- Any other relevant answer related to negatives/disadvantages of charismatic leadership style.

Max. (6)

2.6 The roles of a personal attitude in a successful leadership quoted from the scenario

- 2.6.1 - Alfa the owner of OH understands that the right attitude will set the right atmosphere. ✓
- Alfa also models the behaviour that she wants to see in her followers. ✓

(2 x 1) (2)

NOTE: Mark the first TWO (2) only.

2.6.2 Other roles of personal attitude in a successful leadership

- Positive attitude releases leadership potential ✓ for personal growth. ✓
- A leader's good attitude can influence ✓ the success of the business. ✓
- Leaders must know their strengths and weaknesses ✓ to apply their leadership styles effectively. ✓
- Leaders' attitude ✓ may influence employees'/teams' thoughts/behaviour. ✓
- Successful leaders consider the abilities/skills of team members ✓ to allocate tasks/roles effectively. ✓
- Enthusiasm produces confidence in a leader ✓ and inspires them to work even harder. ✓
- A positive attitude is critical for good leadership ✓ because good leaders will stay with the task regardless of difficulties/challenges. ✓
- Successful leaders have a constant desire to work ✓ and achieve personal/professional success. ✓
- Leaders with a positive attitude know that there is always more ✓ to learn/space to grow. ✓
- Any other relevant answer related to the role of personal attitude in a successful leadership.

NOTE: Do NOT award marks for responses that are in QUESTION 2.6.1

Max. (6)

2.7 Differences between *simple* and *compound interest*

SIMPLE INTEREST	COMPOUND INTEREST
- Interest earned on the original amount and not on the interest accrued. √√	- Interest earned on original amount invested, as well as interest earned in previous period(s). √√
- The principal amount remains the same over the entire period of investment. √√	- The principal amount grows with the addition of interest to it. √√
- The interest is kept separate unless it is reinvested. √√	- Interest is calculated on the higher principal amount and again added to it. √√
- Yields less return on investment. √√	- Yields high return on investment. √√
- Total amount of interest earned on investment is less. √√	- Total amount of interest earned on investment is high. √√
- Any other relevant answer related to simple interest.	- Any other relevant answer related to compound interest.
Sub-max. (2)	Sub-max. (2)

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

Max. (4)

BREAKDOWN OF MARKS

QUESTION 2	MARKS
2.1	4
2.2	4
2.3.1	2
2.3.2	2
2.3.3	2
2.4.1	4
2.4.2	4
2.5	6
2.6.1	2
2.6.2	6
2.7	4
TOTAL	40

QUESTION 3: BUSINESS ROLES**3.1 Examples of ethical behaviour**

- Using fair advertising. ✓
- Not using child labour. ✓
- Treating all employees equally. ✓
- Paying fair wages. ✓
- Operating within the law. ✓
- Business deals are conducted openly. ✓
- Not engaging in illegal business practices. ✓
- Ensuring that the environment is not polluted. ✓
- Adopting codes of good ethical practice. ✓
- Establishing corporative social responsibility initiatives. ✓
- Encouraging employees to adopt ethical behaviour. ✓
- Clients and employee's information is not disclosed/used for the benefit of the business. ✓
- Shareholders and employees' personal interest and business interest do not conflict with one another. ✓
- Any other relevant answer related to examples of ethical behaviour.

(2 x 1) (2)**NOTE: Mark the first TWO (2) only.****3.2 Types of difficult employees**

3.2.1 Expert ✓✓ (2)

3.2.2 Indecisive/indecisiveness ✓✓ (2)

3.3 Application of force field analysis

- Describe the current situation/problem ✓ and the desired situation. ✓
- List all driving/pros and restraining/cons forces ✓ that will support and resist change. ✓
- Allocate a score to each force using a numerical scale, ✓ where 1 is weak and 5 is strong. ✓
- Weigh up the positives and negatives ✓ then decide if the project is viable. ✓
- Choose the force with the highest score ✓ as the solution. ✓
- If the project is viable, ✓ find ways to increase the forces for change. ✓
- Identify priorities ✓ and develop an action plan. ✓
- Any other relevant answer related to application of force field.

3.4 Characteristics of successful team performance

- Successful teams share a common goal as team members are part of the process ✓ of setting goals for the group. ✓
- There is a climate of respect/trust ✓ and honesty. ✓
- Share a set of team values ✓ and implement group decisions. ✓
- Successful teams have sound intra-team ✓ relations. ✓
- Teams value the contributions of individual members ✓ and reach consensus on differences. ✓
- Team members enjoy open communication ✓ and deal with items of conflict immediately. ✓
- Teams are accountable ✓ and members know the time frame for achieving their goals. ✓
- Teams pay attention to the needs ✓ of the individual team members. ✓
- Creates an environment where team members are given opportunities to develop ✓ so that team members grow and learn from the experience of working in a team. ✓
- Regular reviews of team processes and progress ✓ may detect/solve problems sooner. ✓
- Balance the necessary skills/knowledge/experience/expertise ✓ to achieve the objectives. ✓
- Any other relevant answer related to characteristics of successful team performance.

Max. (6)

3.5 Stages of team performance from the scenario.

STAGES OF TEAM DEVELOPMENT		MOTIVATION
1.	Performing stage/ Working as a team towards a goal ✓✓	Team members are aware of strategies and aims of the team. ✓
2.	Adjourning /Mourning stage ✓✓	They also know that all tasks must be completed before the team disbands. ✓
Sub-max. (4)		Sub-max. (2)

NOTE: Mark the first TWO only

Do NOT mark motivation if stages of team development are incorrectly identified.

Max. (6)

3.6 Importance of team dynamic theories in improving team performance

- Team dynamic theories explain how ✓ effective teams work/operate. ✓
- Businesses are able to allocate tasks ✓ according to the roles of team members. ✓
- Team members can maximise performance ✓ as tasks are allocated according to their abilities/skills/attributes/personalities. ✓
- Team members with similar strengths may compete for team tasks/responsibilities ✓ that best suit their abilities/competencies. ✓
- Theories assist team leaders to understand the personality types of team members ✓ so that tasks are assigned more effectively. ✓
- Conflict may be minimised ✓ when team members perform different roles. ✓
- Any other relevant answer related to importance of team dynamic theories in improving team performance.

Max. (4)**3.7 Impact of the nominal group technique****Positives/Advantages**

- It provides time to think about the question in silence ✓ before responding. ✓
- Voting on the ideas is anonymous ✓ and may be more reliable/honest. ✓
- Strong technique for preventing conformity ✓ to group pressure. ✓
- Each team member/director has a chance to participate ✓ without interference from other team members. ✓
- Everyone in the group is given an opportunity to contribute to the discussion, ✓ while avoiding the likelihood of one person dominating the group process. ✓
- Enables the group to generate and clarifies a large number of ideas quickly, ✓ and democratically prioritises them. ✓
- It encourages participants to confront issues ✓ through constructive problem solving. ✓
- Any other relevant answer related to the positive impact of nominal group technique in solving complex business problems.

AND/OR**Negatives/Disadvantages**

- Small groups limit participation ✓ and are pre-selected. ✓
- It is time consuming, ✓ as each member must make a presentation. ✓
- Suggestions may not be as creative ✓ as when a group throw ideas around. ✓
- Good ideas can be voted out ✓ because its potential cannot be developed further. ✓
- It minimises discussion ✓ and thus does not allow the full development of ideas. ✓
- Ideas/Inputs made by members may not converge ✓ and cannot lead to the same solution (s). ✓
- It is hard to implement it effectively with large groups ✓ unless very carefully planned beforehand. ✓

- Requires extended advance preparation, ✓ which means that it cannot be a spontaneous technique. ✓
- Any other relevant answer related to the negative impact of nominal group technique in solving complex business problems.

Max. (6)**3.8 Benefits of creative thinking in the workplace**

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

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

QUESTION 3	MARKS
3.1	2
3.2.1	2
3.2.2	2
3.3	6
3.4	6
3.5	6
3.6	4
3.7	6
3.8	6
TOTAL	40

QUESTION 4: MISCELLANEOUS TOPICS**BUSINESS VENTURES****4.1 Types of preference shares**

- Participating preference shares ✓
- Non-participating preference shares/Ordinary preference shares ✓
- Cumulative preference shares ✓
- Non-cumulative preference shares ✓
- Redeemable preference shares ✓
- Non-redeemable preference shares ✓
- Convertible preference shares ✓
- Non-convertible preference shares ✓
- Any other relevant answer related to types of shares (2 x 1) (2)

NOTE: Mark the first TWO (2) only.

4.2 Functions of Johannesburg Securities Exchange (JSE)

- Gives opportunities to financial institutions such as insurance companies to invest their funds in shares. ✓✓
- Serves as a barometer/indicator of economic conditions in South Africa. ✓✓
- Keeps investors informed by publishing the share prices daily. ✓✓
- Acts as a link between investors and public companies. ✓✓
- Shares are valued and assessed by experts. ✓✓
- Small investors are invited to take part in the economy of the country through the buying/selling of shares. ✓✓
- Venture capital market is made available on the open market. ✓✓
- Strict investment rules ensure a disciplined/ orderly market for securities. ✓✓
- Mobilises the funds of insurance companies and other institutions. ✓✓
- Raises primary capital by encouraging new investments in listed on companies ✓✓
- Regulates the market for trading shares. ✓✓
- Plans, researches and advises on investment possibilities. ✓✓
- Ensures that the market operates in a transparent manner. ✓✓
- Provides protection for investors through strict rules/legislation. ✓✓
- Encourages short-term investment as shares can be sold at any time. ✓✓
- Facilitates electronic trading of shares/STRATE/ Channels financial resources into productive economic activities. ✓✓
- Enhance job creation and increase economic growth/ development. ✓✓
- Any other relevant answer related to the functions of Johannesburg securities Exchange (JSE).

Max. (6)

4.3.

	LEADERSHIP STYLES	MOTIVATION
SOLOMON	Democratic leadership style ✓✓	Solomon is a manager at Soso Traders who encourage employees to contribute ideas to improve the sale and profit of the business. ✓
JORGE	Laissez-faire/ Free reign leadership style ✓✓	Jorge is the owner who makes team members improve or develop leadership skills. ✓
	Sub-max. (4)	Sub max. (2)

NOTE: Mark the first TWO only.**Do not mark motivation if leadership styles are incorrectly identified.****Max. (6)****4.4 Transformational / Transitional leadership theory**

- Suitable for a dynamic environment, ✓ where change could be drastic. ✓
- The passion/vision/personality of leaders inspire followers to change their expectations/perceptions/motivation ✓ to work towards a common goal. ✓
- Strategic thinking leaders develop a long-term vision for the organisation ✓ and sell it to subordinates/employees. ✓
- Leaders have the trust/respect/admiration ✓ of their followers / subordinates. ✓
- Promotes intellectual stimulation/creative thinking/problem solving ✓ which result in the growth/development/success of the business. ✓
- Followers are coached/led/mentored/emotionally supported through transformation/change ✓ so that they can share their ideas freely. ✓
- Encourages followers ✓ to explore/try new things/opportunities. ✓
- Leaders lead by example ✓ and make workers interested in their work. ✓
- Leaders have strong, charismatic personalities ✓ and are very good at motivating staff to achieve results. ✓
- Enable employees to take greater ownership for their work ✓ and to know their strengths and weaknesses. ✓
- Any other relevant answer related to transformational/transitional leadership theory.

Max. (6)

BUSINESS ROLES**4.5 Problem solving steps**

- Identify the problem. ✓
- Define the problem. ✓
- Identify possible solutions/alternatives to the problem. ✓
- Evaluate alternative solutions ✓/Identify alternative solutions. ✓
- Choose/Select the most appropriate alternative/solutions. ✓
- Develop action plan ✓
- Implement the suggested solution/action plan. ✓
- Monitor the implementation of the solution/action plan. ✓
- Evaluate the implemented solution/action plan. ✓
- Any other relevant answer related to the problem-solving steps.

NOTE: Mark the first FOUR (4) only.

(4 x 1) (4)

Accept steps in any order

4.6 Ways from the scenario in which MT deals with difficult employees.

- 4.6.1
- The management of MT has identified the type of personality that is giving problems. ✓
 - Employees were told about what specific behaviours are acceptable and were also given opportunities to explain their behaviour. ✓

(2 x 1) (2)

NOTE: Mark the first TWO only.

4.6.2 Other ways to deal with difficult employees in the workplace

- Get a perspective from others who have experienced the same kind of situation ✓ to be able to understand difficult employees. ✓
- Act pro-actively, if possible, ✓ as a staff/personnel problem is part of a manager's responsibilities. ✓
- Regular meetings with supervisors/departmental heads should help ✓ to identify difficult/problem behaviour. ✓
- Ask someone in authority for their input ✓ into the situation. ✓
- Meet privately with difficult employees, ✓ so that there are no distractions from other employees/issues. ✓
- Make intentions and reasons for action known, ✓ so that a difficult person/people feel at ease. ✓
- A deadline should be set ✓ for improving bad/difficult behaviour. ✓
- The deadline date should be discussed with the difficult employee ✓ and his/her progress should be monitored/ assessed prior to the deadline. ✓
- Guidelines for improvement ✓ should be given. ✓
- Do not judge the person ✓ but try to understand him/her/Understand his/her intentions and why he/she reacts in a certain way. ✓
- Keep communication channel open / Encourage employees to communicate their grievances ✓ to the management. ✓

- Build rapport/sound relations by re-establishing personal connection with colleagues, ✓ instead of relying on e-mails / messaging/social media. ✓
- Help difficult employees to be realistic ✓ about the task at hand. ✓
- Remain calm and in control of the situation ✓ to get the person(s) to collaborate. ✓
- Treat people with respect, ✓ irrespective of whether they are capable/competent or not. ✓
- Sometimes it may be necessary to ignore ✓ and only monitor a difficult person. ✓
- Identify and provide an appropriate support program ✓ to address areas of weakness. ✓
- Any other relevant answer related to ways to deal with difficult employees in the workplace.

NOTE: Do NOT award marks for responses that were quoted in Question 4.6.1

(4)

4.7 Differences between problem solving and decision making

PROBLEM SOLVING	DECISION MAKING
- Problems can be solved by a group/ team ✓ or an individual team member. ✓	- It is often done by one person/a member of senior management ✓ who makes it authoritarian. ✓
- Alternative solutions are generated/ identified ✓ and critically evaluated. ✓	- Various alternatives are considered ✓ before deciding on the best one. ✓
- Process of analysing a situation to identify strategies ✓ to bring about change. ✓	- It is part of the problem solving cycle ✓ as decisions need to be taken in each step. ✓
- Any other relevant answer related to problem solving.	- Any other relevant answer related to decision making
Sub-max. (2)	Sub-max. (2)

- NOTE:**
1. Answers do not have to be in a tabular format.
 2. The differences do not have to link but must be clear
 3. Award a maximum of TWO (2) marks if the differences are not clear/Mark either problem solving or decision making only.

Max. (4)

4.8 Ways in which businesses can create an environment that promotes creative thinking in the workplace.

- Make the working environment conducive to creativity/free from distraction/high noise level. ✓✓
- Encourage alternative ways of working/doing things. /Encourage staff to come up with new ideas/opinions/solutions. ✓✓
- Respond enthusiastically to all ideas and never let anyone feel less important. ✓✓
- Reward creativity by offering reward schemes to employees ✓✓ /Introduce incentives for staff members who come up with useful creative ideas. ✓✓
- Place suggestion boxes around the workplace and keep communication channels open for new ideas ✓✓
- Emphasise the importance of creative thinking to ensure that all staff know that management want to hear their ideas. ✓✓
- Make time for brainstorming sessions to generate new ideas, e.g., regular workshops/ generate more ideas/build on one another's ideas. ✓✓
- Train staff in innovative techniques/creative problem-solving skills/mind-mapping/ lateral thinking. ✓✓
- Encourage job swaps within the organisation ✓✓ /Studying how other businesses are doing things. ✓✓
- Any other relevant answer related to ways in which business can create an environment that promotes creative thinking in the workplace.

Max. (6)
[40]

BREAKDOWN OF MARKS

QUESTION 4	MARKS
4.1	2
4.2	6
4.3.1	6
4.4	6
4.5	4
4.6.1	2
4.6.2	4
4.7	4
4.8	6
TOTAL	40

TOTAL SECTION B: 80

SECTION C

Mark the answers to the FIRST question only.

QUESTION 5: BUSINESS VENTURES (INVESTMENT: INSURANCE)**5.1 Introduction**

- Businesses are exposed to many risks during their business operations and must have a sound knowledge of insurance and assurance. ✓
- The insured must however bear in mind that the insurer have principles of insurance and will take over only certain risks from the insured. ✓
- Employees who are registered with the UIF are entitled to claim for stipulated benefits. ✓
- Businesses that take insurance cover for their businesses are better off than those who prefer to bear their own risks. ✓
- Any other relevant answer related to the introduction of differences between insurance and assurance, principles of insurance, benefits of UIF and advantages of insurance. (Any 2 x 1) (2)

5.2 Differences between *insurance* and *assurance*

INSURANCE	ASSURANCE
Based on the principle of indemnity. ✓✓	Based on the principle of security/certainty. ✓✓
The insured transfers the cost of potential loss to the insurer at a premium. ✓✓	The insurer undertakes to pay an agreed sum of money after a certain period has expired/on the death of the insured person, whichever occurred first. ✓✓
It covers a specified event that may occur. ✓✓	Specified event is certainty, but the time of the event is uncertain. ✓✓
Applicable to short term insurance. ✓✓	Applicable to long term insurance. ✓✓
Examples	Examples
Property insurance/Cash money in transit/Theft/Burglary/Fire. ✓	Life insurance/Endowment policies/Retirement annuities. ✓
Any other relevant answer related to insurance.	Any other relevant answer related to assurance.
Sub-max. (4)	Sub-max (4)

Max. (10)

5.3 Principles of insurance

5.3.1 Utmost good faith

- Insured has to be honest in supplying details ✓ when entering in an insurance contract. ✓
- Both parties/insurer and insured ✓ must disclose all relevant facts. ✓
- Insured must disclose everything ✓ that may affect the extent of the risk. ✓
- Details/Information supplied when claiming ✓ should be accurate/true. ✓
- Any other relevant answer related to utmost good faith as a principle of insurance.

Sub-max. (6)

5.3.2 Insurable interest

- Insured must prove that he/she will suffer a financial loss ✓ if the insured object is damaged/lost/ceases to exist. ✓
- An insurable interest must be expressed ✓ in financial terms. ✓
- Insured must have a legal relationship ✓ with the insured object in the contract. ✓
- Any other relevant answer related to insurable interest as a principle of insurance..

Sub-max. (6)

Max. (12)

5.4 Benefits of UIF

5.4.1 Unemployment benefits ✓✓

- Employees, who become unemployed/retrenched due to restructuring/an expired contract, ✓ may claim within six months after becoming unemployed. ✓
- Unemployed employees may only claim, ✓ if they contributed to UIF. ✓
- Unemployed employees enjoy these benefits ✓ until the allocated funds are exhausted. ✓
- If a worker voluntarily terminates his/her contract, ✓ he/she may not claim. ✓
- No tax is payable ✓ on unemployment benefits. ✓
- Any other relevant answer related to unemployment benefits.

Heading 2 marks

Explanation 2 marks

Sub-max. (4)

Temporary Employer/Employee Relief Scheme (TERS) ✓✓

- All employers and employees who are registered with the Department of Employment & Labour ✓ can apply for this relief. ✓
- The scheme applied to employers who could not pay their workers and employees ✓ who would not get paid during the period of the lockdown. ✓
- This also applied to employees who were forced to take leave ✓ as a result of the coronavirus outbreak ✓
- Any other relevant answer related to Temporary Employer/Employee Relief Scheme (TERS)

Heading 2 marks
Explanation 2 marks
Sub-max. (4)

Illness benefits/ Sickness/ Disability ✓✓

- Employees may receive these benefits if they are unable to work for more than 14 days ✓ thus losing a salary/part of the salary. ✓
- Employees may not claim these benefits ✓ if they refuse medical treatment. ✓
- Any other relevant answer related to illness benefits/ sickness/ disability

Heading 2 marks
Explanation 2 marks
Sub-max. (4)

Maternity benefits ✓✓

- Pregnant employees receive these benefits ✓ for up to 4 consecutive months. ✓
- If an employee had a miscarriage, ✓ she can claim for up to six weeks/42 days. ✓
- Any other relevant answer related to maternity benefits

Heading 2 marks
Explanation 2 marks
Sub-max. (4)

Adoption benefits ✓✓

- Employees may receive these benefits if they adopt a child ✓ younger than two years. ✓
- Employees who take unpaid leave/may receive part of their salary ✓ while caring for the child at home. ✓
- Only one parent/partner ✓ may claim. ✓
- Any other relevant answer related to adoption benefits

Heading 2 marks
Explanation 2 marks
Sub-max. (4)

Dependants' benefits ✓✓

- Dependants may apply for these benefits if the breadwinner, ✓ who has contributed to UIF dies. ✓
- The spouse of the deceased may claim, ✓ whether he/she is employed or not. ✓
- Any other relevant answer related to dependants' benefits

Heading 2 marks
Explanation 2 marks
Sub-max. (4)

NOTE: Mark the first FOUR (4) only.

Max. (16)

5.5 Advantages of insurance

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

Max. (8)

5.6 Conclusion

- It is important that both the insured and insurer are familiar with the legal requirements and jargon that are used to express certain occurrences within the industry. ✓✓
- The principles of insurance form the basis of an insurance contract between the insurer and the insured. ✓✓
- UIF payment must be in the form of a contribution paid into a common fund from which benefits may be claimed under certain conditions. ✓✓
- Businesses are advised to be protected against the loss of earnings, e.g. strikes by employees which result in losses worth millions. ✓✓
- Any other relevant answer related to the conclusion of the differences between insurance and assurance, principles of insurance, UIF benefits and the advantages of insurance. (Any 1 x 2)

(2)
[40]

QUESTION 5: BREAKDOWN OF MARK ALLOCATION

DETAILS	MAXIMUM	TOTAL
Introduction	2	Max 32
Differences between insurance and assurance	10	
Principles of insurance: ○ Utmost good faith ○ Insurable interest	12	
UIF Benefits	16	
Advantages of insurance	8	
Conclusion	2	
INSIGHT		8
Layout	2	
Analysis/Interpretation	2	
Synthesis	2	
Originality/Examples	2	
TOTAL MARKS		40

LASO - For each component:

Allocate 2 marks if all requirements are met.

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

Allocate 0 marks where requirements are not met at all.

QUESTION 6: BUSINESS ROLES (ETHICS AND PROFESSIONALISM)**6.1 Introduction**

- Many businesses have a code of conduct that outlines the expected behaviour for their employees. ✓
- Businesses need to develop suitable and progressive ways to deal with challenges posed by each type of unprofessional business practices. ✓
- Professional, responsible, ethical and effective business practices ensure good corporate governance and attract investors. ✓
- Unethical business practices can have a negative impact on businesses. ✓
- Any other relevant introduction related to the differences between ethical and professional behaviour, challenges posed by sexual harassment, abuse of worktime, ways in which professional, responsible, ethical and effective business practices should be conducted and ways in dealing with pricing in the rural areas.

(Any 2 x 1) (2)

6.2 Difference between *ethical* and *professional* behaviour

ETHICAL BEHAVIOUR	PROFESSIONAL BEHAVIOUR
- Refers to the principles of right and wrong/acceptable in society. ✓✓	- Refers to what is right/wrong/acceptable in a business. ✓✓
- Conforms to a set of values that are morally acceptable. ✓✓	- Set of standards of expected behavior. ✓✓
- Forms part of a code of conduct to guide employees to act ethically. ✓✓	- Applying a code of conduct of a profession or business. ✓✓
- Focuses on developing a moral compass for decision making. ✓✓	- Focuses on upholding the reputation of a business/profession. ✓✓
- Involves following the principles of right and wrong in business activities/practices/ dealings. ✓✓	- Includes guidelines on employees' appearance/communication/attitude/responsibility. ✓✓
- Any other relevant answer related to ethical behaviour.	- Any other relevant answer related to professional behaviour.
Sub-max. (4)	Sub-max. (4)

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

Max. (8)

6.3 6.3.1 Challenges posed by sexual harassment in the workplace

- The affected party may stay away regularly ✓ from work. ✓
- Businesses could lose female employees ✓ and attract/retain less female applicants. ✓
- Sexual harassment causes discomfort/humiliation ✓ and negatively affects work relations in the workplace. ✓
- A victim may be severely traumatised ✓ and this may affect other employees' emotionally. ✓
- The affected party is normally reluctant to report the incident due to fear of victimisation ✓ which can reduce productivity. ✓
- Any other relevant answer related to challenges posed by sexual harassment in the workplace.

Sub-max. (8)

6.3.2 Challenges posed by abuse of work time in the workplace

- It may result in employees' often abusing ✓ work time. ✓
- Abuse of work time could result in losing customers ✓ or not meeting deadlines. ✓
- Wasting time costs the business money ✓ and affects productivity. ✓
- Abuse of work time results in a decline in profits ✓ which could damage the financial wealth of the business. ✓
- Effective customer services may not be rendered ✓ resulting in the negative image of the business. ✓
- Any other relevant answer related to challenges posed by abuse of work time in the workplace

Sub-max. (8)

Max. (16)**6.4 Ways in which professional, responsible, ethical and effective business practices should be conducted**

- Mission statement should include values ✓ of equality/respect. ✓
- Treat workers with respect/dignity ✓ by recognising work well done. ✓
- Treat all their employees equally, ✓ regardless of their race/ colour/ age/ gender/disability etc. ✓
- All workers should have access ✓ to equal opportunities/positions/resources. ✓
- Plan properly and put preventative measures ✓ in place. ✓
- Pay fair wages/salaries which is in line with the minimum requirements ✓ of the BCEA/Remunerate employees for working overtime/during public-holidays. ✓
- Ensure that employees work in a work environment ✓ that is conducive to safety/Fairness/free from embarrassment. ✓
- Refrain from starting a venture ✓ using other businesses' ideas that are protected by law. ✓
- Engage in environmental awareness ✓ programmes/refrain from polluting the environment, e.g. by legally disposing of toxic waste. ✓
- Employers and employees need to comply with legislation with regard ✓ to equal opportunities/human rights in the workplace. ✓

- Businesses should develop equity programmes/promote strategies ✓ to ensure that all employees are treated equally regardless of status/ rank/ power. ✓
- Training/Information/Business policies should include issues ✓ such as diversity/ discrimination/harassment. ✓
- Employers should respond swiftly and fairly ✓ to reported incidents of discrimination in the workplace. ✓
- Orders/Tasks should be given respectfully and allow the recipient/employee ✓ to have a say in the manner in which the task should be performed. ✓
- Business decisions and actions must be clear/transparent ✓ to all stakeholders. ✓
- Businesses should be accountable /responsible ✓ for their decisions and actions/ patent rights. ✓
- Hire honest/trustworthy accountants/financial officer ✓ with good credentials. ✓
- Regular/Timeous payment ✓ of taxes. ✓
- Draw up ✓ a code of ethics/conduct. ✓
- On-going development and training ✓ for all employees. ✓
- Performance management systems/Appraisals ✓ should be in place. ✓
- Adequate ✓ internal controls/monitoring/evaluation to ensure accountability of the business. ✓
- Any other answer related to ways in which professional, responsible, ethical and effective business practices should be conducted.

Max. (12)

6.5 Strategies/Ways to deal with pricing of goods in rural areas as a type of unethical business practice

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

Max. (10)

6.6 Conclusion

- A business code of ethics /conduct should improve relationships and eliminate unethical business practices. ✓✓
- Dealing with each type of unprofessional business practises may increase market share resulting in business sustainability. ✓✓
- Business that does not adhere to the code of ethics /conduct should face disciplinary actions. ✓✓
- By upholding ethical standard, companies create an environment that attracts and retains talent, drives customer loyalty and mitigates legal and reputational risk. ✓✓
- Any other relevant conclusion related to the differences between ethical and professional behaviour, challenges posed by sexual harassment, abuse of worktime, ways in which professional, responsible, ethical and effective business practices should be conducted and ways in dealing with pricing in the rural areas.

(Any 1 x 2)

(2)

[40]

QUESTION 6: BREAKDOWN OF MARK ALLOCATION

DETAILS	MAXIMUM	TOTAL
Introduction	2	Max 32
Difference between ethical and professional behaviour	8	
Challenges posed by unprofessional business practices: <ul style="list-style-type: none"> ○ Sexual harassment ○ Abuse of worktime 	16	
Ways in which professional, responsible, ethical and effective business practice should be conducted.	12	
Ways could deal with pricing of goods in rural areas as unethical business practice	10	
Conclusion	2	
INSIGHT		8
Layout	2	
Analysis/Interpretation	2	
Synthesis	2	
Originality/Examples	2	
TOTAL MARKS		40

LASO - For each component:

Allocate 2 marks if all requirements are met.

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

Allocate 0 marks where requirements are not met at all.

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