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LIMPOPO

PROVINCIAL GOVERNMENT

REPUBLIC OF SOUTH AFRICA

GRADE 12

BUSINESS STUDIES P1

PRE MIDYEAR EXAM

2024 MARKING GUIDELINES

MARKS: 150

TIME: 2 hours

This question paper consists of 15 pages.

NOTES TO MARKER:

1. Candidates' responses must be in full sentences for SECTION B and C. However, this would depend on the nature of the question.
2. Comprehensive marking guidelines have been provided but this is by no means exhaustive. Due consideration should be given to an answer that is correct but:
 - uses a different expression from that which appears in the memorandum
 - comes from another source
 - original
 - a different approach is used

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

3. Take care of other relevant answers provided by candidates and allocate marks accordingly. (In cases where the answer is unclear or indicates some understanding, part-marks should be awarded, for example, one mark instead of the maximum of two marks.)
4. The word 'sub-max' is used to facilitate the allocation of marks within a question or sub-question.
5. The purpose of circling marks (guided by 'max' in the breakdown of marks on the right-hand side is to ensure consistency and accuracy in the marking of scripts as well as for calculation purposes.
6. Subtotals to questions must be written in the right-hand margin. Circle the Subtotals as indicated by the allocation of marks. This must be guided by 'max' in the memo. 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 response to questions is recommended in SECTION A and B. However, if the numbering is incorrect, follow the sequence of the candidate's responses. Candidates will be penalized if the latter is not clear.
9. No additional credit must be given for repetition of facts. Indicate with a '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 memorandum and the context of each question.

Cognitive verbs, *such as*:

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

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

- 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 or use the word 'MAX'

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

- 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 at the marking center 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 memorandum)
- Explanation : 1 mark

The 'fact' and 'explanation' are given separately 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 memorandum.

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 SECTION B and C in particular (where applicable).

Section A**Question 1****1.1****1.1.1 D ✓✓****1.1.2 A ✓✓****1.1.3 C ✓✓****1.1.4 D ✓✓****1.1.5 C ✓✓****(5 x 2)(10)****1.2****1.2.1 family responsibility ✓✓****1.2.2 Occupational injuries and diseases ✓✓****1.2.3 total quality management ✓✓****1.2.4 job analysis ✓✓****1.2.5 Full control ✓✓****(5 x 2)(10)****1.3 .1 C ✓✓****1.3.2 G ✓✓****1.3.3 H ✓✓****1.3.4 A ✓✓****1.3.5 D ✓✓****(5 x 2)(10)****TOTAL SECTION A: 30****BREAKDOWN OF MARKS**

QUESTION 2	MARKS
1.1	10
1. 2	10
1.3	10
TOTAL	30

SECTION B**QUESTION 2: BUSINESS ENVIRONMENTS AND BUSINESS OPERATIONS****2.1 Types of integration strategies**

- Forward vertical ✓
- Backward vertical ✓
- Horizontal ✓

NOTE: Mark the first TWO (2) only.**2x1 (2)**

2.2 The steps in strategy evaluation

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

NOTE: Accept steps in any order.

(Any other relevant answer related to the steps in strategy formulation.)

Max (8)

2.3. Business environment (2)

2.3.1 Secondary sector ✓✓,

MOTIVATION: Morokolotsi Original Enterprise produces maize meal and instant soft porridge. ✓ (1)

NOTE: Do not award marks for the motivation, if the business sector was incorrectly identified

Max (3)

2.3.2

CHALLENGE	BUSINESS ENVIRONMENT
(a) MOE employees are regularly absent from work ✓ Sub max (1)	Micro ✓✓ Sub max (2)
(b) The local government has instructed the management of MOE to register their products with the South African Bureau of Standards. ✓ Sub max (1)	Macro ✓✓ Sub max (2)
(c) They buy their raw-material from Itemeleng Banareng Farm. which is out of stock sometimes. ✓ Sub max (1)	Macro ✓✓ Sub max (2)

NOTE: 1. Mark the first challenge for each environment only.

2. If the business environment is not linked to the challenge, mark the challenge only.

3. Allocate full marks for business environment even if the challenge is incomplete.

Max (9)

2.4 The role of SETAs

- 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 SDA.

Max (6)

2.5

2.5.1 Hours of work/ Working hours

- Workers may not work for more than 45 hours ✓ in any week. ✓
- Workers may not work nine hours a day ✓ if they work five days or less per week/ eight hours a day ✓ if they work more than five days a week
- Night work performed after 18:00 and before 06:00 the next day by agreement ✓ must be compensated by allowance/reduction of work hours. ✓
- Ordinary work hours may be reduced ✓ to a maximum of 40 hours per week/ 8 hours per day. ✓
- Any other relevant answer related to the hours of work/ working hours

Submax (4)

2.5.2 Overtime

- Workers must agree ✓ to work overtime. ✓
- Workers cannot work more than three hours overtime ✓ per day / 10 hours per week. ✓
- Overtime must be paid either at the specified rate for overtime ✓ or an employee may agree to receive paid time off. ✓
- Minister of labour may prescribe the maximum permitted ✓ working hours, including overtime. ✓
- Any other relevant answer related to the Overtime/ working hours

Submax (4)

Max (8)

Define the meaning of power relations.

- Power relations refers to how much control or influence an organization has over its environment. . ✓✓

(2)

2.4 Application of Porter's Five Forces to analyse position the business in the market.

Bargaining power of suppliers/Power of suppliers✓✓

- Suppliers that deliver high quality products✓ may have power over the business. ✓
- Assess the power of the suppliers✓ in influencing prices. ✓
- The more powerful the suppliers✓, the less control the business has over them. ✓
- The smaller the number of suppliers✓, the more powerful they may be as the choice of suppliers may be limited. ✓
- Identify the kind of power suppliers have✓ in terms of the quality of products/services/reliability/ability to make prompt deliveries,✓ etc.
- Any other relevant answer related to how businesses could apply the bargaining power of suppliers/power of suppliers to analyse the market environment.

Force (2)

Explanation (1)

Sub max (3)

Bargaining power of buyers/Power of buyers✓✓

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

Force (2)

Explanation (1)

Sub max (3)

Threat/Barriers of new entrants to the market✓✓

- If the barriers to enter the market are low✓, then it is easy for new businesses to enter the market/industry. ✓
- If the business is highly profitable, it will attract potential competitors✓ that want to benefit from high profits. ✓
- New competitors can quickly/easily enter the market✓, if it takes little time/money to enter the market. ✓
- If there are a few suppliers of a product/service but many buyers✓, it may be easy to enter the market. ✓
- Any other relevant answer related to how businesses could apply the threat/barriers of new entrants to the market to analyse the market environment.

Force (2)

Explanation (1)

Sub max (3)

Power of competitors/Competitive rivalry✓✓

- Competitors selling the same/similar products/services✓ may have a greater impact on the market of the business. ✓
- If competitors have a unique product/service✓, then they will have greater power. ✓
- A business with many competitors in the same market✓ has very little power in their market. ✓

- Draw up a competitor's profile✓ so that they can determine their own strength as well as that of competitors. ✓
- Some businesses have necessary resources to start price wars✓ and continue selling at a loss until some/all competitors leave the market. ✓
- Any other relevant answer related to how businesses could apply the power of competitors/competitive rivalry to analyse the market environment.

Force (2)
Explanation (1)
Sub max (3)

Threat of substitution/substitutes✓✓

- Establish whether the sellers of substitute products✓ have improved their product/sell lower quality goods at lower prices. ✓
- If the business's product can be easily substituted✓, it weakens the power of the business in the market.✓
- If the business sells unique products✓ it will not be threatened by substitute products. ✓
- Assess if customers are using substitute products/services✓ and determine reasons for using substitutes. ✓
- Change/improve the design and quality✓ of their products to remain competitive. ✓
- Any other relevant answer related to how businesses could apply threat of substitution/substitutes to analyse the market environment.

Force (2)
Explanation (1)
Sub max (3)
Max (9)
[40 MARKS]

2.5 Steps in strategy evaluation

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

NOTE: Accept steps in any order.

Max (8)

2.6 Recommend ways businesses can comply with the NCA

- Credit providers must be registered with the National Credit Regulator.✓✓
- Businesses must submit an annual compliance report to the National Credit Regulator. ✓✓
- Conduct affordability assessment to ensure the consumer has the ability to meet his/her obligation. ✓✓

- Conduct a credit check with a registered credit bureau and could also consult the National Credit Register. ✓✓
- Credit providers must have procedures in place to comply with the provision of the Financial Intelligence Centre Act (FICA). ✓✓
- Verify the identity of clients, report suspicious transactions/train staff on their obligations in terms of FICA. ✓✓
- Disclose all costs of loan/No hidden costs should be charged/ added. ✓✓
- Any other relevant answer related to ways businesses can comply with the NCA.

Max (7)
[40]

BREAKDOWN OF MARKS

QUESTION 2	MARKS
2.1.1-2.1.2	4
2.2	3
2.3.1	3
2.3.2	6
2.4	9
2.5	8
2.6	7
TOTAL	40

QUESTION 3: BUSINESS OPERATIONS

3.1 Elements of TQM

- Continuous improvement of processes and system. ✓
- Adequate financing and capacity. ✓
- Monitoring and evaluation of quality processes. ✓

NOTE: Mark the first THREE (3) only.

(3x1) (3)

3.2 Quality concepts

3.2.1 Quality management ✓✓

3.2.2 Quality performance ✓✓

Max (4)

3.3 Business functions

3.3.1 Human resources function ✓✓

Sub max (2)

Motivation:

Fanisa Furniture (FF) has a good recruitment policy that attracts best candidates/It implements fair and equitable selection process ✓. Sub max (1)

NOTE: Do not award marks for the motivation if the business function was incorrectly identified.

Max (3)

3.3.2 **Ways in which quality of performance can contribute to the success and/or failure of the general management function as well as the purchasing function**

BUSINESS FUNCTION	SUCCESS	FAILURE
General management function	<ul style="list-style-type: none"> - Developing/Implementing/Monitoring✓ 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. ✓ - Learning about/understanding changes in the business environment✓ on an on-going basis. ✓ - Effectively communicating✓ shared vision, mission and values. ✓ - Setting direction✓ and establishing priorities for their business. ✓ - Setting example of the behaviour✓ that is expected from employees in terms of ethics as well as productivity. ✓ - Being proactive✓ and always seeking to improve competitive advantage over competitors. ✓ - Ensuring that all departments/the business✓ meet their deadlines/targets✓ - Any other relevant answer related to how quality of performance can contribute to the success of the general management function. 	<ul style="list-style-type: none"> - Poor implementation and monitoring✓ of strategic plans. ✓ - Ineffective and unequal distribution✓ of resources. ✓ - Lack of shared vision and mission by all stakeholders✓ within the business. ✓ - Continuously becoming reactive to the changing business environment✓ and stopping to be innovative. ✓ - When business departments are unable to meet✓ their deadlines and targets.✓ - Any other relevant answer related to how quality of performance can contribute to the failure of the general management function.
Sub max (6)		
	SUCCESS	FAILURE
Purchasing function	<ul style="list-style-type: none"> - Buying raw materials in bulk✓ at lower prices. ✓ - Selecting reliable suppliers✓ that render the best quality raw materials/capital goods at reasonable prices. ✓ - Placing orders timeously and regular follow-ups✓ to ensure that goods are delivered on time. ✓ - Ensuring effective co-ordination 	<ul style="list-style-type: none"> - Buying raw materials at a higher cost✓ reduces the profit. ✓ - The purchasing of poor quality✓ raw materials.✓ - Failure to place orders of raw materials ✓ on time. ✓ - Lack of coordination ✓

	<p>between purchasing and production departments✓ so that purchasing staff understand the requirements of the production process. ✓</p> <ul style="list-style-type: none"> - Ensuring that required quantities are delivered✓ at the right time and place. ✓ - Implementing and maintaining stock control systems✓ to ensure the security of stock. ✓ - Maintaining optimum stock levels✓ to avoid overstocking/reduce outdated stock. ✓ - Monitoring and reporting on minimum stock levels✓ to avoid stock-outs. ✓ - Effective use of storage space and maintenance of product quality✓ while in storage. ✓ - Involving suppliers✓ in strategic planning/product design/material selection/quality control process.✓ - Ensuring that there is no break in production✓ due to stock shortages. ✓ - Establishing relationships with suppliers✓ so that they are in alignment with the business's vision/mission/values. ✓ - Having a thorough understanding✓ of supply chain management. ✓ - Any other relevant answer related to how quality of performance can contribute to the success of the purchasing function. 	<p>between purchasing and production departments. ✓</p> <ul style="list-style-type: none"> - Poor ✓ stock control systems. ✓ - Any other relevant answer related to how quality of performance can contribute to the failure of the purchasing function.
Sub max (6)		

Max (9)

NOTE: 1. Award marks up to a minimum of NINE (9) but consider sub max of 6 marks each.

2. The answer does not have to be in a a tabular order.

3.4 Difference between Job description and job specification with ONE example in each case

	JOB DESCRIPTION	JOB SPECIFICATION
Description	<ul style="list-style-type: none"> - Written description of the job✓ and its requirements.✓ 	<ul style="list-style-type: none"> - Written description of specific qualifications/ skills/ experience/characteristics✓

		required to do the job.✓
	- Describes duties/responsibilities✓ of a specific job✓/Summary✓ of the nature/type of job.✓	- Describes the minimum acceptable personal qualities/skills/ qualifications✓ needed for the job.✓
	- Describes key performance areas/tasks✓ for a specific job/business✓, etc. - Any other relevant answer related to job description.	- Describes key requirements of the person ✓ who will fill the position✓, - Any other relevant answer related to job specification.
Example	- e.g. Job title/ duties/working conditions/location of the place of work/relationship of the job with other jobs in the business✓,etc.	- e.g. Formal qualifications/ willingness to travel/work unusual hours✓, etc.
	Sub max (3)	Sub max (3)

- NOTE:**
- 1. The answer does not have to be in tabular form.**
 - 2. The differences do not have to link but the must be clear.**
 - 3. Award a maximum of TWO (2) marks if differences are not clear/ Mark either the job description or job specification only.**
- Max (6)**

3.5 The role of the interviewer during the interview.

- Allocate the same amount of time✓ to each candidate.✓
 - Introduce members of the interviewing panel✓ to each candidate/ interviewee.✓
 - Make the interviewee✓ feel at ease.✓
 - Explain the purpose of the interview✓ to the panel and the interviewee.✓
 - Record interviewees' responses✓ for future reference.✓
 - Do not misinform/mislead✓ the interviewee.✓
 - Avoid discriminatory/controversial types of questions✓, e.g. asking a female candidate about family planning/having children.✓
 - Provide an opportunity for the interviewee✓ to ask questions.✓
 - Close the interview by thanking the interviewee✓ for attending the interview.✓
 - Any other relevant answer related to the role of the interviewer during the interview.
- Max (8)**

3.6 Legal requirements/legalities of an employment contract that businesses should comply with.

- Employment contract is the written agreement between the employer and the employee and is legally binding.✓ ✓
- It may not contain any requirements that are in conflict with the BCEA.✓ ✓
- Parties involved must have contractual capacity.✓✓
- The employer and the employee must both be satisfied with the conditions in the employment contract.✓✓
- Neither the employee nor the employer may unilaterally change aspects of the employment contract. ✓✓
- It should include a code of conduct and/or a code of ethics for employees.✓ ✓
- Specific details of the job/remuneration package should be clearly explained to employees/stipulated in the contract.✓✓

- The human resources manager must explain the terms and conditions of the employment contract to employees if deemed necessary. ✓✓
- It should set out clearly the conditions of employment/duties/responsibilities of the employees. ✓✓
- It must stipulate what the employee would receive in terms of benefits and labour legislation. ✓✓
- All business policies/procedures/disciplinary codes should form part of the employment contract. ✓✓
- Employers must allow employees to read through the conditions of service and code of conduct before they sign the contract. ✓✓
- New employees may also consult legal experts to help them understand the terms and conditions of the contract. ✓✓
- Any other relevant answer related to the legal requirements of the employment contract.

NOTE: Award marks up to a minimum of SEVEN(7) marks.

**Max (7)
[40]**

BREAKDOWN OF MARKS

QUESTION 3	MARKS
3.1	3
3.2.1-3.2.2	4
3.3.1	3
3.3.2	9
3.4	6
3.5	8
3.6	7
TOTAL	40

QUESTION 4: MISCELLANEOUS TOPICS

BUSINESS ENVIRONMENTS

4.1 SWOT analysis

4.1.1 Threat ✓✓

4.1.2 Weakness ✓✓

Max (4)

4.2 Ways in which social factors, as part of the PESTLE factors, pose challenges to businesses.

- Customers may not be able to afford products ✓ due to low income levels. ✓
- Businesses may not be conversant ✓ with the local language of their customers. ✓
- People who are unemployed will not be able to support businesses ✓ as they do not earn an income. ✓
- Some unemployed people may do crime/steal from business ✓ and make businesses loose money/income. ✓
- People who support piracy/buy pirate goods ✓ will make producers of original products loose profits. ✓
- Any other relevant answer related to how social factors, as part of the PESTLE factors, pose challenges to businesses.

Max (6)

4.3 The role of SETAs

- 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 SDA.
- NOTE: Award marks up to a minimum of NINE(9) marks. Max (9)**

4.4 Examples of employee benefits

- Pension Fund/Pension✓
- Medical Aid Fund/Medical aid//Health Insurance Fund✓
- Provident Fund ✓
- Allowances✓
- Funeral benefits ✓
- Car/Travel/Housing/Cell phone/Clothing allowance✓
- Performance based incentives✓
- Issuing of bonus shares✓
- Staff discount/Free or low-cost meal/Canteen facilities✓
- Unemployment Insurance Fund (UIF) ✓
- Any other relevant answer related to examples of employee benefits

NOTE: Mark the first THREE (3) only. (3x1) (3)

4.5 Recruitment method**4.5.1 External recruitment ✓✓**

Sub max (2)

Motivation:

The management placed an advertisement in the provincial newspaper.✓

Sub max (1)

NOTE: Do not allocate marks for the motivation if the method of recruitment was incorrectly identified. Max (3)

4.5.2 The impact of the external recruitment method**Positives/Advantages of external recruitment**

- New candidates bring new talents/ideas/insight/experience✓ that will benefit the business.✓
- There are more candidates✓ to choose from.✓
- Chances are better of finding suitable candidates✓ with the right skills/qualifications/competencies.✓
- Prevents unhappiness/conflict✓ between existing employees who have applied for the post.✓
- Recruitment agencies may also be used/paid to find candidates✓ which saves time/costs.✓

- Businesses are able to achieve their equity plan✓ by recruiting according to equity targets set.✓
- It may help the business to meet affirmative action✓ and BBBEE targets. ✓
- Minimises unhappiness/conflict✓ amongst current employees who may have applied for the post. ✓
- Any other relevant answer related to the positives/advantages of external recruitment.

AND/OR**Negatives/Disadvantages of external recruitment**

- External sources may be expensive✓, e.g. recruitment agencies' fees/ publishing costs of advertisements in newspapers/magazines.✓
- Selection process may not be effective✓ resulting in an incompetent candidate being chosen.✓
- Information on CVs/references✓ may not be reliable.✓
- Recruitment process takes longer/is more expensive✓ as background checks must be conducted.✓
- New candidates generally take longer✓ to adjust to a new work environment.✓
- In-service training may be needed✓ which decreases productivity during the time of training.✓
- Many unsuitable applications✓ can slow down the selection process.✓
- Any other relevant answer related to the negatives/disadvantages of external recruitment.

Max (8)**4.6 Benefits of 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. ✓
- 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 benefits of a good quality management system.

NOTE: Award marks up to a minimum of SEVEN (7) marks.**Max (7)****[40]****TOTAL SECTION B: 80****BREAKDOWN OF MARKS**

QUESTION 4	MARKS
4.1.1-4.1.2	4

4.2	6
4.3	9
4.4	3
4.5.1	3
4.5.2	8
4.6	7
TOTAL	40

SECTION C

Mark only the FIRST question in this section.

QUESTION 5: BUSINESS ENVIRONMENTS

5.1 Introduction

- The framework for labour-related matters for employer, employees and trade unions is provided by Labour Relations Act (LRA), 1995 (Act 66 of 1995).√
- Trade unions find it easier to assist workers due to the existence of LRA.√
- The hiring and firing procedures of employees is also clarified in the LRA.√
- LRA also gives clarity on the fundamental employee rights.√
- These two pieces of legislations (Labour Relations Act, 1995 (Act 66 of 1995) and Basic Conditions of Employment Act) affect both small as well as large businesses. √
- According to the BCEA, an employee is entitled to leave on completion of a year of continuous service with an employer.√
- A thorough knowledge of all types of leave is essential to both employers and employees. √
- Any other relevant introduction related to the purpose of LRA/the impact of the LRA/ types of leave/ways in which businesses can comply with the BCEA.

Any (2 x1) (2)

5.2 Purpose of Labour Relations Act (LRA), 1995 (Act 66 of 1995)

- Provides a framework/structure for labour relations between employers and employees.√√
- Promotes collective bargaining at the workplace. √√
- Promotes workplace forums to accommodate employees in decision making.√√
- Establishes Labour Courts and Labour Appeal Courts. √√
- Promotes simple procedures for the registration of trade unions and employer organisations. √√
- Provides for the right to lock-out by the employer as a reaction to lengthy strikes. √√
- Promotes fair labour practice between the employer and employees. √√
- Clarifies the transfer of employment contracts between the existing and new employers. √√
- Advances economic development/social justice/labour peace to ensure that the workplace maintains the basic rights of employees. √√
- Establishes the Commission for Conciliation, Mediation and Arbitration (CCMA) for dispute resolutions. √√
- Any other relevant answer related to the purpose of Labour Relations Act (LRA), 1995 (Act 66 of 1995)

Max (12)

5.3 Impact of the LRA on businesses.**Positives/Advantages**

- Protects the rights of businesses✓ in labour related issues.✓
- Protect employers who embark on lawful lockouts✓ when negotiations between parties fail.✓
- Ensures participation of all parties in collective bargaining/decision making✓ which reduces conflict in the workplace.✓
- Labour disputes are settled quicker✓ are less expensive.✓
- Workplace forums can also be tasked to resolve workplace issues✓ as they take part in decision making.✓
- Provides for dispute resolution through consensus✓ between organised labour, businesses and the state.✓
- Provides mechanisms✓, e.g. statutory councils/collective bargaining/CCMA to settle labour disputes.✓
- Prevents unfair discrimination in the workplace✓ as all employees should be given equal opportunities.✓
- Employers can dismiss employees✓ who engage in unprotected strikes.✓
- Employers may claim compensation✓ through the Labour Court for losses suffered as a result of an unprotected strike.✓
- Any other relevant answer related to the positive impact/advantages of LRA on businesses.

AND/OR**Negatives/Disadvantages**

- Productivity may decrease✓ if employees are allowed to participate in the activities of trade unions during work time. ✓
- Costs of labour increases✓ because of legal strikes. ✓
- Reduced global competitiveness✓ due to lower productivity. ✓
- Employers may have to disclose information about workplace issues to union representatives✓ that could be the core of their competitive advantage. ✓
- Employers may not dismiss employees at will,✓ as procedures have to be followed. ✓
- Some businesses may feel that the LRA gives employees too much power✓ as it creates lengthy procedures, e.g. consulting with workplace forums. ✓
- Employers may not get a court interdict✓ to stop a strike. ✓
- Strike actions always result in loss of production✓ for which employers may not claim. ✓
- Some trade unions may not promote the mandate of their members but embark on industrial action, ✓ which is harmful to labour relations between employers and employees. ✓
- Many employees and employers do not understand/respect✓ the Labour Relations Act. ✓
- Labour disputes and bargaining council processes become disruptive/ time consuming✓ and can lead to a decrease in productivity in businesses. ✓
- Many employees take advantage of the right to strike✓ without acknowledging their responsibilities.✓
- Any other relevant answer related to the negative impact/disadvantages of LRA on businesses.

Max (12)**5.4 Types of leave as one of the provisions of BCEA****Annual leave✓✓**

Workers are entitled to:

- 21 consecutive days annual leave per year✓ /One day for every 17 days worked/One hour for every 17 hours worked.✓
- An employer can only pay a worker in lieu of leave✓ if that worker leaves the job.✓
- Any other relevant answer related to annual leave as one of the type of leave as per the BCEA.

Leave (2)
Explanation (2)
Sub max (4)

Sick leave✓✓

Workers are entitled to:

- Six weeks paid sick leave in a period of 36 months✓ /1 day paid sick leave for every 26 days worked during the first six months of employment. ✓
- A medical certificate may be required✓ before paying an employee who is absent for more than two consecutive days/who is frequently absent. ✓
- Any other relevant answer related to sick leave as one of the types of leave as per the BCEA.

Leave (2)
Explanation (2)
Sub max (4)

Maternity leave✓✓

- A pregnant employee is entitled to four✓ consecutive months' leave. ✓
- A pregnant employee may not be allowed to perform work✓ that is hazardous to her unborn child. ✓
- The starting date is usually any time from four weeks✓ before the expected date of birth or on advice of a doctor/midwife.
- Any other relevant answer related to maternity leave as one of the types of leave as per the BCEA.

Leave (2)
Explanation (2)
Sub max (4)

Family responsibility leave✓✓

- Three to five days paid leave per year✓ on request in the event of the death of the employee's spouse/life partner/parent/ adoptive parent/ grandparent/ child/adoptive child/grandchild/sibling. ✓
- An employer may require reasonable proof✓, before granting this leave. ✓
- Male employees are entitled to a maximum of three/five day's paternity leave✓ when his child is born. ✓
- Any other relevant answer related to family responsibility leave as one of the types of leave as per the BCEA.

Leave (2)
Explanation (2)
Sub max (4)

Meal breaks and rest periods✓✓

- Workers must have a meal break of 60 minute✓ after five continuous hours of work. ✓
- This can be reduced to 30 minutes by written agreement✓, when working less than 6 hours per day. ✓
- A worker must have a daily rest period of 12 continuous hours/a weekly rest period of 36 continuous hours✓ which must include Sundays. ✓
- Any other relevant answer related to meal breaks and rest periods as one of the types of leave as one of the BCEA.

Leave (2)
 Explanation (2)
 Sub max (4)
Max (16)

5.5 Ways in which businesses can comply with the BCEA.

- Workers should only work 9 hours per day in a 5-day work week or 8 hours per day in a 6-day work week. ✓✓
- Overtime work should be agreed upon with the employee and should not exceed 10 hours per week. ✓✓
- Workers must have a break of 60 minutes after five hours of work. ✓✓
- Workers can take up to six weeks paid sick leave during a 36-month cycle. ✓✓
- Businesses should not employ children ✓ under the age of 16. ✓✓
- Workers must receive double the normal rate ✓ if they work during public holidays/Sunday. ✓✓
- Any other relevant answer related to ways in which businesses can comply with the BCEA

Max (8)

5.6 Conclusion

- BCEA and the LRA have been developed in order to protect employees and employers alike. ✓✓
- Both employers as well as employees have to comply to both BCEA and LRA. ✓✓
- Good relationship between the two (employers and employees) will exist only if they both correctly apply the provisions of both BCEA and LRA. ✓✓
- If employees possess knowledge of the various types of leaves available to them, they tend to not refrain from abusing them as they understand implications of not preserving them. ✓✓
- Any other relevant conclusion related to the purpose of LRA/the impact of the LRA/ types of leave/ways in which businesses can comply with the BCEA.

Any (1 x2) (2)
[40]

QUESTION 5: BREAKDOWN OF MARK ALLOCATION

DETAILS	MAXIMUM	TOTAL
Introduction	2	Max 32
The purpose of Labour Relations Act (LRA), 1995 (Act 66 of 1995)	12	
The impact of the LRA on businesses.	12	
Types of leave as one of the provisions of the Basic Conditions of Employment Act (BCEA), 1997	16	
Ways in which businesses can comply with the BCEA	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 some requirements are met.

Allocate 0 marks where requirements are not met at all.

QUESTION 6: BUSINESS OPERATIONS**6.1 Introduction**

- Continuous skills development/education and training as well as total client/customer satisfaction as TQM elements are some of the elements of total quality management. ✓
- Total Quality Management involves all levels of businesses, all functions, processes and people involved in the business. ✓
- The PDCA model forms part of the TQM element continuous improvement to processes and systems. ✓
- It enables organisations to continually improve processes, products or services. ✓
- Quality circle assists in making employees learn new skills and brings out the hidden potential of employees. ✓
- Quality circle also enhances, encourages and maintains team spirit within employees. ✓
- The Cost of Quality includes all costs associated with the quality of a product from preventive costs intended to reduce or eliminate failures, cost of process controls to maintain quality levels and the costs related to failures both internal and external. ✓
- Any other relevant introduction related to the steps in the PDCA model/ role of quality circles/impact of continuous skills development/education and training as well as total client/customer satisfaction/ways in which TQM can reduce the cost of quality.

Any (2 x1) (2)**6.2 Steps in the PDCA model that businesses could apply to improve the quality of their products**

- Plan ✓✓
- Do ✓✓
- Check/Analyse ✓✓
- Act/Act as needed ✓✓

Note: Do not award marks for only abbreviations of the steps as they have been given in the question.

Max (8)**6.3 Role/importance 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. ✓
- Ensure that there is no duplication ✓ of activities/tasks in the workplace. ✓

- Make suggestions for improving systems✓ and processes in the workplace. ✓
- Improve the quality of products/services/productivity✓ through regular reviews of quality processes. ✓
- Monitor/Reinforce strategies✓ to improve the smooth running of business operations. ✓
- Reduce costs of redundancy✓ in the long run. ✓
- Increase employees'✓ morale/motivation. ✓
- Quality circles discuss ways✓ of improving the quality of work/workmanship. ✓
- Contribute towards the improvement✓ and development of the organisation. ✓
- Reduce costs/wasteful efforts✓ in the long run. ✓
- Increase the demand✓ for products/services of the business. ✓
- Create harmony✓ and high performance in the workplace. ✓
- Build a healthy workplace relationship ✓ between the employer and employee. ✓
- Improve employees' loyalty and commitment✓ to the organisation and its goals. ✓
- Improve employees' communication✓ at all levels of the business. ✓
- Develop a positive attitude/sense of involvement ✓ in decision making processes of the services offered. ✓
- Any other relevant answer related to the role/importance of quality circles as part of continuous improvement to processes and systems.

Max (10)

6.4 Impact of continuous skills development/education and training as well as total client/customer satisfaction as TQM elements on large business.

Continuous skills development/education and training

Positives/Advantages

- 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 could conduct skills audits to establish the competency/education levels of staff performing work✓ which could affect the quality of products/processes positively. ✓
- May be able to hire qualified trainers✓ to train employees on a regular basis.✓
- Any other relevant answer related to the positive impact of continuous skills development/education and training as a TQM element on large business.

AND/OR

Negatives/Disadvantages

- Poor communication systems in large businesses✓ may prevent effective training from taking place. ✓
- Trained employees may leave for better jobs✓ after they gained more skills.✓
- De-motivates employees, ✓ if they do not receive recognition for training.✓
- Employees who specialise in narrowly defined jobs✓ may become frustrated/demotivated. ✓



- Employees may not be aware of the level of competency they should meet√ in order to achieve their targets.√
- It may be difficult to monitor/evaluate√ the effectiveness of training.√
- Any other relevant answer related to the negative impact of continuous skills development/education and training as a TQM element on large business.

Sub max (8)

Total client/customer satisfaction**Positives/Advantages**

- Large businesses uses market research/customer surveys√ to measure/ monitor customer satisfaction/analyse customers' needs.√
- Continuously promote√ a positive company image. √
- May achieve a state of total 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 its 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 of total client/ customer satisfaction as a TQM element on large business.

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 satisfaction.√
- Any other relevant answer related to the negative impact of total client/ customer satisfaction as a TQM element on large business.

Sub max (8)

Max (16)**6.4 Ways in which TQM can reduce the cost of quality**

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

- Any other relevant answer related to ways in which TQM can reduce the cost of quality. **Max (10)**

6.6 Conclusion

- The PDCA proved to be a very effective model in resolving problems. ✓✓
- It involves systematically testing possible solutions, assessing the results, and implementing the ones that have shown to work. ✓✓
- A quality circle or quality control circle is a group of workers who do the same or similar work, who meet regularly to identify, analyse and solve work-related problems. ✓✓
- A quality circle consists of minimum three and maximum twelve members. ✓✓
- Effective use and implementation of cost of quality enables an organisation to accurately measure the amount of resources being used for cost of good quality and cost of poor quality. ✓✓
- With valuable information collected from the cost of quality, the business is able to determine where to allocate resources to improve product quality and profits. ✓✓
- Any other relevant conclusion related to the steps in the PDCA model/ role of quality circles/impact of continuous skills development/education and training as well as total client/customer satisfaction/ways in which TQM can reduce the cost of quality.

Any (1 x2) (2)
[40]

QUESTION 6: BREAKDOWN OF MARK ALLOCATION

DETAILS	MAXIMUM	TOTAL
Introduction	2	Max 32
Outline the steps in the PDCA model that businesses could apply to improve the quality of their products	8	
Explain the role/importance of quality circles as part of continuous improvement to processes and systems	10	
Discuss the impact of continuous skills development/education and training as well as total client/customer satisfaction as TQM elements on large business	16	
Recommend ways in which TQM can reduce the cost of quality.	10	
Conclusion	2	
INSIGHT		

Layout	2	8
Analysis/Interpretation	2	
Synthesis	2	
Originality/Examples	2	
TOTAL MARKS		40

LASO - For each component:

Allocate 2 marks if all requirements are met.

Allocate 1 mark if some requirements are met.

Allocate 0 marks where requirements are not met at all.

TOTAL SECTION C: 40

GRAND TOTAL: 150