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GRADE 12

JUNE 2024

**BUSINESS STUDIES P2
MARKING GUIDELINE**

MARKS: 150

This marking guideline consists of 32 pages.



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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 13.1 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 is specified, questions that require candidates to 'describe/discuss/explain' may be marked as follows:

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

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

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, a body 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? Marks to be allocated using this guide: 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 OR 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 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 one or 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.**

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 D ✓✓
 1.1.2 A ✓✓
 1.1.3 D ✓✓
 1.1.4 C ✓✓
 1.1.5 B ✓✓ (5 x 2) (10)

- 1.2 1.2.1 compulsory insurance ✓✓
 1.2.2 unit trust ✓✓
 1.2.3 creative thinking ✓✓
 1.2.4 transparency ✓✓
 1.2.5 complainer ✓✓ (5 x 2) (10)

- 1.3 1.3.1 H ✓✓
 1.3.2 D ✓✓
 1.3.3 I ✓✓
 1.3.4 J ✓✓
 1.3.5 C ✓✓ (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 Types of benefits paid out by the Unemployment Insurance Fund/UIF**

- Unemployment benefits. ✓
- Illness/Sickness/Disability benefits. ✓
- Maternity benefits ✓
- Paternity benefits ✓
- Adoption benefits. ✓
- Dependents' benefits. ✓
- Parental benefits ✓
- Any other relevant answer related to types of benefits paid out by the UIF.

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

2.2 Functions of the 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 on share prices by publishing the share prices daily. ✓✓
- Acts as a link between investors and public companies. ✓✓
- Shares are valued and assessed by experts. ✓✓
- Small investors are invited to take part in the economy of the country through the buying/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 companies ✓✓
- Regulates the market for dealing with shares. ✓✓
- Plans, researches and advises on investment possibilities. ✓✓
- Ensures that the market operates in a transparent manner. ✓✓
- Provides protection for investors through application of 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 increases economic growth/ development. ✓✓
- Any other relevant answer related to the functions of the Johannesburg Securities Exchange/JSE.

Max. (6)

2.3 Types of preference shares from statements

2.3.1 Participating preference shares √√

2.3.2 Cumulative preference shares √√ (4)

2.4 Principles of insurance

2.4.1 Indemnification/Indemnity √√

- Usually applies to short term insurance, as the insured is compensated for specified/proven harm/loss. √
- Insurer agrees to compensate the insured for damages/losses specified in the insurance contract, in return for premiums paid by the insured to the insurer. √
- Protects the insured against the specified event that may occur. √
- Pay-outs from insurance companies/insurer will only be made; if there is proof that the specified event took place/if the insured can prove the amount of the loss/ damage. √
- The amount of indemnification/compensation is limited to the amount of provable loss/damage, even if the amount in the policy/insurance contract is higher. √
- The insured must be placed in the same position as before the occurrence of the loss/damage/The insured may not profit from insurance. √
- Any other answer related to indemnification/indemnity as a principle of insurance.

Principle (2)
Explanation (1)
Sub-max (3)

2.4.2 Security/Certainty √√

- Applies to long-term insurance where the insurer undertakes to pay out an agreed upon amount in the event of loss of life. √
- A predetermined amount will be paid out when the insured reaches a pre-determined age/or gets injured due to a predetermined event. √
- Aims to provide financial security to the insured at retirement/the dependents of the deceased. √
- Any other answer related to security/certainty as a principle of insurance.

Principle (2)
Explanation (1)
Sub-max (3)

2.4.3 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 answer related to utmost good faith as a principle of insurance.

Principle (2)
Explanation (1)

Sub-max (3)

2.4.4 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 answer related to insurable interest as a principle of insurance.

Principle (2)

Explanation (1)

Sub-max (3)

NOTE: Mark the first TWO (2) only.

Max (6)

2.5 Insurance

2.5.1 Average clause ✓✓ (2)

2.5.2 Calculation of average clause

 $\frac{\text{Amount insured}}{\text{Market value}} \times \text{Amount of damages/loss}$ ✓

Market value

 $\frac{R300\ 000}{R400\ 000} \times R130\ 000$ ✓

R400 000

= R97 500 ✓✓✓✓

- NOTE:**
1. Award full marks (4) if the answer is correct and no workings are shown.
 2. If the formula and workings were shown correctly but the final answer is wrong, award a maximum of THREE (3) marks.
 3. If the answer and workings are incorrect, award a maximum of ONE mark for the formula.

Max. (4)

2.6 Impact of Government/RSA Retail Savings Bonds

Positives/Advantages

- Guaranteed returns, ✓ as interest rate is fixed for the whole investment period. ✓
- Interest rates are market related ✓ and attract more investors. ✓
- Interest can be received twice a year ✓ making it a viable investment option. ✓
- Investment may be easily accessible, ✓ as cash may be withdrawn after the first twelve months. ✓
- Low risk/Safe investment, ✓ as it is invested with the South African Government which cannot be liquidated. ✓
- It is an affordable type of investment ✓ for all levels of income earners including pensioners. ✓
- Retail bonds are easily/conveniently obtained ✓ electronically/from any Post Office/directly from the National Treasury. ✓
- No charges/costs/commissions payable ✓ on this type of investment. ✓
- Interest is usually higher ✓ than on fixed deposits. ✓
- Retail bonds are listed ✓ on the capital bond markets/on the JSE. ✓
- Investors younger than 18 years/Minors may invest with the help of a legal guardian, ✓ which encourages saving from a young age. ✓
- Any other relevant answer related to the positive impact/advantages of Government/RSA Retail Savings Bonds as a form of investment.

AND / OR

Negatives/ Disadvantages

- Retail bonds cannot be ceded to banks/financial institutions ✓ as security for obtaining loans. ✓
- A minimum of R1 000 must be invested, ✓ which may be difficult for some small investors to accumulate. ✓
- Retail bonds are not freely transferable ✓ amongst investors. ✓
- Investors need to have valid SA identification/should be older than 18 years ✓ which may discourage foreigners/young people to invest. ✓
- Penalties are charged for early withdrawals, ✓ if the savings is less than 12 months old. ✓
- Any other relevant answer related to the negative impact/disadvantages of Government/RSA Retail saving bonds as a form of investment.

Max. (6)

2.7 Factors to be considered when making investment decisions**2.7.1 Return on investment**

- Refers to income from the investment, namely interest/dividends/ increased capital growth on the original amount invested. √√
- High risk investments yield higher returns. √√
- Generally, there will be a direct link between risk and return. √√
- The return should be expressed as net after-tax gains on the investment. √√
- Returns can be in the form of capital gains where the asset appreciates in value over time. √√
- Any answer related to return on investment as a factor that must be considered when making an investment decision.

Max. (4)

2.7.2 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 answer related to investment term as a factor that must be considered when making an investment decision.

Max. (4)
[40]**BREAKDOWN OF MARKS**

QUESTION 2	MARKS
2.1	4
2.2	6
2.3	4
2.4	6
2.5.1	2
2.5.2	4
2.6	6
2.7.1	4
2.7.2	4
TOTAL	40

QUESTION 3: BUSINESS ROLES**3.1 Problem solving steps**

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

NOTE: 1. Mark the first FOUR (4) only.
2. Steps can be in any order.

(4 x 1) (4)

3.2 Causes of conflict in the workplace

- Lack of proper communication between management and workers. ✓✓
- Ignoring rules/procedures may result in disagreements and conflict. ✓✓
- Management and/or workers may have different personalities/ backgrounds. ✓✓
- Different values/levels of knowledge/skills/experience of managers/ workers. ✓✓
- Little/no co-operation between internal and/or external parties/ stakeholders. ✓✓
- Lack of recognition for good work, e.g. a manager may not show appreciation for extra hours worked to meet deadlines. ✓✓
- Lack of employee development may increase frustration levels as workers may repeat errors due to a lack of knowledge/skills. ✓✓
- Unfair disciplinary procedures, e.g. favouritism/nepotism. ✓✓
- Little/no support from management with regards to supplying the necessary resources and providing guidelines. ✓✓
- Leadership styles used, e.g. autocratic managers may not consider worker inputs. ✓✓
- Unrealistic deadlines/Heavy workloads lead to stress resulting in conflict. ✓✓
- Lack of agreement on mutual matters, e.g. remuneration/working hours. ✓✓
- Unhealthy competition/Inter-team rivalry may cause workers to lose focus on team targets. ✓✓
- Lack of commitment/Distracted by personal objectives which may lead to an inability to meet pre-set targets. ✓✓
- Constant changes may cause instability. ✓✓
- Lack of clarity regarding employees' roles and responsibilities. ✓✓
- Complaints/criticism of performance/behaviour/attitudes may result in resentment between the employer and employee. ✓✓
- Poor organisation/leadership/procedures resulting in confusion regarding set targets. ✓✓

- Any relevant answer related to the causes of conflict in the workplace.

Max. (6)

3.3 Types of unprofessional business practices from the scenario

TYPES OF UNPROFESSIONAL BUSINESS PRACTICES	MOTIVATIONS
1. Unauthorised use of workplace funds and resources ✓✓	Some of EP employees download movies using the business's internet. ✓
2. Abuse of work time ✓✓	While others take extended lunch breaks ✓
Sub-max (4)	Sub-max (2)

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

Max. (6)

3.4 Challenges posed by unfair advertising as a type of unethical business practice to businesses

- Unfair advertisements could be harmful ✓ to consumers. ✓
- Deceptive advertising can violate the trust of consumers ✓ and destroy business relationships. ✓
- The use of false or misleading statements in advertising can lead to the misrepresentation of the concerned product ✓, which may negatively affect consumers. ✓
- Businesses can make unwise advertising choices ✓ when they are under pressure to increase their profits. ✓
- Some advertisements may be regarded as discriminatory ✓ because they exclude/target some sections of the population. ✓
- Any other relevant answer related to how unfair advertising as a type of unethical business practice poses challenges to businesses.

Max. (4)

3.5 Dealing with difficult employees

3.5.1 Ways business deal with difficult employees from the scenario

- He starts by meeting privately with the difficult employees to avoid distractions. ✓
- Sive remains calm and in control of the situation to get the difficult employees to collaborate. ✓

- NOTE:**
1. Mark the first TWO (2) only.
 2. Only award marks for responses that are quoted from the scenario.

(2 x 1) (2)

3.5.2 Other ways businesses can deal with difficult employees

- Get 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. ✓
- Identify the type of personality ✓ which is creating the problem. ✓
- Make intentions and reasons for action known, ✓ so that difficult person/people feel at ease ✓
- Employees should be told what specific behaviours are acceptable ✓ by giving details about what is wrong/ unacceptable and an opportunity to explain their behaviour. ✓
- 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 channels open/Encourage employees to communicate their grievances ✓ to 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. ✓✓/. Be supportive of them ✓ and their issues. ✓
- Treat people with respect, ✓ irrespective of whether they are capable/ competent or not ✓✓/. Don't try to change them ✓, rather see where you can use them effectively. ✓
- Sometimes it may be necessary to ignore ✓ and only monitor a difficult person ✓✓/. Take a step back and analyse the situation ✓ before you respond. ✓
- Identify and provide an appropriate support program ✓ to address areas of weakness. ✓
- Any relevant answer related to the different ways in which business can deal with difficult employees in the workplace.

NOTE: Do not award marks for responses that were quoted in QUESTION 3.5.1

Max. (6)

3.6 Correct procedure to deal with grievances in the workplace

- An aggrieved employee must verbally report the incident/grievance ✓ to his/her supervisor/manager. ✓
- Supervisor/ Manager need to resolve the issue ✓ within 3 to 5 working days. ✓

- Should the employee and supervisor not be able to resolve the grievance ✓, the employee may take it to the next level of management. ✓
- The employee may move to a more formal process ✓ where the grievance must be lodged in writing/completes a business grievance form. ✓
- The employee must receive a written reply ✓ in response to the written grievance. ✓
- A grievance hearing/meeting must be held ✓ with all relevant parties present. ✓
- Minutes of the meeting must be recorded ✓ and any resolution passed must be recorded on the formal grievance form. ✓
- Should the employee not be satisfied, then he/she could refer the matter ✓ to the highest level of management. ✓
- Top management should arrange a meeting ✓ with all relevant parties concerned. ✓
- Minutes of this meeting should be filed/recorded ✓ and the outcome/ decision must be recorded on the formal grievance form. ✓
- Should the employee still not be satisfied, he/she may refer the matter to the CCMA ✓ who will make a final decision on the matter. ✓
- The matter can be referred to the Labour Court/Labour Appeals Court/Constitutional Court ✓ if the employee is not satisfied with the outcome taken by the lower courts. ✓
- Any other relevant answer related to the correct procedure to deal with grievances in the workplace.

NOTE: Accept the procedure in any order.

Max. (6)

3.7 Ways in which professional, responsible, ethical and effective business practices should be conducted

- Mission statement should include the values of equality/respect. ✓✓
- Businesses should develop equity programmes/promotes strategies to ensure that all employees are treated equally regardless of status/rank/power. ✓✓
- Treat workers with respect/dignity by recognising work well done/the value of human capital. ✓✓
- Plan properly and put preventative measures in place. ✓✓
- Pay fair wages/salaries which are in line with the minimum requirements of the BCEA/Remunerate employees for working overtime/during public holidays. ✓✓
- Engage in environmental awareness programmes/Refrain from polluting the environment such as legally disposing of toxic waste. ✓✓
- Refrain from starting a venture using other businesses' ideas that are protected by law. ✓✓
- 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 officers with good

- credentials. √√
- Regular/Timeous payment of taxes. √√
 - All workers should have access to equal opportunities/ positions/ resources. √√
 - Ensure that employees work in a work environment that is conducive to safety/ fairness/free of embarrassment. √√
 - Employers and employees need to comply with legislation with regard to equal opportunities/human rights in the workplace. √√
 - 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 way that task should be performed. √√
 - 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. √√
 - Any other relevant answer related to ways in which professional, responsible, ethical and effective business practice should be conducted.

Max. (6)

BREAKDOWN OF MARKS

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

QUESTION 4: MISCELLANEOUS TOPICS**BUSINESS VENTURES****4.1 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 ✓

NOTE: Mark the first FOUR (4) only.

(4 x 1) (4)

4.2 Advantages of insurance for businesses

- Transfers the risk from businesses/insured to an insurance company/insurer. ✓✓
- Transfer of risk is subject to the terms and conditions of the insurance contract. ✓✓
- Protects businesses against theft/loss of stock and/or damages caused by natural disasters such as floods/storm damage. ✓✓
- Protects businesses against dishonest employees. ✓✓
- Protects businesses from claims made by members of the public for damages that the business is responsible for. ✓✓
- Protects businesses against losses due to death of a debtor. ✓✓
- Businesses are protected against the loss of earnings such as strikes by employees which result in losses worth millions. ✓✓
- Businesses will be compensated for insurable losses such as destruction of property through fire. ✓✓
- Businesses' assets such as vehicles/equipment/buildings need to be insured against damage and/or theft. ✓✓
- 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 businesses/ beneficiaries. ✓✓
- Replacement costs for damaged machinery/equipment are very high, therefore insurance can reduce/cover such costs. ✓✓
- Any other relevant answer related to the advantages of insurance for businesses.

Max. (4)

4.3 Form of investment

- 4.3.1 Form of investment from the scenario
Fixed deposit ✓✓

(2)

4.3.2 Impact of fixed deposit

Positives/ Advantages

- Interest is earned at a fixed rate regardless of changes ✓ in the economic climate. ✓
- The period of investment ✓ can be over a short/medium/long term. ✓
- Investors can choose the investment period ✓ that suits them. ✓
- Ensures financial discipline ✓ as investors cannot withdraw their funds before the maturity date. ✓
- Investors earn a better return on investment ✓ than on an ordinary savings account. ✓
- The higher the principal amount/the longer the investment period, ✓ the higher the interest rate offered by a financial institution. ✓
- It has a low risk ✓ as investors are guaranteed on the final payment. ✓
- Any other relevant positive impact/advantages of fixed deposits as a form of investment.

AND/OR

Negatives/ Disadvantages

- The investor cannot withdraw their funds ✓ before the maturity date. ✓
- Low returns ✓ compared to other investments. ✓
- May not outperform the effect of inflation ✓ over long term. ✓
- Any other relevant negative impact/disadvantages of fixed deposits as a form of investment.

NOTE: Do not award marks for responses that were quoted in the scenario above.

Max. (6)

4.4 Situations in which the charismatic style can be applied in the workplace

This leadership style can be applied when:

- the organisation wants to implement changes/sell vision/achieve excellent results uses the leader to get the support of employees. ✓✓
- the leader is energetic/inspiring and wants to boost the morale of employees, who may be demotivated. ✓✓
- the leader wants employees to continue on the path of high productivity/efficiency levels/hard work. ✓✓
- confidence levels of employees are low, and employees need to be inspired. ✓✓
- Any other relevant answer related to the situations in which the charismatic leadership style could be applied in the workplace.

Max. (4)

BUSINESS ROLES**4.5 Difference between grievance and conflict in the workplace**

GRIEVANCE	CONFLICT
- When an employee is unhappy/has a problem/complaint in the workplace. √√	- Clash of opinions/ideas/viewpoints in the workplace. √√
- It is when an individual/group has a work-related issue. √√	- Disagreement between two or more parties in the workplace. √√
- It is a formal complaint which requires employees to follow a grievance procedure. √√	- Can be resolved through following proper conflict resolutions. √√
- Offers employees a channel to express their dissatisfaction in the workplace. √√	
- Examples that can cause a grievance: Discrimination, unfair treatment, poor working conditions. √√	- Examples that can cause conflict: A lack of trust/miscommunication/personality clashes/different values. √√
- Any relevant answer related to grievance.	- Any relevant answer related to conflict.
Sub-max (2)	Sub-max (2)

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

Max. (4)

4.6 Stages of team development

4.6.1 Storming ✓✓ (2)

- 4.6.2 Storming as stage of team development from the scenario
- Teams go through a period of unease/conflict ✓ after formation. ✓
 - Different ideas from team members ✓ will compete for consideration. ✓
 - Tension/struggle/arguments occur ✓ and upset the team members/there may be power struggles for the position of team leader. ✓
 - In some instances, storming can be resolved quickly; ✓ In others, the team never leaves this stage. ✓
 - Many teams fail during this stage ✓ as they are not focused on their task. ✓
 - This phase can become destructive for the team/will negatively impact on team performance, ✓ if allowed to get out of control. ✓
 - This stage is necessary/ important ✓ for the growth of the team. ✓
 - Some team members tolerate each other ✓ to survive this stage. ✓
 - Any relevant answer related to storming as a stage of development.

NOTE: Do not allocate marks for responses quoted from the scenario.

Max. (4)

4.7 Importance of team dynamic theories in improving team performance

- Team dynamic theories explain ✓ how effective teams work/ operate. ✓
- Businesses can 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 team dynamic theories in improving team performance.

Max. (6)

4.8 Dealing with sexual harassment in the workplace

- Provide a framework for corrective action. √√
- Educate employers on sexual harassment matters. √√
- Formulate a policy regarding sexual harassment. √√
- Implement internal complaints and disciplinary procedures. √√
- Ensure compliance with the law/business code of conduct. √√
- Ensure that all employees are familiar with the code of ethics of sexual abuse. √√
- Create a good working environment where all employees' rights and dignity are respected. √√
- Internal investigation should be made in order to determine the seriousness of the harassment. √√
- Serious cases/matters on sexual harassment should be reported to the appropriate institutions/authorities such as the South African Police Services (SAPS). √√
- Any other relevant answer related to ways in which businesses could deal with sexual harassment as a type of unprofessional business practice.

Max. (4)
[40]

BREAKDOWN OF MARKS

QUESTION 4	MARKS
4.1	4
4.2.	4
4.3.1	2
4.3.2	6
4.4	4
4.5	4
4.6.1	2
4.6.2	4
4.7	6
4.8	4
TOTAL	40

SECTION C

Mark the answer to the **FIRST** question only.

QUESTION 5: BUSINESS VENTURES (MANAGEMENT AND LEADERSHIP)**5.1 Introduction**

- Democratic leadership may make employees feel more involved in decision making. ✓
- Effective application of situational leadership theory enables leaders/managers to accomplish their goals. ✓
- Transactional leaders focus on the performance of the employees to measure their effectiveness. ✓
- Personal attitude of managers and leaders play an important role in promoting a good team spirit in the workplace. ✓
- Any other relevant introduction related to the differences between the democratic and autocratic leadership styles/situational leadership theory/impact of laissez-faire and transactional leadership style on businesses/role of personal attitudes in successful leadership.

(Any 2 x 1) (2)

5.2 Differences between the democratic and autocratic leadership styles

DEMOCRATIC	AUTOCRATIC
- The leader involves employees in the decision-making process. ✓✓	- A leader takes all decisions alone without involving employees. ✓✓
- Clear/Two-way communication ensures group commitment to final decision(s). ✓✓	- Line of command/communication is clear as it is top-down/followers know exactly what to do. ✓✓
- People-oriented, as an employee's feelings and opinions are considered. ✓✓	- Task-orientated as the opinions of employees are not considered. ✓✓
- Workers feel empowered as they are involved in the decision-making process. ✓✓	- New employees feel confident/safe as strong leadership is provided. ✓✓
- Useful when the leader depends on the inputs of experienced followers. ✓✓	- Useful in a crisis/urgent situation, e.g. after an accident/ meeting tight deadline. ✓✓
- Handles conflict situations by involving followers in finding the best solution. ✓✓	- Handles conflict situations by telling followers what they should do. ✓✓
- Any other relevant answer related to democratic leadership style.	- Any other relevant answer related to autocratic leadership style.
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 maximum marks FOUR (4) if the difference is not clear/Mark either democratic or autocratic only.

Max. (8)

Please turn over

5.3 Situational leadership theory

- Different leadership characteristics are needed ✓ for different situations. ✓
- The task/situation dictates the leadership style that should be applied, ✓ so leaders are adaptable/flexible/self-assured. ✓
- Relationships between leaders and employees ✓ are based on mutual trust/respect/loyalty/integrity/honesty. ✓
- Leaders can analyse the situation/get the most suitable people in the right positions ✓ to complete tasks successfully. ✓
- Leaders analyse group members/objectives/time constraints ✓, to adopt a suitable/relevant leadership style. ✓
- May lead to conflict ✓ when leaders use different leadership styles/when managing employees in different situations. ✓
- The success of this theory depends on the kind of relationship ✓ that exists between the leader and followers/subordinates/employees. ✓
- Any other relevant answer related to the situational leadership theory.

Max. (12)

5.4 Impact of laissez faire and transactional leadership styles on businesses**5.4.1 Impact of the laissez-faire leadership style****Positives/Advantages**

- Workers/Followers can make decisions ✓ on their own work/methods. ✓
- Subordinates have maximum freedom ✓ and can work independently. ✓
- Leader motivates workers by trusting them to do things themselves ✓ which can be motivating/empowering to competent workers/increase productivity. ✓
- Subordinates are experts ✓ and know what they want/can take responsibility for their actions. ✓
- Suitable for coaching/mentoring to motivate employees ✓ to achieve more/better things. ✓
- It can be empowering for competent followers ✓ as they are completely trusted to do their job. ✓
- Individual team members may improve/develop ✓ leadership skills. ✓
- Any other relevant answer related to the positive impact/advantages of laissez-faire leadership style on businesses.

AND/OR

Negatives/ Disadvantages

- Lack of clear direction/leadership ✓ may be demotivating to employees. ✓
- Employees can be held responsible for their own work ✓ which may lead to underperformance. ✓
- Could lead to conflict when some team members act as leaders ✓ and dictate to other team members. ✓
- Workers are expected to solve ✓ their own conflict situations. ✓
- Productivity may be compromised ✓ with a lack of tight control over workers not meeting deadlines. ✓
- Productivity might be low ✓, if employees lack the necessary knowledge or skills ✓
- Any other relevant answer related to the negative impact/disadvantages of Laissez-faire leadership style on businesses.

Sub-max (8)

5.4.2 Impact of the transactional leadership style

Positives/Advantages

- Encourages employees to work hard ✓ because they will receive rewards. ✓
- Improves employees' productivity ✓ and morale. ✓
- The goals and objectives of the business can be achieved ✓ as workers are motivated. ✓
- Employees know ✓ what are expected of them. ✓
- Disciplinary action procedures ✓ are well communicated. ✓
- Any other relevant answer related to the positive impact/advantages of transactional leadership style on businesses.

AND/OR

Negatives/Disadvantages

- Employees may become bored/lose creativity ✓ as they have to follow rules/ procedures. ✓
- A transactional leader will have to monitor the work performance of employees ✓ to ensure that expectations are met. ✓
- Managing/controlling employees ✓ may be time-consuming. ✓
- Some employees may be demoralised/ unmotivated ✓ if they fail to reach/meet targets despite having worked very hard. ✓
- Not suitable for teamwork as all team members can be punished ✓ for poor performance caused by one team member. ✓
- Any other relevant answer related to the negative impact/disadvantages of transactional leadership style on businesses.

Sub-max (8)

Max. (16)

5.5 Role of personal attitude in 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. √√
- Great leaders understand that the right attitude will set the right atmosphere. √√
- Leaders' attitude may influence employees'/teams' thoughts/behaviour. √√
- Leaders should model the behaviour that they want to see in team members. √√
- 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 √√
- Positive attitude is critical for good leadership because good leaders will stay with the task regardless of difficulties/challenges. √√
- Successful employees and leaders have a constant desire to work and achieve personal/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 successful leadership.

Max. (10)

5.6 Conclusion

- The democratic leadership style encourages innovative ideas and boosts the morale of workers. √√
- Leaders must be well conversant with the situational leadership theory to lead people effectively in the workplace. √√
- The laissez-faire leadership style provides experienced employees the opportunity for personal/career growth. √√
- A leader who has a positive attitude can see beyond the current situation and plan ahead of time. √√
- Any other relevant conclusion related to the differences between the democratic and autocratic leadership styles/situational leadership theory/impact of laissez-faire and transactional leadership style on businesses/role of personal attitudes in successful leadership.

(Any 1 x 2) (2)

[40]

QUESTION 5: BREAKDOWN OF MARK ALLOCATION

DETAILS	MAXIMUM	TOTAL
Introduction	2	Max 32
Differences between democratic and autocratic leadership styles	8	
Situational leadership theory	12	
The impact of leadership styles on businesses: ○ Laissez faire ○ Transactional	16	
The role of personal attitude in successful leadership	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. 2

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

Allocate 0 marks where requirements are not met at all. 0

QUESTION 6: BUSINESS ROLES (CREATIVE THINKING AND PROBLEM SOLVING)**6.1 Introduction**

- The businesses must have mechanisms in place to help them work through problems. ✓
- Creative thinking helps businesses to see problems they face from another perspective. ✓
- Brainstorming encourages employees to work together respectfully and responsibly. ✓
- People who are relaxed, comfortable and positively stimulated are known to be more creative and innovative. ✓
- Any other relevant introduction related to differences between problem-solving and decision-making/benefits of creative thinking/impact of brainstorming and nominal group technique/ways in which the businesses can create an environment that promotes creative thinking in the workplace.

(Any 2 x 1) (2)

6.2 Differences between problem solving and decision making

PROBLEM SOLVING	DECISION MAKING
- Problems can be solved by a group/ team or an individual team member which makes the process consultative. √√	- 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 problem solving.
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 **FOUR (4)** marks if the differences are not clear/Mark either problem solving or decision making only.
- Max. (8)

6.3 Advantages/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. √
- 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. ✓
- Any other relevant answer related to the benefits of creative thinking.

Max. (14)

6.4 Impact of problem-solving techniques

6.4.1 Impact of brainstorming

Positives/Advantages

- Better solutions are developed ✓ through collective contributions. ✓
- Combinations of ideas/improvements can be chosen ✓ after all the ideas have been written down. ✓
- Employees are motivated ✓ as they can contribute to problem solving. ✓
- Stimulates creative thinking ✓ in the workplace. ✓
- People get ideas from others ✓ and build on them. ✓
- Any other relevant answer related to positive impact/advantages of brainstorming.

AND/OR

Negatives/Disadvantages

- Brainstorming is time consuming ✓ as all stakeholders/employees may generate too many ideas which can delay decision making. ✓
- Some team members may dominate ✓ discussion. ✓
- Fear of criticism may prevent full participation ✓ in brainstorming sessions. ✓
- It may lead to 'group thinking' ✓ some individuals may not give their opinions. ✓
- Discussion may result in conflict ✓ due to differences in opinion. ✓
- Any other relevant answer related to the negative impact/disadvantages of brainstorming.

Sub-max (8)

6.4.2 Impact of the Nominal group technique

Positives/Advantages

- It provides time to think about the question ✓ in silence before responding. ✓
 - Each team member/director has a chance to participate ✓ without interference from other team members. ✓
 - Voting on the ideas is anonymous ✓ and may be more reliable/honest. ✓
 - 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. ✓
 - Strong technique for preventing conformity ✓ to group pressure.
- Any other relevant answer related to positive impact/advantages of nominal group technique.

AND/OR

Negatives/Disadvantages

- 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). ✓
 - Suggestions may not be as creative ✓ as when a group throws ideas around. ✓
 - It is time consuming, ✓ as each member must make a presentation. ✓
 - 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. ✓
 - Good ideas can be voted out ✓ because its potential cannot be developed further. ✓
 - Small groups limit participation ✓ and are pre-selected. ✓
- Any other relevant answer related to negative impact/disadvantages of nominal group technique.

Sub-max (8)
Max. (16)

6.5 Ways to create an environment that stimulate creative thinking in the workplace

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

Max. (8)

6.6 Conclusion

- It is important to note that many people use the terms problem solving and decision making interchangeable, but they are not the same. √√
- Thinking creatively makes you a better problem solver, which has far - reaching benefits in both work and personal life. √√
- Brainstorming is very useful especially during the beginning stages of a project. √√
- The right mix of space, conditions, stimuli and aesthetics can enable creativity in many ways. √√
- Any other relevant conclusion related to differences between problem-solving and decision-making/benefits of creative thinking/impact of brainstorming and nominal group technique/ways in which the businesses can create an environment that promotes creative thinking in the workplace.

(Any 1 x 2)

(2)
[40]**QUESTION 6: BREAKDOWN OF MARK ALLOCATION**

DETAILS	MAXIMUM	TOTAL
Introduction	2	Max 32
Differences between problem-solving and decision-making	8	
Benefits of creative thinking	14	
Impact of problem-solving techniques: <ul style="list-style-type: none"> o Brainstorming o Nominal group technique 	16	
Ways in which businesses can create an environment that promotes creative thinking in the workplace	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. 2

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

Allocate 0 marks where requirements are not met at all. 0

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