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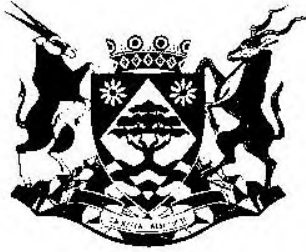
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PROVINCIAL PREPARATORY EXAMINATION

GRADE 12

BUSINESS STUDIES P1

SEPTEMBER 2024

MEMO

MARKS: 150

These marking guidelines consist of 29 pages.

NOTES TO MARKERS**PREAMBLE**

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

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

1. For marking and moderation purposes, the following colours are recommended:

Marker:	Red
Senior Marker:	Green
Deputy Chief Marker:	Orange
Chief Marker:	Pink
Internal Moderator:	Black/Blue

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

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

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

8. In an indirect question, the theory as well as the response must be relevant and related to the question.
9. Correct numbering of answers to questions or sub questions is recommended in SECTIONS A and B. However, if the numbering is incorrect, follow the sequence of the candidate's responses. Candidates will be penalised if the latter is not clear.
10. No additional credit must be given for repetition of facts. Indicate with an 'R'.
11. The differentiation between 'evaluate' and 'critically evaluate' can be explained as follows:
- 11.1 When 'evaluate' is used, candidates are expected to respond in either a positive/negative manner or take a neutral (positive and negative) stance, e.g., Positive: *'COIDA eliminates time and costs spent√ on lengthy civil court proceedings.'*√
- 11.2 When 'critically evaluate' is used, candidates are expected to respond in either a positive/negative manner or take a neutral (positive and negative) stance. In this instance candidates are also expected to support their responses with more depth, e.g., *'COIDA eliminates time and costs spent√ on lengthy civil court proceedings√, because the employer will not be liable for compensation to the employee for injuries sustained during working hours as long as it can be proved that the business was not negligent.'*√
- NOTE:** 1. The above could apply to 'analyse' as well.
2. Note the placing of the tick (√) in the allocation of marks.
12. The allocation of marks must be informed by the nature of the question, cognitive verb used, mark allocation in the marking guideline and the context of each question.
- Cognitive verbs, such as:
- 12.1 Advise, name, state, outline, motivate, recommend, suggest, (*list not exhaustive*) do not usually require much depth in candidates' responses. Therefore, the mark allocation for each statement/answer appears at the end.
- 12.2 Define, describe, explain, discuss, elaborate, distinguish, differentiate, compare, tabulate, analyse, evaluate, critically evaluate (*list not exhaustive*) require a greater depth of understanding, application and reasoning. Therefore, the marks must be allocated more objectively to ensure that assessing is conducted according to established norms so that uniformity, consistency and fairness are achieved.
13. Mark only the FIRST answer where candidates offer more than one answer for SECTION B and C questions that require one answer.

SECTION B

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

- 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)

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

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

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

- Fact 2 marks (or as indicated in the marking guidelines)
 - Explanation 1 mark (two marks will be allocated in Section C)
- The 'fact' and 'explanation' are given separately in the marking guideline to facilitate mark allocation.

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

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

15. **SECTION C**

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

Introduction	Maximum: 32
Content	
Conclusion	
Insight	8
TOTAL	40

15.2 Insight consists of the following components:

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

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

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

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

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



September 2024

SECTION A: COMPULSORY**QUESTION 1**

- 1.1 1.1.1 D ✓✓
 1.1.2 B ✓✓
 1.1.3 C ✓✓
 1.1.4 D ✓✓
 1.1.5 A ✓✓
- (5 x 2) (10)**

- 1.2 1.2.1 Unemployment Insurance Fund ✓✓
 1.2.2 social ✓✓
 1.2.3 human resource development strategy ✓✓
 1.2.4 do ✓✓
 1.2.5 marketing ✓✓
- (5 x 2) (10)**

- 1.3 1.3.1 G ✓✓
 1.3.2 F ✓✓
 1.3.3 J ✓✓
 1.3.4 I ✓✓
 1.3.5 B ✓✓
- (5 x 2) (10)**

TOTAL SECTION A: 30

BREAKDOWN OF MARKS	
QUESTION 1	MARKS
1.1	10
1.2	10
1.3	10
TOTAL	30



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

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

(4 x 1) (4)**NOTE: Mark the first FOUR only****2.2 Advantages of intensive strategies**

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

Max (4)**2.3 Leave provision as stipulated in the BCEA from statements**2.3.1 Maternity ✓✓ **(2)**2.3.2 Family responsibility ✓✓ **(2)**2.3.2 Annual ✓✓ **(2)**

2.4 Application of Porter's Five Forces model

2.4.1 Threat/Barriers to new entrants in 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 to new entrants to the market to analyse their position in the market environment.

Max (4)

2.4.2 Power of buyers

- Assess how easy it is for buyers/customers✓ to bring 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 buyers/customers.✓
- Any other relevant answer related to how businesses could apply the power of buyers to analyse their position in the market environment.

Max (4)

2.5 Impact of the Skills Development Act/SDA on businesses

Advantages/Positives

- Increases the number of skilled employees✓ in areas where these skills are scarce.✓
- Trains employees✓ to improve productivity in the workplace.✓
- Increases global✓ competitiveness.✓
- On-going skills development/learning/acquisition of new skills are encouraged✓ to sustain the improvement of skills development.✓
- Increases investment in education and training✓ in the labour market.✓
- Increases the return on investment✓ in education and training.✓
- Improves employment opportunities✓ and labour movement.✓
- Self-employment✓ and entrepreneurship are promoted.✓
- Workplace discrimination✓ can be addressed through training.✓
- Workplace is used as an active learning environment✓ where employees can gain practical job experience.✓
- Businesses may claim back some of the costs of training✓ as a refund from relevant SETA's.✓
- Improves quality products/service delivery ✓ as business employ more skilled workers. ✓
- Any other relevant answer related to the positive impact/advantages of the SDA on businesses.

Disadvantages/Negatives

- The SDA process is prescriptive/requires a large amount of paperwork/administration✓ which can cost time/money.✓
- Skills Development Levy could be an extra burden✓to financially struggling businesses.✓
- It may be monitored/controlled by government departments✓that do not have education/training as their key priorities.✓
- Many courses offered by companies may not have unit standards✓that relate to the course content.✓
- Many service providers that offer training services✓are not SAQA accredited.✓
- Many businesses may not support✓this government initiative.✓
- Implementation of the SDA can be difficult✓to monitor and control.✓
- Employees are expected to attend learnerships during work hours✓ which could affect the production process/productivity.✓
- Costly for businesses to employ a person✓to implement/manage/control learnerships.✓
- The time/money spent on improving employee skills is wasted✓if they leave the business.✓
- Only companies with a staff payroll over R500 000 per annum✓can claim the Skills Development levy.✓
- Any other relevant answer related to the negative impact/disadvantages of the SDA on businesses.

Max (6)**2.6 Compensation for Occupational Injuries and Diseases Amended Act/COIDA****2.6.1 Ways in which PC complies with the Compensation for Occupational Injuries and Diseases Amended Act/COIDA from the scenario**

- The management of PC reports accidents causing illness of employees.✓
- PC ensures that their equipment and machinery are in good working condition.✓

NOTE: Only award marks for responses quoted from the scenario.**(2 x 1) (2)****2.6.2 Other ways in which businesses could comply with the Compensation for Occupational Injuries and Diseases Act/COIDA**

- Businesses should provide✓a healthy/safe working environment.✓
- Register with the Compensation Commissioner✓and provide the particulars of the business.✓
- **Keep records**✓of employees' income for 4 years.✓
- Allow **regular assessment** of the workplace by inspectors ✓in order to **determine** the level of risk their employees are exposed to
- Employers may not make deduction for COIDA✓from employees' remuneration packages.✓
- Businesses must ensure that claims are lodged✓within 12 months of the date of the accident✓
- Levies must be paid✓to the Compensation Fund.✓
- Any other relevant answer related to other ways in which businesses could comply with COIDA-

NOTE: Do not award marks for responses that were quoted in QUESTION 2.6.1.**Max (4)**

2.7 Advantages of the Employment Equity Act

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

Max (6)
[40]

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

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

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

NOTE: Mark the first TWO (2) only. (2 x 1) (2)

3.2 Placement procedure as a human resources activity

- Businesses should outline the specific responsibilities/expectations/skills of the new position. ✓✓
- Determine the successful candidate's strengths/weaknesses/interests/skills by subjecting him/her to a range of psychometric tests. ✓✓
- Determine the relationship between the position and the Competencies of the new candidate. ✓✓
- Any other relevant answer related to the placement procedure as a human resource activity. **Max (4)**

3.3 Aspects that must be included in the induction programme**3.3.1 Aspects that must be included in the induction programme from the scenario**

- They included safety regulations and rules ✓
- A tour of the business also formed part of the programme ✓ **(2)**

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

3.3.2 Benefits of induction for businesses

- Allows new employees to settle in quickly ✓ and work effectively. ✓
- Ensures that new employees understand rules ✓ and restrictions in the business. ✓
- New employees may establish relationships ✓ with fellow employees at different levels. ✓
- Make new employees feel at ease in the workplace ✓, which reduces anxiety/ insecurity/fear. ✓
- The results obtained during the induction process ✓ provide a base for focussed training. ✓
- Increases quality of performance/productivity ✓ which promotes the effective use of working methods/resources. ✓
- Minimises/Decreases the need for on-going training ✓ and development. ✓
- Employees will be familiar with organisational structures ✓, such as who are their supervisors/low level managers. ✓
- Opportunities are created for new employees ✓ to experience/explore different departments. ✓
- New employees will understand their role/responsibilities ✓ concerning safety regulations and rules. ✓
- New employees will know the layout of the building/factory/offices/ where everything is ✓, which saves production time. ✓
- Learn more about the business so that new employees understand ✓ their roles/responsibilities in order to be more efficient. ✓
- Company policies regarding conduct/procedures/safety and security/ employment contract/conditions of employment/working hours/ leave ✓, are communicated. ✓
- Realistic expectations for new employees ✓ as well as the business are created. ✓
- New employees may feel part of the team ✓ resulting in positive morale/ motivation. ✓
- Employees may have a better understanding of business policies ✓ regarding ethical/professional conduct/procedures/CSR. ✓
- Reduces staff turnover ✓ as new employees have been inducted properly. ✓
- Any other relevant answer related to the benefits of induction for businesses.

Max (4)

3.4 **Advantages of external recruitment**

- New candidates bring new talents/ideas/experiences/skills✓into the business. ✓
- There is a larger pool of candidates✓to choose from. ✓
- There is a better chance of getting a suitable candidate with the required skills/qualifications/competencies✓who do not need much training/development which reduces costs. ✓
- 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. ✓
- New employees may add value✓to the overall efficiency/productivity of the business. ✓
- Any other relevant answer related to the advantages of external recruitment.

Max (4)3.5 **Role of the interviewer before the interview**

- Book and prepare the venue for the interview. ✓✓
- Inform all shortlisted candidates✓about the date and place of the interview. ✓✓
- Set the interview date and ensure that all interviews take place on the same date, if possible. ✓✓
- Notify all panel members conducting the interview✓ about the date and place of the interview. ✓✓
- Develop a core set of questions based on the skills/knowledge/ability required. ✓✓
- Check/Read the application/verify the CV of every candidate for anything that may need to be explained. ✓✓
- Plan the programme for the interview and determine the time that should be allocated to each candidate. ✓✓
- Any other relevant answer related to role of the interviewer before the interview.

Max (4)3.6 **Role 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 processes and systems 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. ✓✓
- Increase employees' morale/motivation to boost the team spirit in achieving organisational goals. ✓✓
- Contribute towards the improvement and development of the organisation. ✓✓
- Reduce costs of redundancy and wasteful efforts in the long run. ✓✓

- Increase the demand for products/services of the business. ✓✓
- Create harmony and high performance in the workplace. ✓✓
- Build a healthy workplace relationship between the employer and employee. ✓✓
- Improve employees' loyalty/commitment to the organisational goals. ✓✓
- Improve employees' communication at all levels of the business. ✓✓
- Develop a positive attitude/sense of involvement in decision making processes of the services offered. ✓✓
- Any other relevant answer related to the role of quality circles as part of continuous improvement to processes and systems.

Max (4)**3.7 Benefits of a good quality management system****3.7.1 Benefits of a good quality management system from the scenario**

- EM increases productivity through proper time management. ✓
- EM conducts regular training to continuously improve the quality of their employees' skills. ✓

NOTE: Only award mark for response that are quoted from the scenario (2 x 1) (2)

3.7.2 Other benefits of a good quality management system

- Effective customer services are rendered✓, resulting in increased customer satisfaction. ✓
- Productivity increases ✓through proper time management✓high quality resources. ✓
- Product/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. ✓
- 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 other benefits of a good quality management system.

NOTE: Do not award marks for responses that are quoted from the scenario in QUESTION 3.7.1

Max (4)

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

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

Max (6)3.9 **Impact of TQM if poorly implemented by businesses**

- Setting unrealistic deadlines that may not be achieved. ✓✓
- Employees may not be adequately trained resulting in poor quality products. ✓✓
- Decline in productivity, because of stoppages. ✓✓
- Businesses may not be able to make necessary changes of. ✓✓
- Products/services to satisfy the needs of customers. ✓✓
- Businesses' reputation/image may suffer because of poor quality/defective goods. ✓✓
- Customers will have many alternatives to choose from and the impact could be devastating to businesses. ✓✓
- Investors might withdraw investment if there is a decline in profits. ✓✓
- Decline in sales as more goods are returned by unhappy customers. ✓✓
- High staff turnover, because of poor skills development. ✓✓
- Undocumented/Uncontrolled quality control processes/systems could result in errors/deviations from pre-set quality standards. ✓✓
- Any other relevant answer related to the impact of TQM if poorly implemented by businesses.

**Max (4)
[40]**

BREAKDOWN OF MARKS	
QUESTION 3	MARKS
3.1	2
3.2	4
3.3.1	2
3.3.2	4
3.4	4
3.5	4
3.6	4
3.7.1	2
3.7.2	4
3.8	6
3.9	4
TOTAL	40

QUESTION 4: MISCELLANIOUS TOPICS**BUSINESS ENVIRONMENTS****4.1 Types of defensive strategies**

- Divestiture ✓
- Liquidation ✓
- Retrenchment ✓

NOTE: Mark the first TWO (2) only. (2 x 1) (2)

4.2 BBBEE pillars from the scenario

BBBEE PILLARS	MOTIVATIONS
1 Management Control ✓✓	ZW appointed Thandi as their chief operating officer ✓
2 Social Development/Socio economic development ✓✓	They also donated computers to Grade 12 learners at the local school. ✓
Submax (4)	Submax (2)

- NOTE:**
1. Mark the first TWO (2) only.
 2. Award marks for BBBEE pillars even if the quotes are
 3. incomplete.
Do not award marks for motivations if the BBBEE pillars were incorrectly identified.
 4. Accept responses in any order. **Max (6)**

4.3 **Role of SETA's in supporting the Skills Development Act**

- 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 (4)

4.4 **Advantages of the Labour Relations Act/LRA**

- Promotes a healthy relationship ✓ between the employer and employees. ✓
- Protects the rights of businesses ✓ in labour relations issues. ✓
- Labour disputes are settled quicker ✓ and are less expensive. ✓
- Workplace forums can add value to businesses ✓ if it functions properly. ✓
- Protects employers who embark on lawful lockouts ✓ when negotiations between parties fail. ✓
- LRA provides for the principles of collective bargaining ✓ and puts structures in place with which disputes in the workplace can be settled. ✓
- Provides specific guidelines for employers ✓ on correct and fair disciplinary procedures. ✓
- Employers and employees have guidelines ✓ regarding correct and fair dismissal procedures. ✓
- Provides a mechanism/framework ✓ such as statutory councils/ collective bargaining/CCMA. ✓
- Employers are entitled to compensation from the Labour Court ✓ if they suffered damages as a result of unprotected strikes. ✓
- Any other relevant answer related to the advantages of the LRA on businesses.

Maks (4)

4.5 **Ways in which businesses can comply with the National Credit Act/
NCA**

- Offer applicants pre-agreement statements. ✓✓
- Disclose all costs of loan/No hidden costs should be charged/added. ✓✓
- Obtain credit records/checks of clients before granting loans. ✓✓
- Businesses should be registered with the National Credit Regulator. ✓✓
- 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 credit check with a registered credit bureau and consult with National Credit Register. ✓✓
- Businesses 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. ✓✓
- Any other relevant answer related to the ways in which businesses can comply with the National Credit Act /NCA

Max (4)

BUSINESS OPERATIONS

4.6 **Sources of internal recruitment**

- Internal e-mails/Intranet/web sites to staff✓
- Word of mouth/Staff meetings✓
- Business newsletters/circulars to staff✓
- Internal/management referrals✓
- Office notice boards✓
- Internal bulletins✓
- Recommendation by current employees/staff✓
- Head hunting within the business/organisational database✓
- Any other relevant answer related to the sources of internal recruitment.

NOTE: Mark the first TWO (2) only.

(2 x 1) (2)

4.7 **Legal requirements of an employment contract**

4.7.1 **Legal requirements of an employment contract from the scenario**

- All employees are aware of the terms and conditions of the contract. ✓
- Hester Logistics and their employees have signed the employment contract. ✓

NOTE: 1. Mark the first TWO (2) only.

2. Only award marks for responses that are quoted from the scenario.

(2 x 1) (2)

4.7.2 **Salary Determination methods****Piecemeal** ✓✓

- Workers are paid according to the number of items/units produced/ action performed. ✓
- Workers are not remunerated for the number of hours worked, regardless of how long it takes them to make the items. ✓
- Mostly used in factories particularly in the textile/technology industries. ✓
- Any other relevant answer related to piecemeal as a salary determination method.

Method (2)
Discussion (1)
Submax (3)

Time-related ✓✓

- Workers are paid according to the amount of time/hours they spend at work/on a task. ✓
- Workers with the same experience/qualifications are paid on salary
- Scales regardless of the amount of work done. ✓
- Many private and public sector businesses use this method. ✓
- Any other relevant answer related to time-related as a salary determination method.

Method (2)
Discussion (1)
Submax (3)

Max (6)

4.8

Distinction between quality control and quality assurance

QUALITY CONTROL	QUALITY ASSURANCE	
System that ensures the desired quality is met ✓ by inspecting the final product. ✓	Checks carried out ✓ during and after the production process. ✓	
Ensure that finished products ✓ meet the required standards. ✓	Ensure that required standards ✓ have been met at every stage of the process. ✓	
Process of ensuring that products are consistently manufactured ✓ to high standards. ✓	Processes put in place to ensure that the quality of products/services/systems ✓ adhere to pre-set standards with minimal defects/delays/ shortcomings. ✓	
Checking raw materials/employees/ machinery/workmanship/products ✓ to ensure that high standards are maintained. ✓	Ensuring that every process is aimed to get the product 'right the first time' ✓ and prevent mistakes from happening ✓	
Includes setting targets/measuring performance ✓ and taking corrective measures. ✓	The 'building in' of quality ✓ as opposed to 'checking of' quality ✓	
Any other relevant answer related to quality control.	Any other relevant answer related to quality assurance.	
Submax (2)	Submax (2)	



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

Max (4)

4.9 **Ways in which total quality management/TQM can reduce the cost of quality**

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

Max (6)

[40]

TOTAL SECTION B: 80

BREAKDOWN OF MARKS	
QUESTION 4	MARKS
4.1	2
4.2	6
4.3	4
4.4	4
4.5	4
4.6	2
4.7.1	2
4.7.2	6
4.8	4
4.9	6
TOTAL	40



SECTION C**Mark the answer to the FIRST question only****QUESTION 5: BUSINESS ENVIRONMENTS (BUSINESS STRATEGIES)****5.1 Introduction**

- Businesses apply the strategic management process in response to changes in the market. ✓
- Integration strategies are an important tool in building a competitive business. ✓
- The PESTLE factors enable businesses to measure the negative impact of external factors on their operations. ✓
- Strategy evaluation takes place after the implementation of the strategy and determines whether the implemented strategy resolved the challenges. ✓
- Any other relevant introduction related to the strategic management process/types of integration strategies/challenges posed PESTLE factors/Steps in strategy evaluation.

Any (2 x 1) (2)**5.2 Strategic management process****OPTION 1**

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

OR**OPTION 2**

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

Max (12)

5.3 **Types of integration strategies**5.3.1 **Forward vertical integration/ Forward integration** ✓✓

- A business combines with or takes over ✓ its distributors down the supply chain/ production chain. ✓
- Involves expansion of business activities ✓ to gain control over the direct distribution of the products. ✓
- Increases profitability of the business ✓ as the middleman is excluded. ✓
- Any other relevant answer related to forward vertical integration as a type of integration strategy.

Strategy (2)
Explanation (2)
Submax (4)

5.3.2 **Backward vertical integration/ Backward intergration** ✓✓

- A business combines with or takes over ✓ its suppliers up the supply chain/production chain. ✓
- Aims at decreasing the business's dependency ✓ on suppliers. ✓
- Enables businesses to cut costs ✓ and have influence over the prices/quality/quantity of raw materials. ✓
- Any other relevant answer related to backward vertical integration as a type of integration strategy.

Strategy (2)
Explanation (2)
Submax (4)

5.3.3 **Horizontal integration** ✓✓

- A business takes control of/incorporates other businesses ✓ in the same industry/which produce/sell the same goods/services. ✓
- The aim is to reduce ✓ the threat of competition/substitute products/ services. ✓
- Increases the market share/sales ✓ and profits. ✓
- Suitable for businesses that operates in multiple geographical areas ✓ through joint ventures/licensing/franchising. ✓
- Any other relevant answer related to horizontal integration as a type of integration strategy.

Strategy (2)
Explanation (2)
Submax (4)
Max (12)

Mark the first THREE (3) only.

5.4 **Challenges posed by the PESTLE factors**5.4.1 **Challenges posed by economic factors**

- Inflation/Interest rates may negatively impact ✓ on business. ✓
- Loans may be expensive ✓ due to high interest rates. ✓
- Fluctuations in foreign currency ✓ may restrict import. ✓
- Any other relevant answer related to how the economic factors as a PESTLE element pose challenges to businesses.

Submax (4)

5.4.2 Challenges posed by social factors

- Customers may not be able to afford products ✓ due to low-income levels/high unemployment. ✓
- Businesses may not be conversant ✓ with the language of their customers. ✓
- Some customers may prefer to spend their money on medical bills ✓ for the treatment of chronic illnesses. ✓
- High crime rate may affect the trading hours of businesses ✓ resulting in decreased profit. ✓
- Customers may not be able to afford products ✓ due to low-income levels. ✓
- Any other relevant answer related to how the social factors as a PESTLE element pose challenges to businesses.

Submax (4)

5.4.3 Challenges posed by political factors

- The business will have to consider specific government policies ✓ such as terms and conditions under which business be allowed to trade ✓
- Consumer rights organisation may prevent the business from selling products ✓ if they do not meet certain requirements. ✓
- Trade agreements may prevent the business ✓ from importing ✓
- Any other answer related to how the political factor as a PESTLE element pose challenges to businesses

Submax (4)

Max (12)**5.5 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. ✓✓
- 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 as envisaged when strategies were implemented. ✓✓
- Consider the impact of the strategic implementation in the internal and external environments of the business. ✓✓
- Any other relevant answer related to the steps in strategy evaluation.

Max (10)

5.6 **Conclusion**

- All levels of management should be involved in the strategic management process to ensure the successful implementation of business strategies. ✓✓
- The implementation of integration strategies enables businesses to increase their efficiency/ revenue/performance. ✓✓
- Businesses that apply the PESTLE analysis can respond quickly to the external pressures and adapt to them. ✓✓
- Strategic evaluation constitutes the final stage of the strategic management process and is considered one of the most important steps of the process. ✓✓
- Any other relevant conclusion related to the strategic management process/types of integration strategies/challenges posed PESTLE factors/ Steps in strategy evaluation.

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

QUESTION 5: BREAKDOWN OF MARK ALLOCATION

Details	Maximum	Total
Introduction	2	Max 32
Strategic management process	12	
Types of integration strategies	12	
Challenges posed by PESTLE factors	12	
Steps in strategy evaluation	10	
Conclusion	2	
INSIGHT		
Layout		2
Analysis, interpretation		2
Synthesis		2
Originality/Examples		2
TOTAL MARKS		40
*LASO – For each component:		
Allocate 2 marks if all requirements are met.		
Allocate 1 mark if only some of the requirements are met.		
Allocate 0 marks where requirements are not met at all.		

QUESTION 6: BUSINESS OPERATIONS (HUMAN RESOURCE FUNCTION)**6.1 Introduction**

- The human resources manager must be well conversant with the requirements of a vacancy to ensure that the selection procedure is executed effectively. ✓
- The human resources manager should be able to appoint the best candidate if the interviewing process is properly conducted. ✓
- Fringe benefits are offered to employees regardless of regular wages/salaries. ✓
- The employment contract can be terminated for various reasons. ✓
- Any other relevant introduction related selection procedure/purpose of the interview/impact of fringe benefits/reasons for the termination of a contract.

(2 x 1) (2)
Max (12)

6.2 Selection procedure**OPTION 1**

- Determine fair assessment criteria on which selection will be based. ✓✓
- Applicants must submit the application forms/curriculum vitae and certified copies of personal documents/IDs/proof of qualifications. ✓✓
- Sort the received documents/CVs according to the assessment/selection criteria. ✓✓
- Screen/Determine which applications meet the minimum job requirements and separate these from the rest. ✓✓
- Preliminary interviews are conducted if many suitable applications were received/to identify suitable applicants. ✓✓
- Reference checks/Vetting process should be made/followed to verify work experience/criminal records/credit records/qualifications on the CV. ✓✓
- Compile a shortlist of potential candidates identified. ✓✓
- Shortlisted candidates may be subjected to various types of selection tests such as skills tests. ✓✓
- Invite shortlisted candidates for an interview. ✓✓
- A written offer is made to the selected candidate. ✓✓
- Inform unsuccessful applicants about the outcome of their application/Some adverts indicate the deadline for informing only successful candidates. ✓✓
- Any other relevant answer related to the selection procedure as a human resource activity.

OR

OPTION 2

- Receive documentation such as application forms and sort it according to the criteria of the job. ✓✓
- Evaluate CVs and create a shortlist/Screen the applicants. ✓✓
- Check information in the CVs and contact references. ✓✓
- Conduct preliminary sifting interviews to identify applicants who are not suitable for the job, although they meet all requirements. ✓✓
- Assess/Test candidates who have applied for senior positions/to ensure the best candidate is chosen. ✓✓
- Conduct interviews with shortlisted candidates. ✓✓
- Offer employment in writing to the selected candidate(s). ✓✓
- Any other relevant answer related to the selection procedure as a human resource activity.

NOTE: The procedure may be in any order.**Max (12)****6.3 Purpose of the interview**

- Creates an opportunity where information about the business✓ and applicant can be exchanged.✓
- Gathers information✓ about the strengths and weaknesses of each candidate.✓
- Determines a candidate's suitability✓ for the job.✓/Determines whether the candidate would add value✓ to the business.✓
- Helps the employer in choosing/making an informed decision✓ about the most suitable candidate for the job.✓
- Matches information provided by the applicant✓ to the job requirements.✓
- Evaluates the skills/personal characteristics/qualities✓ of the applicant.✓
- Verifies to a certain degree, the accuracy regarding the information✓ presented on the CV.✓
- Any other relevant answer related to the purpose of the interview

Max (12)**6.4 Impact of fringe benefits on businesses****Positives/Advantages**

- Attractive fringe benefit packages✓ may result in higher employee retention/reduces employee turnover.✓
- Attracts qualified/skilled/experienced employees✓ who may positively contribute towards the business goals/objectives.✓
- Improves productivity✓ resulting in higher profitability.✓
- It increases employee satisfaction/loyalty,✓ as they may be willing to go the extra mile.✓
- Businesses save money✓ as benefits are tax deductible.✓
- Fringe benefits can be used as leverage✓ for salary negotiations.✓
- Any other relevant answer related to the positive impact/advantages of fringe benefits on businesses.

AND

Negatives/Disadvantages

- Businesses which cannot offer fringe benefits, ✓ fail to attract skilled workers. ✓
- Businesses which offer employees different benefit plans ✓ may create resentment ✓ / Employees who receive less benefit may not be motivated ✓ resulting in lower productivity. ✓
- It can create conflict/lead to corruption ✓ if allocated unfairly. ✓
- Fringe benefits are additional costs ✓ that may result in cash flow problems. ✓
- Decreases business profits, ✓ as incentive/package/remuneration costs are higher. ✓
- Administrative costs increase, ✓ as benefits need to be correctly recorded for tax purposes. ✓
- Workers only stay with the business for fringe benefits, ✓ and may not be committed/loyal to the tasks/business. ✓
- Businesses have to pay advisors/attorneys ✓ to help them create benefit plans that comply with legislation. ✓
- Errors in benefit plans ✓ may lead to costly lawsuits/regulatory fines. ✓
- Any other relevant answer related to the negative impact/disadvantages of fringe benefits on businesses.

Max (12)**6.5 Reasons for the termination of an employment contract**

- The employer may dismiss an employee for valid reason(s) such as unsatisfactory job performance and misconduct. ✓✓
- Employer may no longer have work for redundant employees/cannot fulfil the contract/is restructuring. ✓✓
- The employer may retrench some employees due to insolvency/may not be able to pay the employees. ✓✓
- Employees decided to leave/resign voluntarily for better job opportunities. ✓✓
- An employee may have reached the pre-determined age for retirement. ✓✓
- Incapacity to work due to illness/injuries. ✓✓
- The duration of the employment contract expires/comes to an end. ✓✓
- By mutual agreement between the employer and employee. ✓✓
- Any other relevant answer related to the reasons for the termination of an employment contract.

Max (10)**6.6 Conclusion**

- The human resources manager should be able to appoint the best candidate if fair selection procedure is followed. ✓✓
- Businesses must be able to conduct research on shortlisted candidate to enable them to develop relevant interview questions. ✓✓
- Offering fringe benefits is a great way to motivate employees to work hard towards achieving business goals. ✓✓
- Businesses must follow the correct procedures when terminating an employment contract. ✓✓
- Any other relevant conclusion related selection procedure/purpose of the interview/ impact of fringe benefits/reasons for the termination of a contract.

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

QUESTION 6: BREAKDOWN OF MARK ALLOCATION

Details	Maximum	Total
Introduction	2	Max 32
Selection procedure	12	
Purpose of the interview	12	
Impact of fringe benefits	12	
Reasons for the termination of an employment contract	10	
Conclusion	2	
INSIGHT		
Layout		2
Analysis, interpretation		2
Synthesis		2
Originality/Examples		2
TOTAL MARKS		40
*LASO – For each component:		
Allocate 2 marks if all requirements are met.		
Allocate 1 mark if only some of the requirements are met.		
Allocate 0 marks where requirements are not met at all.		

TOTAL SECTION C: 40
GRAND TOTAL: 150