



Province of the  
**EASTERN CAPE**  
EDUCATION

**NATIONAL  
SENIOR CERTIFICATE**

**GRADE 12**

**SEPTEMBER 2014**

**BUSINESS STUDIES  
MEMORANDUM**

**MARKS: 300**

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This memorandum consists of 29 pages.

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**NOTES TO MARKERS**

1. Candidates' responses for SECTIONS B and C must be in full sentences. This will depend on the nature of the question.
2. A comprehensive memorandum 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 memorandum
  - Comes from another source
  - Is correct and original

**NOTE: There is no alternative answers for 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 calculations.
6. In an indirect question, the theory as well as the response must be relevant and related to the question.
7. **Incorrect numbering of questions or sub-questions will be penalised. This is applicable to all the sections of the paper.**

**SECTION B**

8. 8.1 If, for example, FIVE facts are required, mark the candidate's FIRST FIVE responses and ignore the rest of the responses. Indicate by drawing a line across the unmarked portion or use the word 'Cancel'.  
**NOTE:** This only applies to questions where the number of facts is specified.
- 8.2 If two facts are written in one sentence, award the candidate FULL credit. Point 7 above still applies.
- 8.3 If candidates are required to provide their own examples/views, brainstorm this come up with alternative answers.
- 8.4 **USE OF THE COGNITIVE VERB AND ALLOCATION OF MARKS**
  - 8.4.1 All the questions that require candidates to 'explain/discuss/describe' will be marked as follows:
    - Heading 2 marks
    - Explanation 1 mark or as indicated in the memorandumThe 'heading' and 'explanation' are given separately to facilitate mark allocation.

8.4.2 If the number of facts is not specified, the candidate must be informed by the nature of the question and the maximum marks allocated.

8.5 **ONE mark will be awarded for answers that are easy to recall, requires one-word answers, or is quoted directly from scenario/case study. This applies to SECTIONS B and C in particular.**

## SECTION C

10. 10.1 The breakdown of the mark allocation for the essays is as follows:

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

10.2 Insight consists of the following components:

<b>Layout/Structure:</b> (Is there an introduction, body, proper paragraphs and a conclusion?)	<b>2</b>
<b>Analysis and interpretation:</b> (Learners' ability to break down the question/interpret it correctly to show understanding of what is being asked.)	<b>2</b>
<b>Synthesis:</b> (What parts of the question would you have included in the answer? Are there decisions made from a combination of relevant points?) Marks to be allocated using this guide: Mostly irrelevant facts: 0; Some irrelevant facts: 1; No irrelevant facts: 2	<b>2</b>
<b>Originality:</b> (Examples, recency of information, current trends and developments.)	<b>2</b>
<b>TOTAL FOR INSIGHT:</b>	<b>8</b>
<b>TOTAL MARKS FOR FACTS:</b>	<b>32</b>
<b>TOTAL MARKS FOR ESSAY (8 + 32)</b>	<b>40</b>

### NOTE:

1. **No marks will be awarded for contents repeated from the introduction and conclusion.**
2. **The candidate forfeits marks for layout if the words INTRODUCTION and CONCLUSION are not stated.**
3. **No marks will be allocated for layout, if the headings 'Introduction, Conclusion,' etc. in 'Insight' is not supported by an explanation.**

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

**SECTION A: COMPULSORY****QUESTION 1**

- 1.1 1.1.1 C ✓✓ performance appraisal. (2)
- 1.1.2 C ✓✓ waste and abusing work time by doing personal things. (2)
- 1.1.3 D ✓✓ dividends. (2)
- 1.1.4 C ✓✓ Premium (2)
- 1.1.5 D ✓✓ verbal (2)
- 1.1.6 B ✓✓ National Credit Act (2)
- 1.1.7 B ✓✓ Mediation (2)
- 1.1.8 B ✓✓ External audit (2)
- 1.1.9 C ✓ in-service training of personnel on regular basis (2)
- 1.1.10 C ✓✓ Sole proprietorship and partnership (2)
- 1.2 1.2.1 Corporate Social Responsibility ✓✓ (2)
- 1.2.2 Members ✓✓ (2)
- 1.2.3 Force Field Analysis ✓✓ (2)
- 1.2.4 Basic Conditions of Employment Act (Act 75 of 1997) ✓✓ (2)
- 1.2.5 4 months ✓✓ (2)
- 1.3 1.3.1 D ✓✓ process of identifying suitable employee for promotion within the business (2)
- 1.3.2 C ✓✓ insurer covers the insured for an event that might happen (2)
- 1.3.3 A ✓✓ serves as a barometer of economic conditions (2)
- 1.3.4 B ✓✓ describes the duties and responsibilities of the employee to the specific job (2)
- 1.3.5 F ✓✓ business sponsoring community development projects (2)

**TOTAL SECTION A: 40**

## SECTION B

## QUESTION 2: BUSINESS ENVIRONMENT

- 2.1 2.1.1 - Formulation of strategy ✓✓  
 - Implementation of strategy ✓✓  
 - Evaluation of strategy ✓✓ (3 x 2) (6)
- 2.1.2 - Rivalry amongst existing competitors ✓✓  
 - Threat of new entrants ✓✓  
 - Bargaining power of buyers ✓✓  
 - Threat of substitute products or services ✓✓  
 - Bargaining power of suppliers. ✓✓ (5 x 2) (10)
- 2.2 2.2.1 Broad-Based Black Economic Empowerment ✓✓ (1 x 2) (2)
- 2.2.2 - Management ✓✓  
 - Employment Equity ✓✓  
 - Skills development ✓✓  
 - Preferential procurement ✓✓  
 - Enterprise development ✓✓  
 - Socio-economic development ✓✓  
 - Equity ownership ✓✓ (Any 3 x 2) (6)
- 2.2.3 - Increasing the number of black people who have ownership and control of existing and new enterprises. ✓✓✓  
 - Increasing the extent to which black women own and manage existing and new business. ✓✓✓  
 - Promote economic transformation in order to enable meaningful participation of black people in the economy. ✓✓✓ (Any 2 x 3) (6)
- 2.3 2.3.1 - Kayo Shoes Manufacturer/Secondary Sector ✓  
 - Limited control over the micro environment ✓✓  
 - Sport Shoe Shop/Tertiary sector ✓  
 - Full control over the selling of comfortable and formal shoes ✓✓  
 - Smith (PTY) Ltd/Secondary sector ✓  
 - Full control over the supply of leather and rubber products ✓✓  
 - Mathomo Farm/Primary sector ✓  
 - Full control over breeding of cattle ✓✓ (Any 3 x 3) (9)
- 2.3.2 - Primary sector ✓ – Full control ✓✓  
 - Secondary sector ✓ – No control/Full control/Limited control ✓✓  
 - Tertiary sector ✓ – Full control/No control ✓✓ (3 x 3) (9)

- 2.4
- The business enjoys goodwill among the public ✓✓
  - The CSI helps to attract investors ✓✓
  - Improves the image of the company ✓✓
  - Improves the health of its workers ✓✓
  - It creates a healthy business environment ✓✓
  - It delivers quality employees with the right skills ✓✓
  - Any other relevant social responsibility programmes effects. (Any 4 x 2) (8)
- 2.5
- Independence ✓✓
  - Sustainability ✓✓
  - Innovation ✓✓
  - Good governance ✓✓
  - Fairness ✓✓
  - Shareholder specification ✓✓
  - Transparency ✓✓
  - Social transformation – requirement specified ✓✓
  - Board of directors ✓✓
  - Accountability and audit conditions ✓✓
- (Any 4 x 2) (8)  
**[60]**

### QUESTION 3: BUSINESS VENTURES

3.1	3.1.1	<b>Leadership</b>	<b>Management</b>
		1. Leaders are usually born with a set of innate characteristics. ✓	1. A person is a manager due to his/her position. ✓
		2. The leader focuses on people or is about inspiring or influencing people to become achievers. ✓	2. The manager focuses on systems and structures. ✓
		3. Always trying to find more efficient ways of completing tasks. ✓	3. Enforce rules and procedures on subordinates, even if it not the most efficient way of completing tasks. ✓
		4. A leader has power because of his knowledge, skills and expertise and people usually follow a leader by choice. ✓	4. A manager has power because of the position of authority given to him/her. ✓
		5. A leader develops.	5. The manager maintains. ✓
		6. Leaders are active in completing tasks. ✓	6. Management distributes tasks to others in the team and act as advisors. ✓

(Any 5 x 2) (10)

- 3.1.2
- Yes ✓✓
  - It depends on the nature and function of the job/company/organisation. ✓✓
  - Any other relevant motivation relating to the use of one leadership style.

OR

- No ✓✓
- Every situation is unique and a leader must adapt. ✓✓
- Any other relevant motivation relating to the use of one leadership style.

NOTE: Yes and No principle applied – mark up to max 4.  
 If only YES/NO = 0 marks

Yes/No (2)  
 Motivation (Any 1 x 2) (2)  
 Max. (4)

- 3.2 3.2.1 R30 000 x 3% = R900  
 R30 000 + R900 = R30 900 ✓✓ 1 year
- R30 900 x 3% = R927  
 R30 900 + R927 = R31 827 ✓✓ 2 year
- R31 827 x 3% = R954,81  
 R31 827 + R954,81 = R32 781,81 ✓✓ 3 year
- Compound interest = R32 781,81 – R30 000 = R2 781,81 ✓✓ (8)

OR

Compound interest =  $P \times (1 + r)^n$  ✓✓

=  $R30\,000 \times \frac{(1 + 3)^3}{100}$  ✓✓

= R32 781,81 ✓✓ (8)

3.2.2	Compound interest	Simple interest
	<ul style="list-style-type: none"> <li>• Interest is added to the principal amount as soon as it is earned. ✓✓</li> <li>• The return on investment is higher than when the investment is made with simple interest. ✓✓</li> </ul>	<ul style="list-style-type: none"> <li>• The principal amount is fixed. ✓✓</li> <li>• The return on investment is lower than when the investment is made with compound interest. ✓✓</li> </ul>
	(2 x 2) (4)	(2 x 2) (4) (8)

3.3 3.3.1		FACTOR	SUCCESS	FAILURE
	Capital	<ul style="list-style-type: none"> <li>Sufficient capital can be raised by the company in the form of shares. √√</li> </ul>	<ul style="list-style-type: none"> <li>Private company is not allowed to sell shares to the public. √√</li> </ul>	
		<ul style="list-style-type: none"> <li>Debentures can be issued to raise more capital for the expansion of the company. √√</li> </ul>	<ul style="list-style-type: none"> <li>Failure to raise enough share capital may limit growth in a company. √√</li> </ul>	
		<ul style="list-style-type: none"> <li>Any other relevant answer on how capital can impact on success of a company.</li> </ul>	<ul style="list-style-type: none"> <li>Any other relevant answer on how capital can impact on the failure of a company.</li> </ul>	(Any 2 x 2) (4)
3.3.2	Taxation	<ul style="list-style-type: none"> <li>Companies have more opportunities to pay less tax. √√</li> </ul>	<ul style="list-style-type: none"> <li>Companies are subjected to double taxation which can reduce retained income. √√</li> </ul>	
		<ul style="list-style-type: none"> <li>This can be achieved through allowances etc. √√</li> </ul>	<ul style="list-style-type: none"> <li>High tax rate on profits may lead to companies closing down. √√</li> </ul>	
		<ul style="list-style-type: none"> <li>Any other relevant answer on how taxation can impact on the success of a company.</li> </ul>	<ul style="list-style-type: none"> <li>Any other relevant answer on how taxation can impact on the failure of a company.</li> </ul>	(Any 2 x 2) (4)
3.3.3	Legislation	<ul style="list-style-type: none"> <li>The shareholders cannot lose their private properties or personal belongings. √√</li> <li>The company is having limited liability, therefore the personal liability does not affect the company's assets. √√</li> <li>A company is a separate legal entity apart from its shareholders. √√</li> <li>Any other relevant answer on how legislation can impact on the success of a company.</li> </ul>	<ul style="list-style-type: none"> <li>Procedures and documentation should be finalised before the company can commence. √√</li> <li>The procedures which must be followed when establishing a company may lead to the failure of the company. √√</li> <li>The company's licence may be withdrawn by CIPRO (Companies Intellectual Property registration Office). √√</li> <li>Any other relevant answer on how legislation can impact on the failure of a company.</li> </ul>	(Any 2 x 2) (4)

3.4 WAYS TO PRESENT INFORMATION

- Graphs √√
- Diagrams √√
- Pie charts √√
- Business reports √√
- Tables √√
- Any other relevant answer related to non-verbal presentation.

(Any 3 x 2) (6)

FEEDBACK

- Be positive or negative/both √√
- Constructive feedback on changes to be made √√
- Be democratic or use any leadership style suitable at that time or juncture √√
- Feedback can be written or verbal √√
- Acknowledge participants √√
- Do not take feedback personally √√
- Any other relevant answer to proper handling of feedback √√ (Any 3 x 2) (6)

Max: (12)

3.5 FORMS OF INVESTMENT

- Brokers √√
- Unit trusts √√
- Banks √√
- Insurance companies √√
- Government retail bonds √√

(Any 3 x 2) (6)

[60]

QUESTION 4: BUSINESS ROLES

4.1	DELPHI TECHNIQUES	FORCE FIELD ANALYSIS
	Method of gathering information from a panel of specialists √ √	Method for listing, discussing and assessing the various forces for and against a proposed change √√
	Panel of specialists in a particular subject area √√	Describe the current situation and the desired situation √√
	Draw up a questionnaire on a topic is distributed to the panel to respond √√	List all the driving and restraining forces for the change √√
	Summarise responses and draw up a second questionnaire from the responses √√	Allocate a score to each using numerical scale of 1–5 √√
	Distribute the second questionnaire with the findings √√	List the forces according to strength; the driving forces on the left and the restraining forces on the right √√
		Analyse both forces and identify priorities and produce an action plan. √√
	(Any 3 x 2) (6)	(Any 3 x 2) (6)

**Business problems**

Delphi technique: Is very suitable for complex problems that rely on expert knowledge, for example architecture. √√

Force Field analysis: Is suited to decision-making processes on a vast number of investment topics, where all the pros and cons can be listed and assessed. √√ (2 x 2) (4)  
Max. (16)

4.2 4.2.1 **Pricing of goods in rural areas**

- Lack of monitoring by regulatory bodies on legislated/ recommended prices. √√
- Business owners having their business located in rural areas far from town, add the transport cost to their price of goods and services. √√
- Lack of infrastructure results in businesses having no competition. √√
- Any other relevant answer related to the pricing of goods in rural areas.

**Recommendation**

- Monitoring by regulatory bodies on prices. √√
- Cost-effective ways of transporting the goods can be investigated. √√
- Suppliers should work together to take turns in delivery of goods and services. √√
- Government should improve infrastructure in rural areas. √√
- Any other relevant answer related to how businesses can address pricing of goods in rural areas.

Discussion (Any 2 x 2) (4)  
Recommendation (Any 1 x 2) (2)  
Max. (12)

4.2.2 **Sexual harassment**

- Quid pro quo harassment – requests for sexual favours in return for employment benefits. √√
- It includes unwelcome sexual advances or jokes e.g. touching a person in an inappropriate sexual manner. √√
- It includes pressure for sexual favours to ensure financial benefits. √√
- Any other relevant answer related to sexual harassment.

**Recommendation**

- Educate employers on sexual harassment matters. √√
- Each and every business should have a clear policy regarding sexual harassment, which must be stipulated in the Code of Conduct of the business. √√
- Ensures compliance with law. √√
- Any other relevant answer related to how businesses can address sexual harassment.

Discussion (Any 2 x 2) (4)  
Recommendation (Any 1 x 2) (2)

#### 4.3 Steps in problem-solving

Define the problem

- Gather much information as possible to establish the cause of the problem.

Identify the problem

- Failure to identify the challenge/problem can lead to the business unable to achieve its goals/objectives.

Generate as many as you can alternatives/solutions

- Identify the cause of the problem and all the different possible solutions.

Evaluate alternatives solutions

- Look at the different possible solutions, the advantages and disadvantages of each alternative solution.

Choose the best alternative/solution

- Identify which solution will be the best for the problem.

Formulate/develop an action plan

- The manager must create a Gantt Chart where also deadlines will be set.

Implement the action plan

- The manager must carry out the planned action or solution.

Evaluate the decision

- Evaluate the results
- Assess whether the problem has been solved partially or entirely.
- Corrective measures are taken.

(Accept any order)

(Any 6 x 2) (12)

#### 4.4 Characteristics of a successful team

- Each member possesses the necessary skills to perform his/her task within the team. √√
- The team has set out realistic goals and objectives. √√
- Members are motivated to do their tasks successful as a team. √√
- Members work with a common desire to achieve their common goals. √√
- Show respect for the knowledge and skills of other members. √√
- Be motivated and supportive. √√
- All members support each other within the team. √√
- Any other relevant answer related to characteristics of a successful team.

(Any 4 x 2) (8)

#### 4.5 Grievance procedure

- Verbal complaint ✓ – The employee should ask a meeting with the immediate superior to state his/her problem.
  - The immediate superior should deal with the grievance within 10 working days. ✓✓
  - Formal written complaint ✓ – If the employee is not satisfied with the suggested solutions, he/she can make a formal written complaint to the next level of management. ✓✓
  - Further investigation by next level of management – This level investigates the problem again, suggests a solution and makes a recommendation. ✓✓
  - Resolution of the problem ✓ – Grievance is solved and the employee is happy. ✓✓
  - Declare a dispute ✓ – If the grievance remains unresolved, the employee may consult employment legislation or common law. An external procedure (such as CCMA) can only be used. ✓✓
  - Any relevant answer related to steps in grievance procedures.
- NOTE: Steps need not be in any particular order.

Steps: 1 mark  
 Explanation: 2 marks  
 (Any 4 x 3)

(12)  
**[60]**

### QUESTION 5: BUSINESS OPERATIONS

#### 5.1 5.1.1 Purpose of the Labour Relations Act (Act 66 of 1995)

- Provide a framework where employees, trade unions and employers work together to discuss matters relating to employment, e.g. wages. ✓✓
- Promotes simple procedures for the registration of trade unions and employers organisations. ✓✓
- Responsible for the establishment of the Commission for Conciliation, Mediation and Arbitration. ✓✓
- Provides the right to strike against retrenchments, and facilitates disputes retrenchment. ✓✓
- Promote orderly negotiations and employee participation in decision making in the workplace. ✓✓
- Any other relevant purpose relating to the LRA. (Any 4 x 2) (8)

#### 5.1.2 Purpose of the National Credit Act, 2005 (Act 34 of 2005)

- Protect the consumer against unfair credit agreements. ✓✓
- Encourages responsible borrowing. ✓✓
- Justifiable rights and responsibilities for consumers and credit providers. ✓✓
- The NCA regulates the interest rate to be charged by service providers to consumers. ✓✓

- Make provision for the establishment of the National Credit Regulator (NCR) and registration of the Credit Bureau. √√
- Careless granting of credit by service providers to consumers is discouraged. √√
- Any other relevant answer related to the purpose of the act (NCA). (Any 4 x 2) (8)

## 5.2 5.2.1 **Employment contract**

### **Explanation:**

- Protect both employee and employer as it is legal and binding between the two parties. √√
- The contract must specify the legal considerations. √√
- Any other relevant explanation on the importance of a contract. (Any 1 x 2) Max. (2)

- Personal details of the employee: age, name and address, identity document number, etc. √√
- Details of business: name and address of the business √√
- Job title √√
- Normal place of work √√
- Any agreement between the business and trade unions √√
- Date of commencement √√
- Probation period √√
- Nature and hours of work √√
- Remuneration: weekly or monthly and any other benefits √√
- Period of notice √√
- Any other relevant clauses that must appear in the contract. (Any 4 x 2) (8) Max. (10)

## 5.2.2 **Ending an employment contract**

- Dismissal √√
- Redundancy √√
- Retirement √√
- Resignation √√ (Any 2 x 2) (4)

## 5.3 **Explanation of risk management**

- According to the King's Report on Corporate governance, it was proposed that the risk function be a management function on its own. √√
- Deals with issues on how to avoid, reduce, eliminate or prevent risk occurrence/exposure. √√
- The following processes are important in risk management, i.e. risk identification, risk analysis, risk control and risk funding. √√ (Any 2 x 2) (4)

**Quality of performance**

- The business must have systems in place to identify the risks the business is exposed to. ✓✓
  - Every risks even those that are regarded as small and worthless should be recorded. ✓✓
  - The risk control measures ensures that business losses are minimised. ✓✓
  - Provision for fire escapes and evacuation procedures can prevent human injuries casualties and deaths in the workplace in the event of a fire. ✓✓
- (Any 3 x 2) (6)  
Max. (10)

5.4 5.4.1 **Job analysis**

- (a) Duties: Contact suppliers ✓✓  
Keep documents and files in order ✓✓  
Liaise with the public and answer queries ✓✓
- (Any 1 x 2) (2)
- (b) Personal qualities: Good interpersonal skills ✓✓  
Ability to communicate clearly ✓✓  
Good organisational skills ✓✓
- (Any 1 x 2) (2)

5.4.2 **Selection process**

- (c) Receiving documentation ✓✓  
(d) Screening applicants ✓✓  
(e) Evaluate CVs and create a shortlist ✓✓  
(f) Check information supplied in CVs ✓✓  
(g) Conduct interviews ✓✓  
(h) Assessments ✓✓  
(i) Letter of appointment ✓✓
- (Any 5 x 2) (10)

5.5 **COIDA benefits (Act 61 of 1997)**

- Employees who suffer temporary disablement ✓✓
- Employees who are permanently disabled ✓✓
- The dependants of employees who die as a result of injuries sustained in accidents at work ✓✓
- Any other relevant answer related to the benefits of COIDA. (Any 2 x 2) (4)

5.6 **Pay as you earn**

- The amount of income tax each person has to pay depends on how much the person earns, how old the person is and what tax-free deductions the person pays. ✓✓
- Income tax is based on the gross salary or wage for the year. ✓✓
- Any other relevant definition of Pay as you earn. (Any 1 x 2) (2)

**[60]**

**QUESTION 6: MISCELLANEOUS TOPICS****6.1 6.1.1 Benefits of social responsibility**

- Increased sales due to customer loyalty √√
- Charitable contributions meeting the needs of the disadvantaged √√
- Involvement of the business in education, employment and other uplifts the community √√
- It leads to improved product quality and other possible benefits √√
- Any other relevant answer related to the benefits of social responsibility (Any 3 x 2) (6)

**Disadvantages of social responsibility**

- This may affect the financial performance of the business √√
- The community may become angry, withdraw their support and the business reputation may suffer, if the business cuts down on social responsibility programmes √√
- The community may not support the enterprise √√
- Difficulty in adherence to legislations governing the CSR √√
- Any other relevant answer to the disadvantages of social responsibility (Any 3 x 2) (6)

**6.1.2 Corporate social investment**

- Any project undertaken by an organisation which is external to its normal business activities and is not directly aimed at increasing profit. √√
- Project have a strong focus on community development. √√ (4)

**6.2 6.2.1 CCMA – Commission for Conciliation, Mediation and Arbitration √√ (2)****6.2.2 Ways to resolve labour disputes**

- Conciliation (mediation) √√
- Arbitration √√
- Adjudication √√
- Industrial actions √√ (8)

**6.2.3 Mediation**

- The mediator will work through the process with the parties in order to help them reach a satisfactory resolution. √√
- The mediator gives his/her opinion/suggestions to solve the problem. √√ (Sub max.) (2)

**Arbitration**

- The arbitrator, which is agreed to by both parties, hears each side of the story/situation and then come up with the final decision. √√
- The arbitrator's decision is final and binding. √√
- Any other relevant answer relating to the differentiation between mediation and arbitration. (Sub max.) (2)  
Max. (4)

6.3 **Procedures to be followed before a person is employed**

- Recruitment ✓✓
- Selection ✓✓
- Short-listing ✓✓
- Reference check ✓✓
- Interviews ✓✓
- Aptitude test ✓✓
- Medical test ✓✓
- Competency test ✓✓
- Psychometric test ✓✓
- Placement ✓✓
- Induction ✓✓
- Training ✓✓

(Any 7 x 2) (14)

6.4 6.4.1 **Functions of the JSE**

- Provides an opportunity for financial institutions to invest their money ✓✓
- Provide a market for share transactions ✓✓
- Is a capital market ✓✓
- Encourage new and small investors ✓✓
- Link between investor and entrepreneur ✓✓
- Barometer and indicator of economic activity ✓✓
- Channel funds into commerce and industry and keep investors informed about daily share prices ✓✓
- Is operated according to strict rules in terms of trading to prevent fraud ✓✓
- Any other relevant function of the JSE.

(Any 4 x 2) (8)

6.4.2 **Difference between preference shares and ordinary shares**

Preference Shares	Ordinary Shares
<ul style="list-style-type: none"> <li>• Shares bearing a fixed annual rate of dividend is paid out first. ✓✓</li> <li>• Have preference over ordinary shares in the payment of dividends. ✓✓</li> <li>• If the company is liquidated, preference shareholders share in proceeds after creditors had been paid out. ✓✓</li> </ul>	<ul style="list-style-type: none"> <li>• Holders receive dividends from profits that remain after fixed dividends have been paid out. ✓✓</li> <li>• May receives larger dividends if there are high profits. ✓✓</li> <li>• If the company is liquidated, no payout. ✓✓</li> </ul>
(Any 2 x 2) (4)	(Any 2 x 2) (4)

Max. (8)

[60]

**TOTAL SECTION B: 180**

**SECTION C****QUESTION 7****7.1 Introduction**

- This act contributes to the economic growth of South Africa. ✓
- The act provides job opportunities for previously disadvantaged people by providing skills development programme. ✓✓
- The act also makes provision for SETAs. ✓✓
- Any other relevant introduction related to the Skills Development Act.

(Max.) (2)

**7.2 Purpose of the Skills Development Act****Description**

- This act develops and improves the skills of the South African labour work force. ✓✓
- This act uses the workplace as an active learning environment. ✓✓
- Encourages employees to participate in learnership. ✓✓
- It ensures the quality of education and training in and for the workplace. ✓✓
- Helps people who are unemployed to find a job. ✓✓
- Any other relevant answer related to the description of the purpose of the act.

(Sub max.) (6)

**Evaluation**

- A learnership leads to a qualification or it accumulates credits towards a better qualification. ✓✓
- A learnership is a contract between a learner, employer and a training provider for a specified period leading to acquisition of a national qualification. ✓✓
- The economy will improve as more learners acquire on-the-job skills and training. ✓✓
- Funds are made available for learnership through the skills levy system. ✓✓
- Slow progress as many workers are unskilled and unaware of the act. ✓✓
- Some businesses are not complying with the Skills Development Act. ✓✓
- Any other relevant answer related to the evaluation of the purpose of the act.

(Sub max.) (8)

**7.3 Skills Development Funding****Description**

- Every employer (who has an employee registered for PAYE with SARS) must make regular payments to the fund. ✓✓
- Those employees who earn salary exceeding R500 000 per annum must contribute 1% of their total salary to the fund. ✓✓
- In terms of the Skills Development Levies Act, businesses not paying SDL tax may not claim the grants; they may however offer learnerships and claim learnership grants. ✓✓
- Any other relevant answer related to description on funding of the act.

(Sub max.) (4)

**Evaluation**

- Not all businesses are compelled to pay to the fund. √√
  - Those businesses that are designated to pay but do not complied are fined. √√
  - Shortage of training centres may lead other businesses not training their employees. √√
  - A claim cannot be made for un-utilised portion of 60% allocation. √√
- (Sub max.) (6)

**7.4 Use of skills levy****Description**

- About 80% of the levies paid are distributed to relevant SETAs. √√
  - 20% remaining of the levies are paid into the NSF (National Skills Fund) and is being utilised by the NSA (National Skills Authority) √√
  - Any other relevant description related to the use of skills levy.
- (Sub max.) (4)

**Evaluation**

- SARS has the responsibility to collect these levies. √√
  - Sometimes this levies collected are not appropriately utilised by SETAs. √√
  - Any other relevant answer related to the evaluation on the use of the skills levy.
- (Sub max.) (4)

**7.5 Aims of the National Skills Development Strategy**

- Assist and enable those with no relevant technical skills to gain access to employment. √√
  - Establish and promote closer links between employers, training institutions and SETAs. √√
  - To promote a skills development system that effectively responds to the needs of the labour market. √√
  - To link the practical workplace with the theory they are getting from the training centres. √√
  - To improve the effectiveness of the skills development system. √√
  - Any other relevant answer related to the aims of National Skills Development System.
- (Max.) (10)

**7.6 Conclusion**

- This act tries to address the imbalances of the past caused by the apartheid regime regarding skills development. √√
  - Try to boost the economy of the country by reducing the number of unskilled labour force. √√
  - Any other relevant conclusion related to skills development.
- (Max.) (2)

**BREAKDOWN OF MARKS**

<b>Details</b>	<b>Maximum</b>	<b>Total</b>
Introduction	2	
Purpose of the skills Development Act Description Evaluation	14	Max.  32
Skills Development Funding Description Evaluation	10	
Use of Skills Levy Description Evaluation	8	
Aims of the NSDS	10	
Conclusion	2	
<b>INSIGHT</b>		
Layout		2
Analysis, interpretation		2
Synthesis		2
Originality, examples		2
<b>TOTAL MARKS</b>		<b>40</b>

- \*LASO – For each component  
 Allocate 2 marks if all requirements are met.  
 Allocate 1 mark if only some of the requirements are met.  
 Allocate 0 marks where requirements are not met at all.

**[40]**

**QUESTION 8****8.1 Introduction**

- Many business persons or entrepreneurs are familiar with the different leadership and management styles which are used in the business undertakings. ✓
- Different situations need different leadership and management styles. ✓
- Depending on types of workers you are having in the business undertaking, certain leadership and management styles can be applied. ✓
- Any other relevant introduction relating to management and leadership styles. (Any 2 x 1) (2)

**8.2 Distinguish between management and leadership.****Management**

- Management is guiding human behaviour by using physical and financial resources so that maximum output can be achieved with the minimum input to reach objectives of the business. ✓✓
- Any other relevant information regarding management. (2)

**Leadership**

- Leadership is the process of social interaction through which the leader influences others to willingly act towards achieving common goals and objectives. ✓✓
- Any other relevant information regarding leadership. (2)

Max. (4)

**8.3 Description of Leadership/Management styles (Any 3) (1)****8.3.1 Autocratic style/Authoritarian Leadership/Boss-centred ✓✓**

- The leader tells employees what to do and how to do it without asking them for input. ✓✓
- The leader makes decisions alone with little or no consideration of the needs or opinions of subordinates. ✓✓
- The leader gives directives and instructions. ✓✓
- This leadership style can be used when implementing decisions of management. ✓✓
- It is used when the manager has all the information to solve the problem. ✓✓
- Any other relevant answer related to Autocratic/Boss-centred/authoritarian leadership/management style.

**Application/Comment**

- Used when dealing with employees who are not cooperative in the workplace. ✓✓
- Used under crisis situations. ✓✓
- Can be used when implementing policies/government legislation. ✓✓
- Any other relevant answer relating to the autocratic style.

Type: (2)

Discussion: (Any 5 x 2) (10)

Comment/Application: (2)

Max.: (10)

8.3.2 Laissez-faire/Free rein Leadership/Subordinate centred √√

- The leader is responsible for the decisions that are made by the employees i.e. he remains responsible and accountable. √√
- Employees are left on their own with minimal interference. √√
- The leader gives very little direction to subordinates. √√
- This style is appropriate when the leader is empowering his employees through the delegation of duties. √√
- It is suitable when employees are highly experienced and qualified. √√
- Any other relevant information regarding the Laissez-faire style.

Comment/Application

- This style can be used when employees are knowledgeable, experienced and highly skilled in analysing situations and offering solutions. √√
- This style works well in businesses that require flexibility, creativity and innovation. √√
- Any other relevant answer relating to laissez-faire leadership.

Type: (2)  
Discussion: (Any 5 x 2) (10)  
Comment/Application: (2)  
Max. (10)

8.3.3 Charismatic Leadership Style √√

- The leader serves as a role model and people follow him/her. √√
- The leader has a vision and is able to communicate well with others. √√
- The leader draws followers through charm and personality. √√
- Subordinates are praised even for small successes achieved. √√
- This style is commonly used by politicians, religious leaders and business teams. √√
- Charismatic leaders inspire trust, faith and belief in themselves, inspires self-confidence and is dependable. √√
- Any other relevant information relating to the charismatic leadership style.

Comment/Application

- This type of management style is used when the management has identified low morale amongst its employees. √√
- Used as a method to motivate employees. √√
- Any other relevant answer related to the application of charismatic leadership style.

Type: (2)  
Discussion (Any 5 x 2) (10)  
Comment/Application: (2)  
Max: (10)

- 8.3.4 Participative Leadership/Democratic style/Consultative style ✓✓
- The leader considers the needs and input of followers and encourages group involvement. ✓✓
  - Better decisions are made. ✓✓
  - This style is time-consuming especially when discussing different ideas and making different decisions. ✓✓
  - This type of leadership includes employees in decision making but has the authority to make the final decision. ✓✓
  - This leadership style improves employee motivation and helps leader to win the support of the subordinates. ✓✓
  - Any relevant information regarding democratic leadership style. (Any 5 x 2) (10)

Comment/Application

- Is effective in situations where the leader does not have all the information needed to make a decision. ✓✓
- The leader wants to build motivation amongst employees and therefore involves them in the decision-making process. ✓✓
- Any other relevant answer relating to participative style.

Type: (2)  
 Discussion (Any 5 x 2) (10)  
 Comment/Application: (2)  
 Max: (10)

**NOTE: Only 3 styles. Therefore submaximum is 3 x 10 = 30**

8.4 **Conclusion**

- Different leadership styles are influenced by the nature of the organisation and expertise of the employees. ✓✓
- The personality of the leader plays an integral part in the type of leadership style administered. ✓✓
- Any other relevant conclusion relating to management/leadership. (Any 2 x 1) (2)

**Subtotal 39: Max. 32**

**BREAKDOWN OF MARK ALLOCATION**

Details	Maximum	Reduced to	Subtotal	Total
Introduction			2	Max. 32
Management and Leadership	4		4	
ANY THREE ONLY Management Style 1	Type 2 Description 10 Comment/Application 2	Max. 10	30	
Management Style 2	Type 2 Description 10 Comment/Application 2	Max. 10		
Management Style 3	Type 2 Description 10 Comment/Application 2	Max. 10		
Conclusion			2	
<b>INSIGHT* (LASO)</b>				
Layout				2
Analysis, Interpretation				2
Synthesis				2
Originality, Examples				2
<b>TOTAL MARKS</b>				<b>40</b>

\*LASO – For each component.  
 Allocate 2 marks if all requirements are met.  
 Allocate 1 mark if only some requirements are met.  
 Allocate 0 marks where requirements are not met at all.

**[40]**

**QUESTION 9****9.1 Introduction**

- Conflict refers to a difference or disagreement or natural clash between ideas, opinions, principles or policies.
- It leads people's focus away from work and it impacts negatively on the smooth running of the organisation.
- Workers become unproductive when conflict arises among them.
- Any other appropriate definition of conflict. (Any 2 x 1) (2)

**9.2 Causes of conflict**

Lack of teamwork √√

- It occurs when one member believes that his/her opinion or knowledge is better than that of his/her team members. √

Unfair treatment √√

- When there is favouritism from the management where one member arrives late or just be absent without any reason is not reprimanded, but others are reprimanded. √

Discrimination/Gender bias √√

- Is when the manager is treating female staff members different than that of male staff members. √
- Discrimination in salaries based on gender/race causes conflict.

Social factors/Personality clashes √√

- Those people who struggle to work together/communicate because of personalities differ too much. √
- Different cultures or lack of knowledge about employees' beliefs usually lead to different working relationships. √

Poor communication/miscommunication √√

- It occurs when employees are not well informed of developments in the workplace or are not part of the decision-making process. √

Scarce/Limited resources in the workplace √√

- If all departments in an organisation do not have access to the same resources, it could lead to conflict in the workplace. √

Heading (4 x 2) (8)  
 Explanation (4 x 1) (4)  
 Max.: (12)

9.3 **Types of conflict**

Interpersonal conflict √√

- Occurs between two colleagues who are disagreeing about an issue or opinion. √

Intra-group conflict √√

- Conflict between team members who are arguing about the best method to approach a different task or conflict between two departmental managers about not paying a certain order. √

Inter-organisational conflict √√

- The conflict between an organisation and its suppliers. √

Conflict between colleagues on the same management level √√

- Conflict between the financial manager and the production manager about the production budget. √

Conflict between a manager and a subordinate √√

- A manager who is not happy with an employee who is not pulling his weight towards his duties or work. √

Approach-approach (+ and +) √√

- Two positives e.g. getting a company car or salary increase. √

Heading (2 x 2): (4)  
 Explanation (2 x 1): (2)  
 Max. (6)

9.4 **Evaluation**

9.4.1 **Ways of handling/minimising conflict by management**

- Put all policies and procedures in place and communicate these policies to all employees. √√
- Regular staff development sessions with employees to reduce conflict. √√
- Have a code of ethics and code of conduct in place. √√
- Allow employees to be part of decision making in the organisation. √√
- Make sure that workplace forums are in place so that any challenge can be solved in time. √√
- Any other relevant answer related to the ways of handling/minimising conflict by management. (3 x 2) (6)

9.4.2 **Ways of handling/minimising conflict by workplace forums**

- Make sure that workers have a say in the decisions that affect their working conditions. √√
- Consulting with employers and employees. √√
- Enhancing workplace efficiency. √√
- Develop better working relationships between employees and employers. √√
- Promoting the interest of all workers. √√
- Any other relevant answers related to ways of handling/minimising conflict by workplace forums. (4 x 2) (8)

9.4.3 **Ways of handling/minimising conflict by the trade unions**

- Lobby with government and other decision makers to ensure the best possible deal for workers. √√
- Ensure the job security of members. √√
- Negotiate working hours, overtime rates, leave and sick leave that would benefit workers. √√
- Promote skills development, education and training of workers. √√
- Improve working conditions in the workplace. √√
- Ensure the fair treatment of workers in the workplace. √√
- Any other relevant ways of handling/minimising conflict by trade unions. (4 x 2) (8)

9.5 **Conclusion**

- Effective conflict management builds trust, increases productivity and reduces absenteeism. √√
- Management should regard conflict as a process to be well managed, but not be avoided. √√
- Any other conclusion related to conflict. (1 x 2) (2)

**BREAKDOWN OF MARK ALLOCATION**

DETAILS		MAXIMUM	TOTAL
9.1	Introduction	2	Max. 32
9.2	Causes of conflict	12	
9.3	Types of conflict	6	
9.4	9.4.1 Ways of handling/minimising conflict by management	6	
	9.4.2 Ways of handling/minimising conflict by workplace forum	8	
	9.4.3 Ways of handling/ minimising conflict by trade unions	8	
9.5	Conclusion	2	
INSIGHT			
Layout			2
Analysis, interpretation			2
Synthesis			2
Originality, examples			2
<b>TOTAL MARKS</b>			<b>40</b>

- \*LASO – For each component:  
 Allocate 2 marks if all requirements are met.  
 Allocate 1 mark if only some of the requirements are met.  
 Allocate 0 marks where requirements are not met at all.

**[40]**

**QUESTION 10**

**10.1 Introduction**

- Business has to perform the eight business functions which are interrelated in order to be successful. ✓
- Quality cannot be achieved by solely one person in a business working towards a particular goal. ✓
- Business must have quality control systems in place to monitor performance. ✓
- Any other relevant introduction related to quality of performance within business. (Any 2 x 1) (2)

**10.2 MARKETING FUNCTION**

- Making the public aware of what is available through advertising, etc. ✓✓
- Using pricing techniques to ensure a competitive advantage. ✓✓
- Bringing goods within easy reach of the consumer through storage, distribution and advertising. ✓✓ (Any 2 x 2) (4)

**Effective quality performance**

- New products must also be advertised to attract customers.
  - Strive to acquire a greater market share. ✓✓
  - Marketing communication policy must be well implemented so that customers can be aware of the products or services. ✓✓
  - Pricing techniques should be well used to ensure a competitive advantage. ✓✓ (Any 3 x 2) (6)
- Description: (4)  
Quality performance (3 x 2) (6)  
Max. (10)

**10.3 GENERAL MANAGEMENT**

- General management must develop, implement and monitor strategic plans. ✓✓
- Communicate shared vision, mission and values effectively. ✓✓
- It consists of the following activities: planning, organising, leading/activating and control. ✓✓ (Any 2 x 2) (4)

**Effective quality performance**

- A strategic plan must be in place. ✓✓
  - Comparison of figures on profitability of the organisation must be made. ✓✓
  - Give direction and establish priorities for the business. ✓✓
  - The enterprise must strive for a positive image in the minds of consumers. ✓✓
  - Surveys can be conducted to ascertain the image of the business. ✓✓
  - Be proactive and always seek to improve competitive advantage over competitors. ✓✓ (Any 3 x 2) (6)
- Description: (4)  
Quality performance (3 x 2) (6)  
Max. (10)

10.4 **PUBLIC RELATIONS**

- Promote a positive image by liaising with the relevant stakeholders. √√
  - Communicate with outsiders to obtain recognition as an organisation. √√
- (2 x 2) (4)

**Effective quality performance**

- Counter negative publicity. √√
  - Release regular positive press statements. √√
  - The business must attain a respectable position in the society. √√
  - Through publicity, the business enjoys a positive image in the society. √√
  - Other management functions are influenced by public relations e.g. improved customer relations.
- (Any 3 x 2) (6)  
Description: (4)  
Quality performance: (6)  
Max. (10)

10.5 **HUMAN RESOURCES**

- To find the suitable person for the right job or post. √√
  - To appoint a person for the position where his/her capabilities can be used to the advantage of the business. √√
- (Any 2 x 2) (4)

**Effective quality performance**

- Continuous training and development of staff. √√
  - Appropriate training and development programmes can lead to a highly stable staff. √√
  - This can lead to a low rate of staff turnover. √√
- (Any 3 x 2) (6)  
Description: (4)  
Quality performance: (6)  
Max. (10)

10.6 **Conclusion**

- Businesses must always focus on satisfying customers' needs. √√
  - The functions are closely interrelated. √√
  - Keep abreast with current business development. √√
  - The management functions mentioned above cannot operate in isolation. √√
- (Any 1 x 2) (2)  
**Max. (32)**

**BREAKDOWN OF MARK ALLOCATION**

Details	Maximum	Total
Introduction	2	Max. 32
Quality performance within Marketing	10	
Quality performance within General Management	10	
Quality performance within Public relation	10	
Quality performance within Human Resource	10	
<b>INSIGHT</b>		
Layout		2
Analysis, interpretation		2
Synthesis		2
Originality, examples		2
<b>TOTAL MARKS</b>		<b>40</b>

- \*LASO – For each component  
 Allocate 2 marks if all requirements are met.  
 Allocate 1 mark if only some of the requirements are met.  
 Allocate 0 marks where requirements are not met at all.

**[40]**

**TOTAL SECTION C: 80**  
**GRAND TOTAL: 300**