



Province of the
EASTERN CAPE
EDUCATION

**NATIONAL
SENIOR CERTIFICATE**

GRADE 12

JUNE 2021

**BUSINESS STUDIES P1
MARKING GUIDELINE
(EXEMPLAR)**

MARKS: 150

This marking guideline consists of 29 pages.

NOTES TO MARKERS

1. PREAMBLE

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

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

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 'Submax' 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, mention, 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, justify, analyse, evaluate, critically evaluate (*list not exhaustive*) require a greater depth of understanding, application and reasoning. Therefore, the marks must be allocated more objectively to ensure that assessing is conducted according to established norms so that uniformity, consistency and fairness are achieved.
13. Mark only the FIRST answer where candidates offer more than one answer for SECTION B and C questions that require one answer.

14. 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 or use the word 'Cancel'.

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

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

- 14.3 If candidates are required to provide their own examples/views, brainstorm this at the marking centre to finalise alternative answers.

14.4 Use of the cognitive verbs and allocation of marks:

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

- Fact 2 marks (or as indicated in the marking 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.

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

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

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, a body, and a conclusion?	2
Analysis and interpretation	Is the candidate able to break down the question into headings/subheadings/interpret it correctly to show understanding of what is being asked? Marks to be allocated using this guide: All headings addressed: 1 (One 'A') Interpretation (16 to 32 marks): 1 (One 'A')	2
Synthesis	Are there relevant decisions/facts/responses made based on the questions? Marks to be allocated using this guide: No relevant facts: 0 (Two '-S') Some relevant facts: 1 (One '-S') Only relevant facts: 2 (No '-S') Option 1: Where a candidate answers 50% or more 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: Where a candidate answers less than 50% 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: Where a candidate answers less than 50% of the question with no relevant facts; two '-S' appear in the left margin. Award a ZERO mark for synthesis.	2
Originality	Is there evidence of examples based on recent information, current trends and developments?	2
TOTAL FOR INSIGHT:		8
TOTAL MARKS FOR FACTS:		32
TOTAL MARKS FOR ESSAY (8 + 32):		40

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

- 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.

SECTION A**QUESTION 1**

- 1.1 1.1.1 B ✓✓
 1.1.2 C ✓✓
 1.1.3 B ✓✓
 1.1.4 A ✓✓
 1.1.5 D ✓✓

(5 x 2) (10)

- 1.2 1.2.1 forward ✓✓
 1.2.2 BBBEE ✓✓
 1.2.3 external ✓✓
 1.2.4 purchasing ✓✓
 1.2.5 fringe ✓✓

(5 x 2) (10)

- 1.3 1.3.1 F ✓✓
 1.3.2 H ✓✓
 1.3.3 I ✓✓
 1.3.4 G ✓✓
 1.3.5 J ✓✓

(5 x 2) (10)

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

QUESTION 1	MARKS
1.1	10
1.2	10
1.3	10
TOTAL	30

SECTION B

Mark the **FIRST TWO** answers only.

QUESTION 2: BUSINESS ENVIRONMENTS**2.1 Business sector**

- Primary ✓
- Secondary ✓
- Tertiary ✓

NOTE: Mark the first TWO (2) only.

(2 x 1) (2)

2.2 Steps in strategy evaluation

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

NOTE: Accept steps in any order.

Max. (6)

2.3 Types of defensive strategies

	TYPE OF DEFENSIVE STRATEGY	MOTIVATION
Majeed	Divestiture/Divestment ✓✓	Majeed is suggesting that they should sell some of the business's assets ✓
Farzeen	Liquidation ✓✓	Farzeen seem to think they should rather sell all the assets to pay off their business debt. ✓
	Sub-max. (4)	Sub-max. (2)

- NOTE:**
1. Award marks for the type of defensive even if the quote is incomplete.
 2. Do not award marks for the motivation, if the type of defensive strategy was incorrectly identified.

Max. (6)

2.4 Economic factor of PESTLE posing challenges to businesses

- High inflation/Interest rate may decrease the market share of businesses ✓ as customers cannot afford high prices✓/Increase in taxes will result ✓ in lower customer spending. ✓
- Loans may be expensive ✓ due to high interest rates. ✓
- Fluctuations in foreign currency✓ may restrict imports. ✓
- Any other relevant answer related to how the economic factor as a PESTLE element may pose a challenge to businesses.

Max. (4)

2.5 Legislation

2.5.1 Acts

ACT	MOTIVATION
1. COIDA/Compensation for Occupational Injuries and Diseases Act ✓✓	The business allows regular assessment of the workplace by inspectors in order to determine the level of risk their workers are exposed to. ✓
2. SDA/Skills Development Act ✓✓	They are also registered with CETA (Construction SETA). ✓
Sub-max. (4)	Sub-max. (2)

- NOTE:**
1. Award marks for the Act even if the quote is incomplete.
 2. Do not award marks for the motivation, if the Act was incorrectly identified.

Max. (6)

2.5.2 Role of SETAs

- Develop sector skills plans in line with the National Skills Development Strategy. ✓✓
- Draw up skills development plans for their specific economic sectors. ✓✓
- Approve workplace skills plans and annual training reports. ✓✓
- Allocate grants to employers, education and training providers. ✓✓
- Pay out grants to companies that are complying with the requirements of the Skills Development Act. ✓✓
- Monitor/Evaluate the actual training by service providers. ✓✓
- Promote and establish learnerships. ✓✓
- Register learnership agreements/learning programmes. ✓✓
- Provide training material/programmes for skills development facilitators. ✓✓
- Provide accreditation for skills development facilitators. ✓✓
- Oversee training in different sectors of the South African economy. ✓✓
- Identify suitable workplaces for practical work experience. ✓✓
- Collect levies and pay out grants as required. ✓✓
- Report to the Director-general. ✓✓
- Any other relevant answer related to the role of SETAs in supporting the SDA.

Max. (8)

2.6 Ways businesses apply pillars of BBBEE in the workplace**2.6.1 Management control**

- Business must ensure that transformation is implemented at all levels. ✓✓
- Appoint black people in senior executive positions/to management. ✓✓
- Involve black people in the decision-making processes. ✓✓
- Ensure that black females are represented in management. ✓✓
- Businesses score points in both management and ownership when selling more than 25% of their shares to black investors so that some of them can become directors. ✓✓
- Due to a shortage of skilled black managers/directors, some businesses find it difficult to make appointments. ✓✓
- Businesses are directly penalised for not implementing this pillar. ✓✓
- Any other relevant answer related to ways in which businesses may apply management control as a pillar of BBBEE in the workplace.

Max. (4)

2.6.2 Enterprise and supplier development

- Business must create jobs as ESD promotes local manufacturing. ✓✓
- Businesses are encouraged to invest/support black owned SMMEs. ✓✓
- Contribution can be monetary, e.g. loans/investments/donations. ✓✓
- Contribution can be non-monetary, e.g. consulting services/advice/ entrepreneurial programmes, etc. ✓✓
- Outsource services to suppliers that are BBBEE compliant. ✓✓
- Identify black owned suppliers that are able to supply goods and services. ✓✓
- Develop the business skills of small/black-owned suppliers, e.g. sales techniques, legal advice, etc. ✓✓
- Support the cash flow of small suppliers by offering them preferential terms of payment. ✓✓
- Businesses should invest in/support black-owned SMMEs. ✓✓
- SMMEs will be encouraged to use their own business initiatives to make them sustainable. ✓✓
- Develop and implement a supplier development plan/supply chain. ✓✓
- Small/Large businesses may not be able to afford enterprise development investment/support. ✓✓
- Black owned SMMEs may become too reliant on support from other businesses/unable to take their own initiatives. ✓✓
- BBBEE suppliers may be without good workmanship. ✓✓
- Smaller businesses that are not BBBEE compliant lose business. ✓✓
- Businesses are forced to choose from a smaller pool of suppliers. ✓✓
- Any other relevant answer related to ways in which businesses may apply enterprise and supplier development as a pillar of BBBEE in the workplace.

Max. (4)
[40]

BREAKDOWN OF MARKS

QUESTION 2	MARKS
2.1	2
2.2	6
2.3	6
2.4	4
2.5.1	6
2.5.2	8
2.6	8
TOTAL	40

QUESTION 3: BUSINESS OPERATIONS**3.1 Aspects in an employment contract**

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

NOTE: Mark the first FOUR (4) only.

(4 x 1) (4)

3.2 Induction**3.2.1 Aspects included in induction programme from the scenario**

- a tour of the business premises ✓
- information about their products. ✓

NOTE: Mark the first TWO (2) only.

(2 x 1) (2)

3.2.2 Benefits of induction for businesses

- Increases quality ✓ of performance/productivity. ✓
- Allows new employees to settle in quickly ✓ and work effectively. ✓
- Ensures that new employees understand rules and restrictions ✓ in the business. ✓
- The results obtained during the induction process ✓ provide a base for focused training. ✓
- Minimises the need for on-going training ✓ and development. ✓
- New employees may establish relationships ✓ with fellow employees at different levels. ✓
- Employees will be familiar with organisational structures, ✓ e.g. 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. ✓
- Make new employees feel at ease in the workplace, ✓ which reduces anxiety/insecurity/fear. ✓
- Company policies are communicated, ✓ regarding conduct and procedures/safety and security/employment contract/conditions of employment/working hours/ leave. ✓
- Realistic expectations for new employees ✓ as well as the business are created. ✓
- New employees may feel part of the team ✓ resulting in positive morale and motivation. ✓
- Employees may have a better understanding of business policies ✓ regarding ethical/professional conduct/procedures/CSR, ✓ etc.
- Any other relevant answer related to the benefits of induction.

Max. (6)

3.3 Differences between job description and job specification

JOB DESCRIPTION	JOB SPECIFICATION
- Describes duties/responsibilities ✓ of a specific job ✓ /Summary ✓ of the nature/type of the job. ✓	- Describes the minimum acceptable personal qualities/skills/qualifications ✓ needed for the job. ✓
- Written description of the job ✓ and its requirements. ✓	- Written description of specific qualifications/skills/experience ✓ needed for the job. ✓
- Describes key performance areas tasks for a specific job ✓ e.g. job title/duties/ working conditions/locations of the place of work/ relationship of the job with other jobs in the business, ✓ etc.	- Describes key requirements for the person who will fill the position, ✓ e.g. formal qualifications/willingness to travel/work unusual hours, ✓ etc.
- Any other relevant answer related to job description	- Any other relevant answer related to job specification
Sub-max. (4)	Sub-max. (4)

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

Max. (8)

3.4 TQM

3.4.1 TQM elements

TQM ELEMENT	MOTIVATION
1. Total client/customer satisfaction ✓✓	Customers are always requested to provide feedback about their products. ✓
2. Monitoring and evaluation of quality processes ✓✓	They also allow for quality control checks and procedures at key production point to ensure high quality standards. ✓
Sub-max. (4)	Sub-max. (2)

- NOTE:**
1. Award marks for the TQM element even if the quote is incomplete.
 2. Do not award marks for the motivation, if the TQM element was incorrectly identified.

Max. (6)

3.4.2 Ways in which TQM can reduce the cost of quality

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

Max. (4)

3.5 Distinction between quality management and quality performance

QUALITY MANAGEMENT	QUALITY PERFORMANCE
- Techniques/tools ✓ used to design/improve the quality of a product. ✓	- Total performance of each department measured ✓ against the specified standards. ✓
- Can be used for accountability ✓ within each of the business functions. ✓	- Can be obtained if all sections/ departments work together ✓ towards the same quality standards. ✓
- Aims to ensure that the quality of goods/services ✓ is consistent ✓/Focuses on the means ✓ to achieve consistency. ✓	- Quality is measured ✓ through physical product/statistical output of processes/surveys of the users and/or buyers of goods/services. ✓
- Any other relevant answer related to quality management.	- Any other relevant answer related to quality performance.
Sub-max. (2)	Sub-max. (2)

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

Max. (4)

3.6 Impact of continuous improvement to processes and system on large businesses

Positives/Advantages

- Large businesses have more resources ✓ to check on quality performance in each unit. ✓
- Enough capital resources are available for new equipment ✓ required for processes and systems. ✓
- Large businesses have a person dedicated ✓ to the improvement of processes and systems. ✓
- Willing to take risk on/try new processes and systems ✓ because they are able to absorb the impact of losing money. ✓
- They can afford to use the services of the quality circles, ✓ to stay ahead of their competitors. ✓
- Any other relevant answer related to the positives/advantages of continuous improvement to processes and systems on large businesses.

AND/OR

Negatives/Disadvantages

- Large scale manufacturing ✓ can complicate quality control. ✓
- Systems and processes take time and effort to be implemented in large businesses ✓ as communication/buy-in/distrust may delay the implementation process. ✓
- Face the of risk in changing parts of the business ✓ that are actually working well. ✓
- Not all negative feedback from employees and customers is going to be accurate, ✓ which may result in incorrect/unnecessary changes to systems and processes. ✓
- Any other relevant answer related to the negatives/disadvantages of continuous improvement to processes and systems on large businesses.

Max. (6)
[40]

BREAKDOWN OF MARKS

QUESTION 3	MARKS
3.1	4
3.2.1	2
3.2.2	6
3.3	8
3.4.1	6
3.4.2	4
3.5	4
3.6	6
TOTAL	40

QUESTION 4: MISCELLANEOUS TOPICS**BUSINESS ENVIRONMENTS****4.1 Business environments and extent of control**

BUSINESS ENVIRONMENTS	EXTENT OF CONTROL
1. Micro environment ✓	Full control ✓
2. Market environment ✓	Partial/Some/Limited/Less/Little control ✓
3. Macro environment ✓	No control ✓
Sub-max.(3)	Sub-max.(3)

- NOTE:**
1. Mark the first THREE (3) only.
 2. The answer does not have to be in tabular format.
 3. Award marks for the business environment even if the extent of control is not indicated/incorrect.
 4. The extent of control must be linked to the business environment.

Max. (6)

4.2 Porter's five forces model

4.2.1 Power of suppliers ✓✓

4.2.2 Power of competitors/Competitive rivalry ✓✓ (4)

4.3 Advantages of intensive strategies

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

Max. (6)

4.4 Ways in which businesses can comply with the 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). ✓✓
- Credit providers must have procedures in place to comply with the provision of the Financial Intelligence Centre Act (FICA). ✓✓
- Verify the identity of clients, report suspicious transactions/train staff on their obligations in terms of FICA. ✓✓
- Any other relevant answer related to the ways in which businesses can comply with the NCA.

NOTE: Mark the first TWO (2) only.

Max. (4)

BUSINESS OPERATIONS**4.5 Quality indicators of marketing function**

- Acquire a greater market share through good customer service. ✓
- Win customers' loyalty by satisfying their needs and wants/building positive relationships. ✓
- Adhere to ethical advertising practices when promoting products and services. ✓
- Identify competitive edge and conduct regular market research. ✓
- Differentiate products to increase the target market/ profitability. ✓
- Communicate effectively with customers to get their feedback about their experiences of the products and services sold. ✓
- Ensure that the production and advertising strategies are aligned. ✓
- Use pricing techniques to ensure a competitive advantage. ✓
- Measure the gaps between customer expectations and their actual experiences so that problems regarding quality of products can be diagnosed and addressed. ✓
- Make adjustments and changes to products and services based on feedback received from customers. ✓
- Use aggressive advertising campaigns to sustain the market share. ✓
- Any other relevant answer related to the quality indicators of the marketing function.

NOTE: Mark the first FOUR (4) only.

(4 x 1) (4)

4.6 Quality management system

4.6.1 Advantages of good quality management system from the scenario

- Recently they implemented a quality management system which resulted in increased customer satisfaction. ✓
- Their image also improved as there are less returns. ✓

NOTE: Mark the first TWO (2) only.

Max. (2)

4.6.2 Other advantages of a good quality management system

- Time and resources ✓ are used efficiently. ✓
- Productivity increases ✓ through proper time management/using high quality resources. ✓
- Products/Services are constantly improved ✓ resulting in increased levels of customer satisfaction. ✓
- Vision/Mission/Business goals ✓ may be achieved. ✓
- Business has a competitive advantage ✓ over its competitors. ✓
- Regular training ✓ will continuously improve the quality of employees' skills/ knowledge. ✓
- Employers and employees will have a healthy working relationship ✓ resulting in happy/productive workers. ✓
- Increased market share/more customers ✓ improve profitability. ✓
- Any other relevant answer related to other advantages of a good quality management system.

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

2. Do not award marks for 'increased customer satisfaction' and 'their image improved as there are less returns' as identified in QUESTION 4.6.1.

Max. (4)

4.7 Differences between *piece meal* and *time-related salary determination methods*

PIECE MEAL	TIME-RELATED
- Workers are paid according to the number ✓ of items/units produced/action performed. ✓	- Workers are paid for the amount of time ✓ they spend at work/on a task. ✓
- Workers are not remunerated for the number of hours worked, ✓ regardless of how long it takes them to make the items. ✓	- Workers with the same experience/qualifications are paid on salary scales ✓ regardless of the amount of work done. ✓
- Mostly used in factories ✓ particularly in the textile/technology industries. ✓	- Many private and public sector businesses ✓ use this method. ✓
- Any other relevant answer related to piecemeal as a salary determination method.	- Any other relevant answer related to time-related as a salary determination method.
Sub-max. (2)	Sub-max. (2)

- NOTE:**
1. The answer does not have to be in a tabular format
 2. The distinction does not have to link, but must be clear.
 3. Award a maximum of TWO (2) marks if the distinction is not clear/Mark either piece meal or time related.

Max. (4)

4.8 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. ✓
- It increases employee satisfaction/loyalty ✓ as they may be willing to go the extra mile. ✓
- Improves productivity ✓ resulting in higher profitability. ✓
- 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/OR

Negatives/Disadvantages

- Fringe benefits are additional costs ✓ that may result in cash flow problems. ✓
- Administrative costs increase ✓ as benefits need to be correctly recorded for tax purposes. ✓
- Decreases business profits, ✓ as incentive/package/remuneration costs are higher. ✓
- It can create conflict/lead to corruption ✓ if allocated unfairly. ✓
- Workers only stay with the business for fringe benefits, ✓ and may not be committed/loyal to the tasks/business. ✓
- Businesses who offer employees different benefit plans may create resentment ✓ to those who receive less benefit resulting in lower productivity. ✓
- Businesses who cannot offer fringe benefits ✓ fail to attract skilled workers. ✓
- 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. (6)
[40]

BREAKDOWN OF MARKS

QUESTION 4	MARKS
4.1	6
4.2	4
4.3	6
4.4	4
4.5	4
4.6.1	2
4.6.2	4
4.7	4
4.8	6
TOTAL	40

TOTAL SECTION B: 80

SECTION C

Mark the FIRST question only.

QUESTION 5: BUSINESS ENVIRONMENTS**5.1 Introduction**

- The rights of the employers and employees in the workplace are both included in the Labour Relations Act. ✓
- The LRA promotes economic development, social justice, labour peace and democracy in the workplace. ✓
- The LRA may include amendments/repeal laws related to labour relations in order to promote sound labour relations. ✓
- The LRA deals with hiring/disciplining/firing employees/trade union negotiation/strikes. ✓
- Labour inspectors have the power to issue compliance orders. ✓
- Any other relevant introduction related to the rights of employers and employees according to the LRA, purpose of LRA, impact of LRA and penalties for non-compliance with the LRA.

(Any 2 x 1) (2)

5.2 Rights of employers and employees according to the LRA**Rights of employers**

- Employers have the right to lockout employees who engage in unprotected/illegal strike/labour action. ✓✓
- Form employer organisations. ✓✓
- Form a bargaining council for collective bargaining purposes. ✓✓
- Dismiss employees who are engaged in an unprotected strike/misconduct such as intimidation/violence during a strike action. ✓✓
- Right not to pay an employee who has taken part in a protected strike for services/work they did not do during the strike. ✓✓
- Any other relevant answer related to the rights of employers according to the LRA.

Sub-max. (8)

Rights of employees

- Employees may join a trade union of their choice. ✓✓
- Request trade union representatives to assist/represent employees in the grievance/disciplinary hearing. ✓✓
- Trade union representatives may take reasonable time off work with pay, to attend to trade union duties. ✓✓
- Embark on legal strikes as a remedy for grievances. ✓✓
- Refer unresolved workplace disputes to the CCMA. ✓✓
- Refer unresolved CCMA disputes to the Labour Court on appeal. ✓✓
- Any other relevant answer related to rights of employees according to the LRA.

Sub max (8)

Max. (12)

5.3 Purpose of the LRA

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

Max. (12)

5.4 Impact of LRA on businesses**Positives/Advantages**

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

AND/OR

Negatives/Disadvantages

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

NOTE: Award a maximum of TWO (2) marks if the impact is on trade unions only.

Max. (14)

5.5 Penalties/consequences for non-compliance with the LRA

- Businesses will be fined if they fail to comply with the agreements reached during the dispute resolution process. ✓✓
- Businesses that fail to comply with this Act may risk financial costs e.g. legal/CCMA fees and fines. ✓✓
- The employer may be forced to enter into a dispute resolution process. ✓✓
- Employees may take employer to court for non-compliance with the Act. ✓✓
- If LP is found guilty of any misconduct, they will have to pay large penalties/face imprisonment. ✓✓
- Labour inspectors may serve a compliance order by writing to the Department of Labour. ✓✓
- The Director General may agree/change/cancel the compliance order. ✓✓
- Labour inspectors may investigate/inspect/ask questions about complaints and remove records as evidence. ✓✓
- They can be ordered to pay compensation and damages to the employee. ✓✓
- Any other relevant answer related to penalties that businesses could face for non-compliance with the LRA.

Max. (8)

5.6 Conclusion

- The Act requires agreement through sound labour relations between trade unions and employer organisations. ✓✓
- LRA provides for conflict resolution mechanisms in the workplace. ✓✓
- Fair labour practices in the workplace may result in efficient business operations with minimal disruptions. ✓✓
- Businesses need to comply with the Act to promote a healthy working/workplace relationship. ✓✓
- Penalties for non-compliance may have a negative financial implication for businesses. ✓✓
- Any other relevant conclusion related to the rights of employers and employees according to the LRA, purpose of LRA, impact of LRA and penalties for non-compliance with the LRA.

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

QUESTION 5: BREAKDOWN OF MARKS

DETAILS	MAXIMUM	TOTAL
Introduction	2	Max. 32
Rights of employers and employees according to the LRA	12	
Purpose of the LRA	12	
Impact of LRA on businesses	14	
Penalties/consequences for non-compliance with the LRA	8	
Conclusion	2	
INSIGHT		
Layout	2	8
Analysis, interpretation	2	
Synthesis	2	
Originality/Examples	2	
TOTAL MARKS		40

*LASO – For each component:

Allocate 2 marks if all requirements are met.

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

Allocate 0 marks where requirements are not met at all.

QUESTION 6: BUSINESS OPERATIONS**6.1 Introduction**

- The objective of recruitment is to attract the best possible applicants with required skills/qualification/competency to fill vacancies. ✓
- Reliable recruitment procedures and systems should be in place to ensure that businesses achieve their goals. ✓
- During interviews the interviewer and interviewee may exchange more information to/from each other. ✓
- Employers and employees should adhere to the terms and conditions of the employment contract. ✓
- The human resource function should ensure that the business comply with EEA in the workplace to avoid penalties. ✓
- Any other relevant introduction related to recruitment procedure, roles of the interviewer during the interview, legal requirements of employment contract and implication for EEA on human resources function.

(Any 2 x 1) (2)

6.2 Recruitment procedure

- The human resource manager (HRM) should evaluate the job/prepare a job analysis, that includes the job specification/job description/in order to identify recruitment needs. ✓✓
- The HRM should indicate the job specification/key performance areas to attract suitable candidates. ✓✓
- Choose the method of recruitment, e.g. internal/external, to reach/target the suitable applicants/candidates. ✓✓
- If the external recruitment is chosen, the relevant recruitment sources should be selected, e.g. recruitment agencies/tertiary institutions/newspapers, etc. ✓✓
- Vacancies can be internally advertised via internal e-mail/word of mouth/posters/staff notices. ✓✓
- External recruitment should be considered if internal recruitment was unsuccessful. ✓✓
- The advertisement should be prepared with the relevant information, e.g. the name of the company, contact details, contact person, etc. ✓✓
- Place the advertisement in the selected media that will ensure that the best candidates apply. ✓✓
- Any other relevant answer related to the recruitment procedure.

NOTE: The procedure may be in any order.

Max. (12)

6.3 Role of the interviewer during the interview

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

Max. (12)

6.4 Legal requirements of the employment contract

- Employment contract is an agreement between the employer and the new employee ✓ and is legally binding. ✓
- Employer and employee must agree ✓ to any changes to the contract. ✓
- Aspects of the employment contract can be renegotiated ✓ during the course of employment. ✓
- No party may unilaterally ✓ change aspects of the employment contract. ✓
- FJ and the new employee must both ✓ sign the contract. ✓
- The employment contract should include a code of conduct ✓ and code of ethics. ✓
- FJ must explain the terms and conditions of the employment contract ✓ to the employee. ✓
- It may not contain any requirements that are in conflict ✓ with the BCEA. ✓
- Conditions of employment/duties/responsibilities of the employees ✓ must be stipulated clearly. ✓
- The remuneration package/including benefits ✓ must be clearly indicated. ✓
- All business policies, procedures and disciplinary codes/rules can form part ✓ of the employment contract. ✓
- The employer must allow the employee to thoroughly read through the contract ✓ before it is signed. ✓
- Any other relevant answer related to the legal requirements of the employment contract.

Max. (14)

6.5 Implications of EEA on the human resources function

- The human resources manager must promote/provide equal opportunities in the workplace. ✓✓
- Ensure that affirmative action promotes diversity in the workplace. ✓✓
- Compile employment equity plans that indicate how they will implement affirmative action. ✓✓
- Assign a manager to ensure that the employment equity plan will be implemented/regularly monitored. ✓✓
- Display a summary of the Act where employees can clearly see it/have access to it. ✓✓
- Report to the Department of Labour on the progress in the implementation of the equity plan. ✓✓
- Conduct medical/psychological tests fairly to employees/when deemed necessary. ✓✓
- Equal pay for work of equal value. ✓✓
- Ensure that the workplace represents the demographics of the country at all levels. ✓✓
- Define the appointment process clearly to ensure all parties are well informed. ✓✓
- Restructure/Analyse current employment policies/practices/procedures to accommodate designated groups. ✓✓
- Retrain/Develop/Train designated groups through skills development programmes. ✓✓
- Any other relevant answer related to the implications of the Employment Equity Act on the human resources function.

Max. (8)

6.6 Conclusion

- Businesses should have suitable/effective recruitment procedure in place. ✓✓
- A well prepared and organised interview process will result in identifying and appointing the most suitable and deserving candidate. ✓✓
- The relationship between the employer and employee should be guided by the employment contract. ✓✓
- The EEA not only promotes and regulates affirmative action, but also gives guidance in conducting a fair appointment process. ✓✓
- Any other relevant conclusion related to recruitment procedure, roles of the interviewer during the interview, legal requirements of employment contract, implication for EEA on human resources function.

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

QUESTION 6: BREAKDOWN OF MARK ALLOCATION

DETAILS	MAXIMUM	TOTAL
Introduction	2	Max. 32
Recruitment procedure	12	
Role of the interviewer during the interview	12	
Legal requirements of the employment contract	14	
Implications of EEA on the human resources function	8	
Conclusion	2	
INSIGHT		
Layout	2	8
Analysis, interpretation	2	
Synthesis	2	
Originality/Examples	2	
TOTAL MARKS		40

*LASO – For each component:

Allocate 2 marks if all requirements are met.

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

Allocate 0 marks where requirements are not met at all.

TOTAL SECTION C: 40

GRAND TOTAL: 150