



**NATIONAL
SENIOR CERTIFICATE**

GRADE 12

JUNE 2024

**BUSINESS STUDIES P1
MARKING GUIDELINE**

MARKS: 150

This marking guideline consists of 27 pages.

NOTES TO MARKERS

PREAMBLE

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

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

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

Marker:	Red
School moderation:	Green
District moderation:	Orange
Provincial moderation:	Purple

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

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

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

8. In an indirect question, the theory as well as the response must be relevant and related to the question.
9. Correct numbering of answers to questions or sub questions is recommended in SECTIONS A and B. However, if the numbering is incorrect, follow the sequence of the candidate's responses. Candidates will be penalised if the latter is not clear.
10. No additional credit must be given for repetition of facts. Indicate with an 'R'.
11. The differentiation between 'evaluate' and 'critically evaluate' can be explained as follows:
 - 11.1 When 'evaluate' is used, candidates are expected to respond in either a positive/negative manner or take a neutral (positive and negative) stance, e.g. **Positive:** *'COIDA eliminates time and costs spent ✓ on lengthy civil court proceedings.'* ✓
 - 11.2 When 'critically evaluate' is used, candidates are expected to respond in either a positive/negative manner or take a neutral (positive and negative) stance. In this instance candidates are also expected to support their responses with more depth, e.g. *'COIDA eliminates time and costs spent ✓ on lengthy civil court proceedings, ✓ because the employer will not be liable for compensation to the employee for injuries sustained during working hours as long as it can be proved that the business was not negligent.'* ✓

NOTE: 1. The above could apply to 'analyse' as well.
2. Note the placing of the tick (✓) in the allocation of marks.

12. The allocation of marks must be informed by the nature of the question, cognitive verb used, mark allocation in the marking guideline and the context of each question.

Cognitive verbs, such as:

- 12.1 Advise, name, state, outline, motivate, recommend, suggest, (*list not exhaustive*) do not usually require much depth in candidates' responses. Therefore, the mark allocation for each statement/answer appears at the end.
 - 12.2 Define, describe, explain, discuss, elaborate, distinguish, differentiate, compare, tabulate, analyse, evaluate, critically evaluate (*list not exhaustive*) require a greater depth of understanding, application and reasoning. Therefore, the marks must be allocated more objectively to ensure that assessing is conducted according to established norms so that uniformity, consistency and fairness are achieved.
13. Mark only the FIRST answer where candidates offer more than one answer for SECTION B and C questions that require one answer.

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.

NOTE: 1. This applies only to questions where the number of facts is specified.
2. The above also applies to responses in SECTION C (where applicable)

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

14.3 If candidates are required to provide their own examples/views, brainstorm this 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	<p>Is the candidate able to break down the question into headings/subheadings/interpret it correctly to show understanding of what is being asked?</p> <p>Marks to be allocated using this guide: All headings addressed: 1 (One 'A') Interpretation (16 to 32 marks): 1 (One 'A')</p>	2
Synthesis	<p>Are there relevant decisions/facts/responses made based on the questions?</p> <p>Marks to be allocated using this guide:</p> <p>Option 1: Only relevant facts: 2 marks (No '-S') Where a candidate answers 50% or more (two to four sub-questions) of the question with only relevant facts; no '-S' appears in the left margin. Award the maximum of TWO (2) marks for synthesis.</p> <p>Option 2: Some relevant facts: 1 mark (One '-S') Where a candidate answers less than 50% (only one sub-question) of the question with only OR some relevant facts; one '-S' appears in the left margin. Award a maximum of ONE (1) mark for synthesis.</p> <p>Option 3: Some relevant facts: 1 mark (One '-S') Where a candidate writes FOUR questions, but one sub-question of the question with no relevant facts; one '-S' appears in the left margin. Award a maximum of ONE (1) mark for synthesis.</p> <p>Option 4: No relevant facts: 0 marks (Two '-S') Where a candidate answers less than 50% (only one sub-question) of the question with no relevant facts; two '-S' appear in the left margin. Award a ZERO mark for synthesis.</p>	2
Originality	Is there evidence of one or two examples, not older than two (2) years that are based on recent information, current trends and developments?	2
TOTAL FOR INSIGHT:		8
TOTAL MARKS FOR FACTS:		32
TOTAL MARKS FOR ESSAY (8 + 32):		40

- NOTE:**
1. No marks will be awarded for contents repeated from the introduction and conclusion.
 2. The candidate forfeits marks for layout if the words INTRODUCTION and CONCLUSION are not stated.
 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 C ✓✓
 1.1.2 B ✓✓
 1.1.3 A ✓✓
 1.1.4 B ✓✓
 1.1.5 D ✓✓
(5 x 2) (10)
- 1.2 1.2.1 skill development levy ✓✓
 1.2.2 SWOT analysis ✓✓
 1.2.3 employment contract ✓✓
 1.2.4 Basic Conditions of Employment Act ✓✓
 1.2.5 total client satisfaction ✓✓
(5 x 2) (10)
- 1.3 1.3.1 C ✓✓
 1.3.2 D ✓✓
 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 Pillars of BBBEE**

- Ownership ✓
- Management control ✓
- Skills development ✓
- Enterprise and supplier development/ESD ✓
- Socio economic development ✓

NOTE: Mark the first FOUR (4) only.

(4 x 1) (4)

2.2 Role of SETAs in supporting the Skills Development Act/SDA

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

Max. (6)

2.3 Business strategies**2.3.1 Porters' Five Forces from the scenario**

PORTER'S FIVE FORCES	MOTIVATION
1. Power of suppliers ✓✓	Recently KPS has increased the price of electricity due to high demand. ✓
2. Threat/Barriers of new entrants to the market ✓✓	Amandla Solar is waiting for the operational license from the local municipality. ✓
Max. (4)	Max. (2)

- NOTE:**
- 1 Mark the first TWO (2) only.
 - 2 Do not award marks for the motivation if the forces were incorrectly identified.
 - 3 Award marks for the forces even if the quote is incomplete.

Max. (6)

2.4 Strategic management process**Option 1**

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

OR

Option 2

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

Max. (4)

2.5 Ways in which businesses can comply with the Employment Equity Act/EEA

- Businesses should guard, ✓ against discriminatory appointments. ✓
- Assess the racial composition ✓ of all employees, including senior management. ✓
- Ensure that there is equal representation of all racial groups/demographics ✓ in every level of employment. ✓
- Clearly define the appointment process, ✓ so that all parties are well informed. ✓
- Ensure that diversity/inclusivity ✓ is achieved in the workplace. ✓
- Prepare an employment equity plan ✓ in consultation with employees. ✓
- Compile employment equity plans ✓ that indicate how they will implement affirmative action. ✓
- Ensure that affirmative action measures ✓ promote diversity in the workplace. ✓
- Implement ✓ the employment equity plan. ✓
- Implement affirmative action measures ✓ to redress disadvantages experienced by designated groups ✓
- Submit the employment equity plan ✓ to the Department of Labour. ✓
- Assign one or more senior managers ✓ to ensure implementation and monitoring of the employment equity plan. ✓
- Eliminate barriers ✓ that have an adverse impact on designated groups. ✓
- Regularly report to the Department of Labour ✓ on progress in implementing the plan. ✓

- Display a summary of the Act ✓ where employees can clearly see/have access to the document. ✓
- Conduct medical/psychological tests fairly ✓ to employees/when deemed necessary ✓/Use certified psychometric tests to assess applicants/employees ✓ to ensure that suitable candidates are appointed. ✓
- Ensure that the workplace represents the demographics of the country ✓ at all levels. ✓
- Restructure/Analyse current employment policies/practices/procedures ✓ to accommodate designated groups. ✓
- Retrain/Develop/Train designated groups ✓ through skills development programmes. ✓
- Employees must be paid equally ✓ for work of equal value. ✓
- Any other relevant answer related to ways in which businesses can comply with the EEA.

Max. (6)

2.6 Legislation

2.6.1 Labour Relation Act, 1995 (Act 66 of 1995) ✓✓ / LRA ✓✓ (1 x 2) (2)

2.6.2 **Action regarded as non-compliant with the Labour Relation Act**

- TA employees were embarking on a strike for better wages and were dismissed. ✓
- Employees were not allowed to join trade unions. ✓

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

2.6.3 **Other action regarded as non-compliance with Labour Relation Act**

- Dismissing employees unfairly or illegally. ✓✓
- Refusing to provide union representatives leave to attend trade union matters. ✓✓
- Forcing employees to give up their trade union membership and representation. ✓✓
- Refusing to give workplace forum members paid time off for attending meetings during working hours. ✓✓
- Breaching of collective agreements/resolution mechanisms by either employer/employee. ✓✓
- Cancellation of employees' contracts by a new employer when a business is sold. ✓✓
- Refusing the establishment of workplace forums. ✓✓
- Any other relevant answer related to other action regarded as non-compliance with Labour Relation Act.

NOTE: Mark the first TWO (2) only.

Max. (4)

2.7 Ways in which businesses could comply with the Consumer Protection Act (CPA), 2008 (Act 68 of 2008).

- Disclose prices of all products on sale. ✓✓
- Provide adequate training to staff on the CPA. ✓✓
- All agreements must provide for a five-day cooling off period. ✓✓
- Ensure that goods/services offered are standardised/of the same quality. ✓✓
- Comply with the requirements regarding promotional competitions. ✓✓
- Comply with requirements regarding the display of information on labels/ packaging. ✓✓
- Display the name of the business on all business documents, e.g. invoices/contracts. ✓✓
- Bundling of goods/services should benefit consumers, e.g. offering a cellphone and a tablet at a special price. ✓✓
- Implement measures that will facilitate complaints, e.g. suggestion boxes. ✓✓
- Any other relevant answer related to ways in which businesses could comply with the CPA.

Max. (6)
[40]

BREAKDOWN OF MARKS

QUESTION 2	MARKS
2.1	4
2.2	6
2.3.1	6
2.4	4
2.5	6
2.6.1	2
2.6.2	2
2.6.3	4
2.7	6
TOTAL	40

QUESTION 3: BUSINESS OPERATIONS

3.1 Reasons for the termination of an employment contract

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

NOTE: Mark the first FOUR (4) only.

(4 x 1) (4)

3.2 Role of the interviewee during the interview.

- Greet the interviewer by name ✓ with a solid handshake and a friendly smile. ✓
- Listen carefully to the questions ✓ before responding. ✓
- Make eye contact, ✓ and have good posture/body language. ✓
- Show confidence ✓ and have a positive attitude/be assertive. ✓
- Be inquisitive ✓ and show interest in the business. ✓
- Ask clarity seeking questions ✓ about the job/position offered. ✓
- Show respect ✓ and treat the interview with its due importance. ✓
- Be honest about mistakes ✓ and explain how you dealt with them. ✓
- Know your strengths and weaknesses ✓ and be prepared to explain them. ✓
- Thank the interviewer for the opportunity given ✓ to be part of the interview. ✓
- Any other relevant answer related to role of the interviewee during the interview.

Max. (6)

3.3 Human Resource

3.3.1 Job description and Job specification from the scenario

Job description	Job specification
KE advertised the position of financial manager. ✓	Five years' experience in financial management at a middle level. ✓

Max. (2)

3.3.2 Impact of fringe benefits on businesses

Positives/Advantages

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

AND/OR**Negatives/Disadvantages**

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

Max. (4)**3.4 Benefits of induction for businesses**

- Allows new employees to settle in quickly ✓ and work effectively. ✓
- Ensures that new employees understand the rules ✓ and restrictions in the business. ✓
- New employees may establish relationships ✓ with fellow employees at different levels. ✓
- Make new employees feel at ease in the workplace, ✓ which reduces anxiety/insecurity/fear. ✓
- The results obtained during the induction process ✓ provide a base for focused training. ✓
- Increases quality of performance/productivity ✓ as employees are familiar with the work processes. ✓
- Minimises the need for on-going training ✓ and development. ✓
- Employees will be familiar with organisational structures ✓ such as 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, ✓ which saves production time. ✓
- Learn more about the business so that new employees understand their roles/responsibilities ✓ in order to be more efficient. ✓
- Company policies 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. ✓
- Reduces the staff turnover ✓ as new employees have been inducted properly. ✓
- Any other relevant answer related to the benefits of induction for businesses.

Max. (4)

3.5 Roles of quality circles as part of continuous improvement to processes and systems

- Solve problems related to quality and implement improvements. ✓✓
- Investigate problems and suggest solutions to management. ✓✓
- Ensure that there is no duplication of activities/tasks in the workplace. ✓✓
- Make suggestions for improving processes and systems in the workplace. ✓✓
- Improve the quality of products/services/productivity through regular reviews of quality processes. ✓✓
- Monitor/Reinforce strategies to improve the smooth running of business operations. ✓✓
- Increase employees' morale and motivation to boost the team spirit in achieving organisational goals. ✓✓
- Contribute towards the improvement and development of the organisation. ✓✓
- Reduce costs of redundancy/wasteful efforts in the long run. ✓✓
- Increase the demand for products/services of the business. ✓✓
- Create harmony and high performance in the workplace. ✓✓
- Build a healthy workplace relationship between the employer and employee. ✓✓
- Improve employees' loyalty/commitment to the organisational goals. ✓✓
- Improve employees' communication at all levels of the business. ✓✓
- Develop a positive attitude/sense of involvement in decision-making processes of the services offered. ✓✓
- Any other relevant answer related to the roles of quality circles as part of continuous improvement to processes and systems.

Max. (6)

3.6 Meaning of TQM

- Integrated system/methodology/process ✓ applied throughout an organisation. ✓
- Enables businesses to design/produce/provide quality product/service ✓ for customers. ✓
- Thought revolution in management, businesses ✓ and all business activities is operated with customer orientation. ✓
- Enables businesses to continuously improve on the service delivery of product/service ✓ to satisfy customer needs. ✓
- Management ensures each employee is responsible/accountable for quality ✓ of his/her work/actions. ✓
- Any other related answer related to the meaning of TQM.

Max. (4)

3.7 Quality indicators

3.7.1 Quality indicators of the business functions from the scenario

QUALITY INDICATORS	MOTIVATION
Marketing function ✓✓	NBB has acquired a greater market share through effective customer service. ✓
Public relation function ✓✓	She delivers high quality service that promotes her brand to all her customers. ✓
Sub-max. (4)	Sub-max. (2)

NOTE: Mark the first TWO (2) only.

Max. (6)

3.8 Impact of TQM if poorly implemented

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

Max. (4)
[40]

BREAKDOWN OF MARKS

QUESTION 3	MARKS
3.1	4
3.2	6
3.3.1	2
3.3.2	4
3.4	4
3.5	6
3.6.	4
3.7.1	6
3.8	4
TOTAL	40

QUESTION 4: MISCELLANEOUS TOPICS**BUSINESS ENVIRONMENTS****4.1 Consumer rights as stipulated in the Consumer Protection Act/CPA**

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

NOTE: Mark the first FOUR (4) only.**(4 x 1) (4)****4.2 Business environments and challenges**

CHALLENGE	BUSINESS ENVIRONMENT
- SML bought its packaging material from Vusi Packaging which is always out of stock ✓	Market ✓
- Their employees are regularly absent from work. ✓	Micro ✓
Sub-max. (2)	Sub-max. (2)

- NOTE:**
1. Mark the first challenge for each environment only.
 2. The answer does not have to be in tabular format.
 3. If the business environment is not linked to the challenge, mark the challenge only.
 4. Award full marks for the business environment even if the challenge is not quoted in full.
 5. Accept responses in any order.

Max. (4)**4.3 Provisions of the BCEA****4.3.1 Parental Leave**

- An employee who is a parent is entitled to ten (10) consecutive day's parental leave ✓ after the birth of his/her child irrespective of gender. ✓
- Parental leave is unpaid ✓ but the employee/parent may claim from the Unemployment Insurance Fund/UIF. ✓
- The employer must be informed/notified at least one month ✓ before the expected due date of birth. ✓
- Adoption leave ✓ is applicable to the adoption of a child below the age of two (2) years. ✓
- One parent of the adopted child is entitled to ten (10) weeks adoption leave ✓ to take care of the child, while the other parent is entitled to ten (10) consecutive day's normal parental leave. ✓
- Commissioning parental leave is only applicable to surrogate motherhood ✓ where one parent is entitled to ten (10) weeks commissioning parental leave to take care of the child, while the other parent is entitled to ten (10) consecutive day's normal parental leave. ✓
- Any other relevant answer related to parental leave as a provision of the BCEA.

Max. (4)

4.3.2 Overtime

- Workers must agree ✓ to work overtime. ✓
- Workers cannot work more than three hours, ✓ overtime per day ✓/Workers cannot work more than 10 hours ✓ overtime per week ✓
- Workers must be compensated at least one and half times the normal rate of pay ✓ for overtime worked on weekdays/Saturdays. ✓
- Workers must be compensated double the normal rate of pay ✓ for overtime worked on Sundays/public holidays. ✓
- Overtime must be paid either at the specified rate ✓ or an employee may agree to receive paid time off. ✓
- The Minister of Labour may prescribe the maximum permitted working hours, including overtime, ✓ for health and safety reasons for a certain category of work. ✓
- Any other relevant answer related to overtime as one of the provisions of the BCEA.

Max. (4)**4.4 Advantages of diversification strategies**

- Increase sales and business growth. ✓✓
- Improves the business brand and image. ✓✓
- Reduces the risk of relying only on one product for sales/revenue/income. ✓✓
- More products can be sold to existing customers and additional new markets can be established. ✓✓
- Businesses gain more technological capabilities through product modification. ✓✓
- Diversification into several industries or product lines can help create a balance during economic fluctuations. ✓✓
- Businesses produce more output using less inputs as one factory may be used to manufacture more products. ✓✓
- Any other relevant answer related to the advantages of diversification strategies.

Max. (4)**BUSINESS OPERATIONS****4.5 Methods of recruitment from the statement**

4.5.1 Internal recruitment ✓✓

4.5.2 External recruitment ✓✓

(2 x 2) (4)**4.6 Placement procedure:**

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

Max. (4)

4.7 Unemployment Insurance Fund (UIF) as a benefit required by law.

- The UIF provides benefits to workers who have been working ✓ and become unemployed for various reasons. ✓
- An employer contributes 1% of basic wages/salary towards the UIF, ✓ therefore reducing the expense of providing UIF benefits themselves. ✓
- Employees contribute 1% ✓ of their basic wage to the UIF. ✓
- An employer pays 2% directly to the UIF ✓ on behalf of the employee. ✓
- All employees who work 24 hours or more per month ✓ are required to be registered for UIF/contribute to the UIF. ✓
- It is an affordable contribution that makes it possible for businesses ✓ to appoint substitute workers in some instances. ✓
- Contributions are paid ✓ to the Unemployment Insurance Fund (UIF) /the South African Revenue services. ✓
- Businesses are compelled to register their employees with the fund ✓ and to pay contributions to the fund. ✓
- Any other relevant answer related to Unemployment Insurance Fund (UIF) as a benefit required by law.

Max. (4)**4.8 Advantages of adequate financing and capacity as a TQM element**

- Large businesses have sufficient financing ✓ to test everything before implementing. ✓
- They can afford to have systems in place to prevent errors ✓ in processes/ defects in raw materials/products. ✓
- Able to afford product research/market researchers ✓ to gather information about products/customers. ✓/Large businesses can fund programmes ✓ aimed at improving quality processes. ✓
- Large businesses can afford ✓ to purchase quality raw materials and equipment. ✓
- Any other relevant answer related to the advantages of adequate financing and capacity as a TQM element on large businesses.

Max. (4)**4.9 Quality indicators of the production function**

- Provide high quality services/products according to specifications. ✓✓
- The production/operating processes of a business should be done correctly through proper production planning and control. ✓✓
- Products and services should be produced at the lowest possible cost to allow for profit maximisation. ✓✓
- Businesses should clearly communicate the roles and responsibilities to the production workforce. ✓✓
- Products must meet customers' requirements by being safe, reliable and durable. ✓✓
- Businesses should have good after-sales services and warranties. ✓✓
- Empower workers so that they can take pride in their workmanship. ✓✓
- Get accreditation from the SABS/ISO 9001 to ensure that quality products are being produced. ✓✓
- Specify the product or service standards and take note of the factors that consumers use to judge quality. ✓✓

- Monitor processes and find the root causes of production problems. ✓✓
- Implement quality control systems to ensure that quality products are consistently being produced. ✓✓
- Utilise machines and equipment optimally. ✓✓
- Accurately calculate the production costs. ✓✓
- Select the appropriate production system e.g. mass/batch/jobbing. ✓✓
- Any other relevant answer related to the quality indicators of the production function.

Max. (4)
[40]

BREAKDOWN OF MARKS

QUESTION 4	MARKS
4.1	4
4.2.1	4
4.3.1	4
4.3.2	4
4.4	4
4.5.	4
4.6	4
4.7.	4
4.8	4
4.9	4
TOTAL	40

TOTAL SECTION B: 80

SECTION C

Mark the FIRST question only.

QUESTION 5: BUSINESS ENVIRONMENTS (BUSINESS STRATEGIES)**5.1 Introduction**

- Businesses conduct extensive sales promotions when applying various types of intensive strategies. ✓
- Businesses use intensive strategies to expand their product lines/scale of operations. ✓
- Intensive strategies require intensive effort by the businesses to improve its competitive advantage. ✓
- The PESTLE factors enable businesses to measure the negative impact of external factors on their operations. ✓
- Businesses that apply the PESTLE analysis respond quickly to challenges posed by the external environment. ✓
- A constant evaluation of business strategies allows businesses to review their goals and develop additional strategies. ✓
- Any other relevant introduction related to the advantages of intensive strategy/types of intensive strategies/challenges posed by economic/legal PESTLE factors/steps in strategy evaluation. (Any 2 x 1) **(2)**

5.2 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 business image. ✓✓
- A business 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 a 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 a business. **Max. (10)**

5.3 Types of intensive strategies

Market penetration ✓✓

- Existing products penetrate the market at lower prices, but later prices are increased. ✓
- Businesses focus on selling existing products into existing markets to increase their market share. ✓
- Businesses use market research on existing clients to decide on how to improve their marketing mix. ✓
- Aggressive marketing campaigns such as reducing prices are used to attract potential/existing clients. ✓
- Businesses use this strategy to increase awareness of the products and customer loyalty. ✓
- Any other relevant answer related to market penetration as a type of intensive strategy.

Strategy (2)
Discussion (2)
Sub-max. (4)

Market development ✓✓

- It is a growth strategy where businesses aim to sell their existing products in new markets. ✓
- Businesses target consumers in a potential market that is outside of its normal target market. ✓
- Increasing sales of existing products by finding new ways to develop new markets. ✓
- Any other relevant answer related to market development as a type of intensive strategy.

Strategy (2)
Discussion (2)
Sub-max. (4)

Product development ✓✓

- It is a growth strategy where businesses aim to introduce new products into existing markets/modify an existing product. ✓
- Businesses generate new ideas/develop new products/services. ✓
- Businesses conduct test marketing/market research to establish whether new products will be accepted by existing customers. ✓
- New products may be different/of a higher quality than those of competitors. ✓
- Any other relevant answer related to product development as a type of intensive strategy.

Strategy (2)
Discussion (2)
Sub-max. (4)

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

Max. (12)

5.4 Challenges posed by the PESTLE factors

Economic

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

Sub-max. (4)

Legal

- Implication of various Acts that may have a direct impact influence/ ✓ on a business, e.g. CPA/BCEA. ✓
- Legal requirements for operating certain types of businesses ✓ are time-consuming. ✓
- High legal costs involved in obtaining a licence/trademark/patent/copyright ✓ may prevent some establishment. ✓
- Legalities of business contracts may limit ✓ business operations. ✓
- Any other relevant answer related to how the legal factor as a PESTLE element pose challenge to businesses.

Sub-max. (4)

Environmental

- Chemicals/Ingredients should be clearly indicated on labels/packaging ✓ to inform customers about possible side effects/correct use of products. ✓
- Implement cost effective measures ✓ to dispose medical waste. ✓
- Implement recycling measures ✓ to prevent pollution of the environment/Use packaging that is re-usable/recyclable. ✓
- Engage in environmentally sustainable practices ✓ such as the conservation/preservation of natural resources. ✓
- Any other relevant answer related to ways in which businesses could deal with the environmental challenges as a PESTLE factor.

Sub-max. (4)

Max. (12)

5.5 Steps when evaluating strategies

- Examine the underlying basis of a business strategy. ✓✓
- Look forward and backward 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 as envisaged when strategies were implemented. ✓✓
- Consider the impact of the strategic implementation in the internal and external environments of the business. ✓✓
- Any other relevant answer related to steps that businesses should consider when evaluating strategies.

NOTE: Accept steps in any order.

Max. (12)

5.6 Conclusion

- Intensive strategies assist businesses to improve the performance of existing products in the market. ✓✓
- Businesses must develop mechanism to protect itself from an industry's downturn. ✓✓
- An in-depth analysis of the challenges posed by economic, legal and environment may enable businesses to stay ahead of their competitors. ✓✓
- Businesses should be aware of the role of government in the implementation of Acts. ✓✓
- The effective implementation of the PESTLE factors ensures that businesses find ways to deal with challenges posed by external environment. ✓✓
- Any other relevant conclusion related to the advantages of Intensive strategies/types of strategies/challenges posed by economic/legal/environmental PESTLE analysis factors/steps in strategy evaluation.

(Any 1 x 2)

(2)
[40]

QUESTION 5: BREAKDOWN OF MARKS

DETAILS	MAXIMUM	TOTAL
Introduction	2	Max. 32
Advantages of intensive strategy	10	
Types of diversification strategies	12	
Challenges posed by PESTLE factors: <ul style="list-style-type: none"> ○ Economic ○ Legal ○ Environment 	12	
Steps in strategy evaluation	12	
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 (QUALITY OF PERFORMANCE)**6.1 Introduction**

- Businesses that implement quality concepts enjoy the benefit of good quality products and services. ✓
- Manufactured goods must be quality assured throughout the production cycle. ✓
- A good management system includes the quality control and quality assurance of products. ✓
- Monitoring and evaluation of quality process allows businesses to enhance existing practices and satisfy consumers' needs beyond their expectations. ✓
- TQM helps to design, produce/provide quality products at a lower cost. ✓
- Any other relevant introduction related to the difference between quality control and quality assurance/benefits of a good quality management system/ the impact of monitoring and evaluation /ways in which TQM reduction of the cost of quality. (Any 2 x 1) (2)

6.2 Distinction between quality control and quality assurance

QUALITY CONTROL	QUALITY ASSURANCE
- Inspection of the final product to ensure that it meets the required standards. ✓✓	- Inspection carried out during and after the production process. ✓✓
- Includes setting targets/measuring performance and taking corrective measures. ✓✓	- Ensures that the required standards have been met at every stage of the process. ✓✓
- Checking raw materials/ employees/machinery/ workmanship/products to ensure that high standards are maintained. ✓✓	- Ensures that every process is aimed at getting the product right the first time/prevents mistakes/ defects/delays/shortcomings from happening again. ✓✓
	- The 'building in' of quality as opposed to 'checking for' quality. ✓✓
- Any other relevant answer related to quality control.	- Any other relevant answer related to quality assurance.
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 quality control or quality assurance only.

Max. (8)

6.3 Benefits of a good quality management system

- Effective customer services are rendered, ✓ resulting in increased customer satisfaction. ✓
- Time and resources ✓ are used efficiently. ✓
- Productivity increases ✓ through proper time management ✓/using high quality resources. ✓
- Products/Services are constantly improved ✓ resulting in increased levels of customer satisfaction. ✓
- Vision/Mission/Business goals ✓ may be achieved. ✓
- A 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/Financial sustainability ✓ as more customers improves profitability ✓
- Improves business image ✓ as there are less defects/returns. ✓
- Any other relevant answer related to the benefits of a good quality management system.

Max. (12)**6.4 Impact of monitoring and evaluation****Positives/Advantages**

- Large businesses may be better equipped ✓ to get things right the first time. ✓
- Improve performance ✓ and increase productivity/sales/profitability. ✓
- Modify interventions ✓ that may improve the efficient use of resources. ✓
- Monitoring and evaluating quality processes ✓ prevent product defects/minimises customer complaints. ✓
- Good quality control checks/procedures minimises ✓ the replacement/breakdown of items/equipment/machinery regularly. ✓
- Improve current ✓ and future management of quality outputs/outcomes/impact. ✓
- Provide clear indication about quality aspects ✓ that are contributing to the achievement of goals/targets. ✓
- Cost of production is reduced ✓ as deviations from set standards can be corrected. ✓
- Allows for quality control checks ✓ and procedures at key points. ✓
- Quality circles meet on regular basis ✓ to evaluate the progress in terms of quality. ✓
- Continuous research is conducted on latest developments ✓ to key performance indicators are carefully selected to monitor and evaluate the outcome. ✓
- Benchmarking is used to find best practices ✓ in order to determine the competitive position of the business. ✓
- Strategies are revised in order to improve the quality of the product ✓ and services/business image. ✓
- Any other relevant answer related to the positive impact / advantages of monitoring and evaluation as an element of TQM on large businesses.

AND/OR

Negatives/Disadvantages

- Large businesses are often divided, ✓ and the departments work in silos. ✓
- It is difficult to get everyone to communicate effectively ✓ and often messages are not received correctly. ✓
- It often takes longer to detect problems ✓ or respond to weaknesses. ✓
- It is not viable/possible to check the quality ✓ of all the products. ✓
- Limited active/accurate monitoring and evaluation of quality processes, ✓ as some managers may view/apply this TQM element as a mere routine/formality. ✓
- Any other relevant answer related to the positive impact/ advantages of monitoring and evaluation as an element of TQM on large businesses.

Max. (16)**6.5 Ways in which total quality management/TQM can reduce the cost of quality**

- Introduce quality circles to discuss ways of improving the quality of their work/workmanship. ✓✓
- Schedule activities to eliminate duplication of tasks. ✓✓
- Share responsibilities for quality output amongst management and workers. ✓✓
- Train employees at all levels, so that everyone understands their roles 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 the quality challenges/deviations, so that everyone can learn from past experiences. ✓✓
- Reduce investment on expensive, but ineffective inspection procedures in the production process. ✓✓
- Implement pro-active maintenance programmes for equipment/machinery to reduce/eliminate breakdowns. ✓✓
- Any other relevant answer related to ways in which TQM can reduce the cost of quality.

Max. (10)**6.6 Conclusion**

- Businesses implement quality control and quality assurance in their quest for zero defects and sustainability. ✓✓
- Every business should have a quality management system that ensure that all systems and processes are carried out correctly and safely. ✓✓
- Monitoring and evaluation of quality processes enables businesses to produce quality products which will meet the customer needs. ✓✓
- The reduction in the cost of quality allows businesses to reduce prices of products which will lead to an increase in profitability/market share. ✓✓
- Any other relevant conclusion related to quality control/quality assurance/benefit of a good quality management system/impact of monitoring and evaluation as an element of TQM on large businesses/ways in which TQM can reduce the cost of quality.

(Any 1 x 2) (2)

QUESTION 6: BREAKDOWN OF MARK ALLOCATION

DETAILS	MAXIMUM	TOTAL
Introduction	2	Max. 32
Difference between quality control and quality assurance	8	
Benefit of a good quality management system	12	
Impact of monitoring and evaluation as an element of TQM on large businesses.	16	
Ways in which TQM can reduce the cost of quality	10	
Conclusion	2	
INSIGHT		
Layout	2	8
Analysis, interpretation	2	
Synthesis	2	
Originality/Examples	2	
TOTAL MARKS		40

*LASO – For each component:

Allocate 2 marks if all requirements are met.

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

Allocate 0 marks where requirements are not met at all.

TOTAL SECTION C: 40
GRAND TOTAL: 150