



Province of the
EASTERN CAPE
EDUCATION

Iphondo leMpuma Kapa: Isebe leMfundo
Provinsie van die Oos Kaap: Departement van Onderwys
Porafensie Ya Kapa Botjhabela: Lefapha la Thuto

NATIONAL SENIOR CERTIFICATE

GRADE 12

SEPTEMBER 2024

BUSINESS STUDIES P1 MARKING GUIDELINE

MARKS: 150

This marking guideline consists of 28 pages.

NOTES TO MARKERS

PREAMBLE

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

- (a) Fairness, consistency and reliability in the standard of marking
- (b) Facilitate the moderation of candidates' scripts at the different levels
- (c) Streamline the marking process considering the broad spectrum of markers across the country
- (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 C ✓✓
 1.1.2 D ✓✓
 1.1.3 C ✓✓
 1.1.4 A ✓✓
 1.1.5 D ✓✓

(5 x 2) (10)

- 1.2.1 family responsibility ✓✓
 1.2.2 SWOT ✓✓
 1.2.3 piece-meal ✓✓
 1.2.4 control ✓✓
 1.2.5 public relations ✓✓

(5 x 2) (10)

- 1.3.1 I ✓✓
 1.3.2 F ✓✓
 1.3.3 H ✓✓
 1.3.4 J ✓✓
 1.3.5 A ✓✓

(5 x 2) (10)

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

QUESTION 1	MARKS
1.1	10
1.2	10
1.3	10
TOTAL	30

SECTION B

Mark the answers to the FIRST TWO questions only.

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

- Right to choose ✓
- Right to privacy ✓
- Right to fair and honest business 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) rights only.

(4 x 1) (4)

2.2 Role of SETAs in supporting the Skills Development Act, 1998 (Act 97 of 1998)

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

Max. (6)

2.3 Business strategies**2.3.1 Defensive strategy from the scenario**

Retrenchment ✓✓

(2)

Motivation

They terminated the employment contracts of some of their workers. ✓ (1)

NOTE: Do not award marks for the motivation if the type of defensive strategy was incorrectly identified.

Max. (3)

2.3.2 Other defensive strategy**Divestiture** ✓✓

- Disposing/Selling some assets/divisions that are no longer profitable/productive. ✓
- Selling off divisions/product lines with slow growth potential. ✓
- Decreasing the number of shareholders by selling ownership. ✓
- Paying off debts by selling unproductive assets. ✓
- Withdrawing/Divesting their investment share in another business. ✓
- Any other relevant answer related to divestiture as a defensive strategy.

Strategy (2)

Discussion (1)

Sub-max. (3)

Liquidation ✓✓

- Sells all assets to pay off creditors due to a lack of capital/inability to repay creditors/bankruptcy. ✓
- Selling the entire business to pay shareholders a fair price for their shares. ✓
- Allowing creditors to apply for forced liquidation to have their claims settled. ✓
- Companies in financial distress/difficulty may apply for business rescue to avoid liquidation. ✓
- Any other relevant answer related to liquidation as a defensive strategy.

Strategy (2)

Discussion (1)

Sub-max. (3)

NOTE: Mark the first defensive strategy only.

Max. (3)

2.4 Rights of employees according to the LRA

- 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. ✓
- Establish a workplace forum where a business has 100 or more employees ✓ to resolve work-related issues. ✓
- Any other relevant answer related to the rights of employees according to the LRA.

Max. (4)

2.5 Application of the barrier/threat to entry as a force in Porter's Five Forces model

- If a business is highly profitable it may attract more competitors, that want to benefit from high profits. ✓✓
- If the barriers to entering a business's market are low, then it will be easy for other businesses to enter the market. ✓✓
- New competitors can quickly/easily enter the market if it takes little time or money to do so. ✓✓
- If there are only a few traders but many buyers in the market, it will also be easy to enter the market. ✓✓
- Any other relevant answer related to the application of the barriers/threat to entry to the market.

Max. (4)

2.6 National Credit Act/NCA from the scenario

- 2.6.1
- They are registered with the National Credit Regulator. ✓
 - CB also trains their staff on their obligations in terms of FICA. ✓

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

(2 x 1) (2)

2.6.2 Positive impact of NCA on businesses

- Lower bad debts ✓ resulting in better cash flow. ✓
- Protects businesses ✓ against non-paying consumers. ✓
- Authorised credit providers ✓ may attract more customers. ✓
- Leads to more customers through credit sales, ✓ as they are now protected from abuse. ✓
- Prevents reckless lending ✓ and prevents businesses from bankruptcy. ✓
- Increases cash sales ✓ as credit can only be granted to qualifying customers/more customers are buying in cash. ✓
- The whole credit process is transparent, ✓ as both businesses and customers know their responsibilities. ✓
- Credit bureau information is made available to businesses ✓ to check the creditworthiness of consumers before granting credit. ✓

- Businesses do thorough credit checks ✓ and receive up-to-date documentation from the consumer as proof that they can afford the repayment. ✓
- Any other relevant answer related to the positive impact/advantages of the NCA on businesses. Max. (4)

2.7 Steps in strategy evaluation

Examine the underlying basis ✓ of a business strategy. ✓
 Look forward and backward ✓ into the implementation process. ✓
 Compare the expected performance ✓ with the actual performance. ✓
 Determine the reasons for deviations ✓ and analyse these reasons. ✓
 Take corrective action ✓ so that deviations may be corrected. ✓
 Set specific dates for control ✓ and follow-up. ✓
 Draw up a table of the advantages ✓ and disadvantages of a strategy. ✓
 Decide on the desired outcome ✓ that will result in the achievement of business goals/envisaged when strategies are implemented. ✓
 Consider the impact of the strategic implementation in the internal ✓ and external environments of the business. ✓
 Any other relevant answer related to the evaluation of strategies.

NOTE: The steps may be in any order.

Max. (6)

2.8 Ways in which businesses can deal with the challenges that are posed by the *social factors* of the PESTLE analysis

- Sell substitute/generic products at lower prices due to low-income levels/Income distribution/Employ people from the local community. ✓✓
- Learn local languages/Hire employees who are well conversant with the local language. ✓✓
- Businesses must be well conversant with the demands/trends of their customers. ✓✓
- Any other relevant answer related to the ways business can deal with challenges posed by the social factors.

Max. (4)
[40]

BREAKDOWN OF MARKS

QUESTION 2	MARKS
2.1	4
2.2	6
2.3.1	3
2.3.2	3
2.4	4
2.5	4
2.6.1	2
2.6.2	4
2.7	6
2.8	4
TOTAL	40

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

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

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

(3 x 1) (3)

3.2 Role of the interviewer before the interview

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

Max. (6)

3.3 Methods of recruitment**3.3.1 Method of recruitment from the scenario**

External recruitment ✓✓

(2)

Motivation

The business has advertised these vacancies on social media. ✓

(1)

NOTE: Do not award marks for the motivation if the method of recruitment was incorrectly identified.

Max. (3)

3.3.2 Impact of the external recruitment on businesses**Positives/Advantages**

- New candidates bring new talent/ideas/experience/skill ✓ into the business. ✓/ Overall efficiency/Increase in productivity may occur ✓ as the new worker actively adds value to the business. ✓
- It helps businesses meet affirmative action ✓ and BBBEE targets. ✓
- There is a larger pool of candidates ✓ to choose from. ✓
- There is a better chance of getting a suitable candidate with the required skills/qualifications/competencies, ✓ who do not need much training which reduce cost. ✓
- Minimises conflict amongst current employees ✓ who may have applied for the post. ✓
- Any other relevant answer related to the positive impact/ advantages of external recruitment.

AND/OR**Negatives/Disadvantages**

- The possibility that the selection process is not effective, ✓ and the wrong candidate is chosen. ✓
- External sources can be expensive ✓ such as recruitment agencies' fees/advertisements in newspapers. ✓
- Many unsuitable applications ✓ can slow down the selection process. ✓
- New candidates need time to adjust ✓ to their new work environment. ✓
- Information on CVs/from referees ✓ may not be reliable. ✓
- The recruitment process takes longer, ✓ as background checks must be conducted. ✓
- External recruitment may limit promotion opportunities ✓ that could lead to resentment among employees. ✓
- Any other relevant answer related to the negative impact/ disadvantages of external recruitment.

Max. (4)

3.4 Link between salary determination and the Basic Condition of Employment Act (BCEA)

- The BCEA sets out conditions ✓ that ensure fair labour and human resources practices. ✓
- According to the BCEA businesses may use different remuneration methods ✓ to pay their employees. ✓
- Payment of salaries ✓ should be based on whether the employee is permanent or employed or employed on a fixed contract. ✓
- Businesses are supposed to deduct income tax (PAYE) ✓ from the employees' taxable salaries. ✓
- BCEA outlines legalities such as the employment contract ✓ which may affect salary determination. ✓
- Any other relevant answer related to the link between salary determination and the BCEA.

Max. (4)

3.5 Meaning of quality performance

- Total performance of each department ✓ measured against the specified standards. ✓
- Can be obtained if all departments work together ✓ towards the same quality standards. ✓
- Quality is measured ✓ through physical products. ✓
- Any other relevant answer related to the meaning of quality performance.

Max. (4)

3.6.1 Step in PDCA-cycle from the scenario

Check/Analyse ✓✓

NOTE: Mark only the first step.

Max. (2)

3.6.2 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. ✓
- Ensures that there is no duplication of activities/tasks ✓ in the workplace. ✓
- Make suggestions for improving systems ✓ and processes 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 team spirit in achieving organisational goals. ✓
- Contribute towards the improvement ✓ and development of the organisation. ✓
- Reduce costs of redundancy ✓ and wasteful efforts in the long run. ✓
- Create harmony ✓ and high performance in the workplace. ✓
- Build healthy workplace relationship ✓ between the employer and employee. ✓

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

Max. (4)

3.7 Quality indicators of the marketing function

- Using aggressive advertising campaigns ✓ to sustain/increase the market share. ✓
- Winning customers ✓ by satisfying their needs/wants/building positive relationships. ✓
- Adhere to ethical advertising practices ✓ when promoting products/services. ✓
- Identifying competitive advantage ✓ to focus/improve on marketing strengths. ✓
- Differentiating products ✓ to attract more customers. ✓
- Communicating effectively with customers ✓ to get feedback about their experiences of the products sold/services rendered. ✓
- Coordinating distribution ✓ with the production and advertising strategies. ✓
- Using pricing techniques ✓ to ensure a competitive advantage. ✓
- Constantly reviewing ✓ value issues. ✓
- Determining gaps between customer expectations and actual experiences, ✓ so that problems/unhappiness may be diagnosed and addressed. ✓
- Making adjustments and changes to products/services ✓ based on feedback from customers/results of market research. ✓
- Any other relevant answer related to the quality indicators of the marketing function.

Max. (6)

3.8 Ways in which Total Quality Management/TQM can reduce the cost of quality

- Introduce quality circles (small teams of five to ten employees), who meet regularly to discuss ways of improving the quality of their work. ✓✓
- 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 experiences. ✓✓
- Reduce investment on expensive, but ineffective inspection procedures in the production process. ✓✓
- Implement proactive maintenance programmes for equipment to reduce breakdowns. ✓✓
- Any other relevant answer related to ways in which TQM can reduce the cost of quality.

Max. (4)
[40]

BREAKDOWN OF MARKS

QUESTION 3	MARKS
3.1	3
3.2	6
3.3.1	3
3.3.2	4
3.4	4
3.5	4
3.6.1	2
3.6.2	4
3.7	6
3.8	4
TOTAL	40

QUESTION 4: MISCELLANEOUS TOPICS**BUSINESS ENVIRONMENTS****4.1 Four pillars of Broad-Based Black Economic Empowerment (BBBEE)**

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

NOTE: Only mark the first 4 (FOUR) pillars.

(4 x 1) (4)

4.2 Advantages of diversification strategies

- Increase sales/income and business growth. ✓✓
- Improves the business brand/image/brand awareness of the business. ✓✓
- Reduces the risk of relying only on one product or sales/income. ✓✓
- Businesses gain more technological capabilities through product modification. ✓✓
- Sustained profitability from different product lines during times of fluctuating economic activity. ✓✓
- Business produces more output using less inputs as one factory may be used to manufacture more products. ✓✓
- Enables businesses to retain their competitive advantage by meeting the needs of current/new customers/expanding into new unexplored markets. ✓✓
- Allows businesses to remain relevant/functional/operational in a dynamic business environment. ✓✓
- Enables businesses to establish additional markets in unrelated markets/industries. ✓✓
- Any other relevant answer related to the advantages of diversification strategies.

Max. (6)

4.3 Challenges from business environments and extent of control

CHALLENGES (4.1.1)	BUSINESS ENVIRONMENTS (4.1.2)	EXTENT OF CONTROL (4.1.3)
- They struggled to find a reliable provider for the machinery needed. ✓	Market ✓	Limited/Some/Partial/Less/Little control ✓
- Employees of are often late for work. ✓	Micro ✓	Full/Complete ✓
- A decrease in the income levels of their clients resulting in lower profitability. ✓	Macro ✓	No control ✓
Max. (2)	Max. (2)	Max. (2)

- NOTE:**
1. Mark the first TWO (2) challenges only.
 2. If the business environment is not linked to the challenge, mark the challenge only.
 3. Award marks for the business environments even if the extent of control is not indicated/incorrect.
 4. The extent of control must be linked to the business environment.
 5. Do not award marks for the extent of control if the business environment is not mentioned.
 6. Accept responses in any order.

Max. (6)

4.4 Ways to comply with COIDA

- Businesses should provide a healthy/safe working environment. ✓✓
- Register with the Compensation Commissioner and provide the particulars of the business. ✓✓
- Must keep records of employees' income and details of work for four years. ✓✓
- Obligated to report all incidents causing death/injury/illness of employees. ✓✓
- Businesses should submit returns of earnings by no later than 1 March annually. ✓✓
- Levies must be paid to the Compensation Fund. ✓✓
- Ensure that the premises/equipment/machinery is in good working condition. ✓✓
- Should allow regular assessment of the workplace by inspectors in order to determine the level of risk their employees are exposed to. ✓✓
- Employers may not make deductions for COIDA from employees' remuneration packages. ✓✓
- Businesses must ensure that claims are lodged within twelve months of the date of the accident. ✓✓
- Any other relevant answer related to the ways business can comply with COIDA.

Max. (4)

BUSINESS OPERATIONS**4.5 Placement procedure**

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

Max. (4)

4.6 Unemployment Insurance Fund as a compulsory benefit required by law

- Employers must pay unemployment insurance contributions of 2% √ of the value of each worker's salary per month – the employer and the worker each contribute 1%. √
- The fund also assists the dependents √ of a contributing worker who has died. √
- The fund offers short-term financial assistance to workers when they become unemployed, √ or are unable to work due to illness, maternity, or adoption leave. √
- Contributions are paid √ to the Unemployment Insurance Fund (UIF) or the South African Revenue Services (SARS). √
- Any other relevant answer related to UIF as a compulsory benefit.

Max. (6)

4.7 TQM elements from the statement

4.7.1 Continuous skills development/education and training √√ (2)

4.7.2 Adequate financing and capacity √√ (2)

4.8 Monitoring and evaluation of quality processes**Positives/Advantages**

- Prevents product defects and minimises wastage/customer complaints. √√
- Good quality checks/procedures minimise the replacement/breakdown of equipment/machinery on a regular basis. √√
- May be equipped to get things done right the first time. √√
- Improve performance and maintain high quality standards. √√
- 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. √√
- Modify interventions that may improve the efficient use of resources. √√
- Support management to acquire information needed to make informed decisions about processes. √√

- Cost of production is reduced as deviations from set standards can be corrected. ✓✓
- Strategies are revised in order to improve the quality of the product and services/business image. ✓✓
- Allows for quality control checks and procedures at key points. ✓✓
- 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. ✓✓
- Quality circles meet on a regular basis to evaluate the progress in terms of quality. ✓✓
- Continuous research is conducted on the latest developments to ensure that TQM planning is up to date. ✓✓
- Any other relevant answer related to the positive impact/advantage of monitoring and evaluation of quality processes as a TQM element 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 quality of all the products. ✓✓
- Limited active/accurate monitoring and evaluation of quality processes may occur. ✓✓
- Any other relevant answer related to the negative impact/disadvantage of monitoring and evaluation as a TQM element on large businesses.

Max. (6)
[40]

BREAKDOWN OF MARKS

QUESTION 4	MARKS
4.1	4
4.2	6
4.3.1	2
4.3.2	2
4.3.3	2
4.4	4
4.5	4
4.6	6
4.7.1	2
4.7.2	2
4.8	6
TOTAL	40

TOTAL SECTION B: 80

SECTION C

Mark the answers to the FIRST question only.

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

- The Basic Conditions of Employment Act informs the contract between the employer and employee as it provides the minimum conditions for employment. ✓
- This Act provides protection for employees so that they will not be exploited by the business. ✓
- BCEA provides guidelines for provisions to be adhered to by employers in the workplace. ✓
- Businesses that comply with the BCEA are more likely to have a good positive public image and attract loyal employees. ✓
- Penalties/Consequences for non-compliance are high and encourage businesses to comply with this Act. ✓
- Any other relevant introduction related to the purpose of the BCEA/the provisions for working hours, prohibition of child labour and forced labour/the impact of the BCEA/the penalties for non-compliance.

(Any 2 x 1) (2)

5.2 Purpose of the Basic Conditions of Employment Act (BCEA)

- Provides clear terms and conditions of employment for employers and employees. ✓✓
- Set minimum requirements for the employment contract. ✓✓
- Advance economic development and social justice. ✓✓
- Regulates the right to fair labour practices as set out in the Constitution. ✓✓
- Regulates the variations of basic conditions of employment. ✓✓
- Adheres to the rules and regulations set out by the International Labour Organisation. ✓✓
- Any other relevant answer related to the purpose of the BCEA.

Max. (10)

5.3 Provisions of the BCEA**5.3.1 Regulation of working time**Ordinary hours of work

- Workers may not work more than 45 hours ✓ per week. ✓
- Workers may work eight hours a day ✓ if they work more than five days a week. ✓
- Workers may work nine hours a day ✓ if they work five days or less per week. ✓
- Night work performed after 18:00 and before 06:00 the next day ✓ must be compensated by allowance/reduction of work hours. ✓
- Ordinary work hours may be extended ✓ by agreement by a maximum of 15 min per day to complete duties when serving the public. ✓
- Ordinary work hours may be reduced ✓ to a maximum of 40 hours per week/8 hours per day. ✓

Overtime

- Workers must agree ✓ to work overtime. ✓
- Workers cannot work more than 3 hours overtime ✓ per day. ✓/Workers cannot work more than 10 hours ✓ of overtime per week. ✓
- Workers must be compensated at least one and a 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 a specified rate for overtime ✓ 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. ✓

Meal intervals

- Workers must have a meal break of 60 minutes ✓ after five hours of work. ✓
- This can be reduced to 30 minutes by written agreement, ✓ when working less than 6 hours per day. ✓
- A worker must have a daily rest period of 12 continuous hours/a weekly rest period of 36 continuous hours ✓ which must include Sundays. ✓

Sunday work and Public holidays

- Double the normal rate of pay for time worked ✓ on Sundays and public holidays. ✓
- Any other relevant answer related to the regulation of working time as a provision of the BCEA.

Sub-max. (6)

5.3.3 Prohibition of employment of children and forced labour

- It is illegal to employ a child ✓ younger than 15 years of age. ✓
- Businesses may employ children over the age of 15 years, ✓ if employment is not harmful to their health/well-being education/moral/social development. ✓
- Children/Minors under 18 years of age ✓ may not do dangerous work/work meant for an adult. ✓
- Forcing someone to work ✓ is also illegal. ✓
- Any other relevant answer related to child and forced labour as a provision of the BCEA.

Sub-max. (6)

Max. (12)

5.4 Impact of the BCEA**Advantages/Positive impact**

- Creates a framework ✓ of acceptable employment practices e.g., work hours, leave, etc. ✓
- Promotes fair treatment ✓ of employees in the workplace. ✓
- Encourages consultation ✓ between employers and employees. ✓
- Outlines minimum requirements ✓ that form the basis of employment contracts. ✓
- Work hours are specified ✓ so that the employer cannot exploit employees. ✓
- The rules and regulations are very specific, ✓ which clearly guides the employer on how to deal with employment issues. ✓
- Employees are permitted to consult labour unions ✓ in cases where the BCEA conditions are violated. ✓
- Employees may submit complaints ✓ to labour inspectors who can address it. ✓
- Any other relevant answer related to the positive impact/advantages of the BCEA on businesses.

AND/OR**Disadvantages/Negative impact**

- Developing a legal employment contract may be time-consuming ✓ and costly. ✓
- Businesses may regard employment contracts as negative ✓ and may refrain from implementing it, which result in penalties. ✓
- No employer may force an employee to work more than 45 hours in a week, ✓ this may result in low productivity. ✓
- Hiring cheap labour is no longer possible, ✓ so businesses cannot exploit workers. ✓
- BCEA forces businesses to comply with many legal requirements, ✓ which may increase labour costs. ✓
- Businesses not complying to the Act, may be charged with high penalties, ✓ which may affect their cash flow negatively. ✓
- Businesses may consider the provisions of the BCEA as unimportant ✓ and an unnecessary administrative burden that increase operating costs. ✓
- Any other relevant answer related to the negative impact/disadvantages of the BCEA.

Max. (14)

5.5 Penalties for non-compliance to the BCEA

- Labour inspectors may investigate/inspect/ask questions about complaints and remove records as evidence. ✓✓
- Labour inspectors may serve a compliance order by writing to the Department of Labour. ✓✓
- Businesses may be taken to the Labour Court for a ruling. ✓✓
- Businesses that are found guilty of non-compliance may face heavy fines/penalties. ✓✓
- They can be ordered to pay compensation and damages to the employee. ✓✓
- The Director General may agree/change/cancel the compliance order. ✓✓
- Any other relevant answer related to the penalties for non-compliance of the BCEA.

Max. (10)

5.6 Conclusion

- The provisions of the BCEA enable the employer and employees to have a common understanding of acceptable business practices. ✓✓
- Businesses should display employees' rights in terms of the BCEA in an area of the workplace where all employees can see it. ✓✓
- The Minister of Labour may make amendments to the BCEA regulations/provisions, this requires businesses to stay informed of the latest changes to the Act. ✓✓
- Businesses should strive to comply with the BCEA, to avoid unnecessary penalties and negative publicity. ✓✓
- Any other relevant conclusion related to the purpose/provisions/impact of the BCEA/penalties for non-compliance.

(Any 1 x 2) (2)
[40]**QUESTION 5: BREAKDOWN OF MARK ALLOCATION**

DETAILS	MAXIMUM	TOTAL
Introduction	2	Max. 32
Purpose of BCEA	10	
Provisions of BCEA:		
- Ordinary hours of work	6	
- Prohibition of employment of children and forced labour	6	
Impact of the BCEA on businesses	14	
Penalties for non-compliance	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.

QUESTION 6: BUSINESS OPERATIONS (HUMAN RESOURCES)**6.1 Introduction**

- New employees are familiarised with the business and the business processes during induction. ✓
- When an employee feels included in a work environment, they are more likely to enjoy their work. ✓
- Sometimes employees do not only earn a salary or wage, but other benefits as well. ✓
- An employment contract is a written agreement between the employer and employee. ✓
- Any other relevant introduction related to the purpose and advantages of induction/impact of fringe benefits/legal requirements of an employment contract.

(Any 2 x 1) (2)

6.2 Purpose of induction

- Introduce new employees to management/colleagues to establish relationships with colleagues at different levels. ✓✓
- Create opportunities for new employees to experience/explore different departments. ✓✓
- Explain safety regulations and rules, so that new employees will understand their role/responsibilities in this regard. ✓✓
- Communicate information about the products/services offered by the business. ✓✓
- Allow new employees the opportunity to ask questions that will put them at ease/reduce insecurity/anxiety/fear. ✓✓
- Make new employees feel welcome by introducing them to their physical workspace. ✓✓
- Give new employees a tour/information about the layout of the building/office. ✓✓
- Improve skills through in-service training. ✓✓
- Familiarise new employees with the organisational structure/their supervisors. ✓✓
- Ensure that employees understand their roles/responsibilities so that they will be more efficient/productive. ✓✓
- Communicate business policies regarding ethical/professional conduct/procedures/employment contract/conditions of employment. ✓✓
- Any other relevant answer related to the purpose of induction as a human resources activity.

Max. (12)

6.3 Benefits of induction for businesses

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

Max. (12)

6.4 Impact of fringe benefits on the business**Advantages/Positive impact**

- Attractive fringe benefit packages ✓ may result in higher employee retention/reduced employee turnover. ✓
- It increases employee loyalty/satisfaction, ✓ as they may be willing to go the extra mile. ✓
- Improves productivity ✓ resulting in higher profitability. ✓
- Attract qualified/skilled/experienced employees ✓ who may positively contribute towards the business goals/objectives. ✓
- The business saves 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 for businesses.

AND/OR

Disadvantages/Negative impact

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

Max. (12)

6.5 Legal requirements of an employment contract

- Employment contract may not contain any requirements that are in conflict with the BCEA. ✓✓
- Both parties/The employer and employee must sign the contract. ✓✓
- Aspects of the employment contract can be re-negotiated during the course of employment. ✓✓
- Neither Employee nor Employer may unilaterally change aspects of the employment contract. ✓✓
- The employment contract should include a code of conduct and a code of ethics. ✓✓
- The employer must explain the terms and conditions of the employment contract to the employee. ✓✓
- The employment contract should set out clearly the conditions of employment, duties and responsibilities of the employee. ✓✓
- The remuneration package including benefits must be clearly indicated. ✓✓
- The employer must allow the employee to read through the contract before it is signed. ✓✓
- Any other relevant answer related to the legal requirements of an employment contract.

Max. (10)

6.6 **Conclusion**

- A good induction programme enables new employees to have a fundamental understanding of what is expected in the new job/position. ✓✓
- Businesses should be well conversant with the induction programme to ensure a purposeful/meaningful induction for new employees. ✓✓
- Offering fringe benefits is a great way to motivate employees to work hard towards achieving business goals. ✓✓
- Businesses should align the employment contract according to the requirements of the BCEA to avoid unnecessary legal actions. ✓✓
- Any other relevant conclusion related to the purpose of induction/the advantages of induction/the impact of fringe benefits/legal requirements of an employment contract.

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

QUESTION 6: BREAKDOWN OF MARK ALLOCATION

DETAILS	MAXIMUM	TOTAL
Introduction	2	Max. 32
Purpose of induction	12	
Benefits of induction for businesses	12	
Impact of fringe benefits for the business	12	
Legal requirements of employment contract	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