



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 2025

BUSINESS STUDIES P1 MARKING GUIDELINE

MARKS: 150

This marking guideline consists of 30 pages.

NOTES TO MARKERS**1. PREAMBLE**

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

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

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

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

4. Take note of other relevant answers provided by candidates and allocate marks accordingly. (In cases where the answer is unclear or indicates some understanding, part-marks should be awarded, for example, one mark instead of the maximum of two marks.)
5. The word '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 guideline)
- 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, paragraphs and a conclusion?	2
Analysis and interpretation	Is the candidate able to break down the question into headings/subheadings/interpret it correctly to show understanding of what is being asked? Marks to be allocated using this guide: All headings addressed: 1 (One 'A') Interpretation (16 to 32 marks): 1 (One 'A')	2
Synthesis	Are there relevant decisions/facts/responses made based on the questions? Marks to be allocated using this guide: Option 1: Only relevant facts: 2 marks (No '-S') Where a candidate answers 50% or more (two to four sub-questions) of the question with only relevant facts; no '-S' appears in the left margin. Award the maximum of TWO (2) marks for synthesis. Option 2: Some relevant facts: 1 mark (One '-S') Where a candidate answers less than 50% (only one sub-question) of the question with only/some relevant facts; one '-S' appears in the left margin. Award a maximum of ONE (1) mark for synthesis. Option 3: Some relevant facts: 1 mark (One '-S') Where a candidate writes FOUR questions, but one/two/three 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. 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.	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 B √√
 1.1.2 C √√
 1.1.3 D √√
 1.1.4 C √√
 1.1.5 B √√ (5 x 2) (10)
- 1.2 1.2.1 learnership √√
 1.2.2 secondary √√
 1.2.3 internal √√
 1.2.4 management system √√
 1.2.5 administration √√ (5 x 2) (10)
- 1.3 1.3.1 I √√
 1.3.2 E √√
 1.3.3 H √√
 1.3.4 F √√
 1.3.5 C √√ (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 TWO provisions of leave**

- Sick leave ✓
- Annual leave ✓
- Family responsibility leave ✓
- Maternity leave ✓
- Parental leave/Adoption leave ✓
- Paternity leave ✓

NOTE: Mark the first TWO (2) only.

(2 x 1) (2)

2.2 Funding of SETAs

- Skills Development levies are paid by employers to SARS as a collecting agency for the government. ✓✓
- Employers who have a salary bill that exceeds R500 000 per annum, should pay one percent (1%) of their annual salaries as a levy. ✓✓
- The different SETAs receive eighty percent (80%) of the levy for organisational expenses and the remaining twenty percent (20%) is paid to the National Skills Fund. ✓✓
- Donations/grants received from the public/businesses/CSI programmes. ✓✓
- Surplus funds received from government institutions. ✓✓
- Funds received from rendering their services. ✓✓
- Any other relevant answer related to how SETAs are funded.

Max. (6)

2.3 PESTLE FACTOR**2.3.1 PESTLE factor from the scenario**

Social ✓✓

(2)

2.3.2 Ways in which businesses can deal with the challenges posed by the social factors

- Sell substitute/generic products at lower prices due to low levels. ✓✓
- Learn local languages/Hire employees who are well conversant with the local language. ✓✓
- Businesses must be well conversant with the demands of their customers. ✓✓
- Any other relevant answer related to ways in which businesses can deal with the challenges posed by social as a PESTLE factor.

NOTE: Accept relevant facts even if the PESTLE factor was incorrectly identified as an answer in QUESTION 2.3.1.

Max (4)

2.4 Rights of employers in terms of the Labour Relations Act (LRA), 1995 (Act 66 of 1995)

- Form employer organisations ✓ to represent them in labour related matters. ✓
- Form bargaining councils ✓ for collective bargaining purposes. ✓
- Lockout employees ✓ who engage in labour action/unprotected/illegal strike. ✓
- Dismiss employees ✓ who engage in an unprotected/illegal strike/misconduct such as intimidation/violence during a strike action. ✓
- To not pay/remunerate an employee who has participated in a protected strike ✓ for services/work they did not do during the strike. ✓
- Any other relevant answer related to the rights of employers in terms of the LRA.

Max. (4)**2.5 Types of defensive strategies****2.5.1 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 type of defensive strategy.

Strategy (2)

Description (1)

Submax (3)

2.5.2 Retrenchment ✓✓

- Terminating employment contracts/Letting go of employees for operational/structural/restructuring reasons/reduce costs/expenses. ✓
- Decreasing the number of product lines/closing certain departments may result in some workers becoming redundant. ✓
- Any other relevant answer related to retrenchment as a type of defensive strategy.

Strategy (2)

Description (1)

Submax (3)

2.5.3 Liquidation ✓✓

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

Strategy (2)

Description (1)

Submax (3)

NOTE: Mark the first TWO (2) only.**Max. (6)****2.6 Compensation for Occupational Injuries and Diseases Amendment Act (COIDA)****2.6.1 Compliance with COIDA from scenario**

- Peter Printers' employees are registered with the Compensation Fund. ✓
- PP also ensures that the machinery is in good working condition. ✓

(2 x 1) (2)

2.6.2 Negative impact of COIDA on businesses

- Claiming procedures ✓ can be time consuming. ✓
- Procedures required by this Act may be costly ✓ as paperwork places an extra administrative burden on businesses. ✓
- Employers have to register all their workers ✓ and make annual contributions to COIDA, which may result in cash flow problems. ✓
- Employers may be forced to pay heavy penalties ✓ if they are found guilty of negligence/not enforcing safety measures. ✓
- Implementation processes/procedures required by the Act ✓ may be expensive. ✓
- Military workers/Workers who are temporarily/permanently employed in foreign countries ✓ are not covered. ✓
- Any other relevant answer related to the negative impact of COIDA on businesses.

Max. (4)

2.7 Purpose of the National Credit Act (NCA)

- To promote and advance the social and financial welfare ✓ of all South Africans. ✓
- To promote responsible credit granting ✓ and prohibit reckless credit granting. ✓
- To establish the National Credit Regulator ✓ and National Credit Tribunal. ✓
- Promotes a fair ✓ credit-market. ✓
- Ensures that credit bureaux/credit providers are registered ✓ to avoid consumer exploitation. ✓
- Ensure that consumers know ✓ what is included in their credit contracts. ✓
- Prevent discrimination ✓ and ensure credit is available to all consumers. ✓
- Any other relevant answer related to the purpose of the NCA.

Max. (6)**2.8 Ways to comply with the BCEA**

- Workers should only work 9 hours per day in a 5 day work week./8 hours per day in a 6 day work week./Overtime should not exceed 10 hours per week. ✓✓
- Workers can take up to six weeks paid sick leave during a 36-month cycle. ✓✓
- Workers must receive double payment if they work during public holidays/ Sunday. ✓✓
- They must have a break of 60 minutes after five hours of work. ✓✓
- Businesses should not employ children under the age of 16. ✓✓
- Ensure the employment contracts do not contravene any aspect of the requirements of the BCEA. ✓✓
- Any other relevant answer related to the ways to comply with the BCEA.

Max. (4)**[40]****BREAKDOWN OF MARKS**

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

QUESTION 3: BUSINESS OPERATIONS**3.1 THREE aspects of an induction programme**

- Safety regulations and rules. ✓
- Overview of the business. ✓
- Information about the business products/services. ✓
- Meeting with senior management who will explain the company's vision/values/job descriptions/daily tasks. ✓
- Tour of the premises. ✓
- Introduction to key people and close colleagues. ✓
- Conditions of employment, e.g. working hours/leave application process/disciplinary procedures, ✓ etc.
- Administration details on systems/processes/logistics. ✓
- Discussion of the employment contract and conditions of service. ✓
- Discussion on personnel policies, e.g. making private phone calls/using the internet, ✓ etc.
- Discussion on employee benefits. ✓
- Corporate social responsibility programmes. ✓
- Any other relevant answer related to the aspects that should be included in an induction programme.

NOTE: Mark the first THREE (3) only.**(3 x 1) (3)****3.2 Role of the interviewee during the interview**

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

Max. (6)**3.3 Type of salary determination method from the scenario**

- 3.3.1
- Time related ✓✓
 - **Motivation:** SuperSave employees are paid for the time they spend at work. ✓

NOTE: Do not award marks for motivation if the salary determination methods were incorrectly identified.

Identification (2)**Motivation (1) (3)**

3.3.2 Impact of fringe benefits on businesses**Advantages/Positives**

- 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**Disadvantages/Negatives**

- 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 Implications of the Employment Equity Act on the human resource function

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

Max. (4)**3.5 The meaning of Total Quality Management (TQM)**

- TQM is an integrated system/methodology applied throughout the organisation, ✓ which helps to design/produce/provide quality products/services to customers. ✓
- It is a thought revolution in management, ✓ where the entire business is operated with customer orientation in all business activities. ✓
- TQM enables businesses to continuously improve on the delivery of products/ services ✓ in order to satisfy the needs of customers. ✓
- Management ensures that each employee is responsible ✓ for the quality of his/her work/actions. ✓
- Any other relevant answer related to the meaning of Total Quality Management (TQM).

Max. (4)**3.6 Quality concepts****3.6.1 Quality concept from the scenario**

Quality assurance ✓✓

(1 x 2) (2)

3.6.2 Impact of TQM if poorly implemented by businesses

- Setting unrealistic deadlines ✓ that may not be achieved. ✓
- Employees may not be adequately trained ✓ resulting in poor quality products. ✓
- Decline in productivity ✓ because of stoppages. ✓
- Businesses may not be able to make 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)

3.7 TWO steps in the PDCA-cycle.

Plan ✓✓

- Businesses should identify the problem and develop a plan for improvement to processes and systems. ✓
- Answer questions such as 'what to do' and 'how to do it'. ✓
- Plan the new method and approach to improve the quality of their products. ✓
- The plan must be logical for implementers to understand it. ✓
- Any other relevant answer related to the plan as a step in the PDCA-cycle.

Heading (2)

Description (1)

Submax (3)

Do ✓✓

- Businesses should implement the change on a small scale. ✓
- Implement the processes and systems as planned. ✓
- During this step the implementers aim to effectively execute the change based on the plan. ✓
- This step is essential in determining whether the change has potential. ✓
- Any other relevant answer related to do as a step in the PDCA-cycle.

Heading (2)

Description (1)

Submax (3)

Check/Analyse √√

- Use data to analyse the results of change. √
- Determine whether it made a difference and what needs to be improved. √
- Check whether the processes are working effectively. √
- Businesses should assess, plan and establish if it is working/if things are going according to plan. √
- Any other relevant answer related to check/analyse as a step in the PDCA-cycle.

Heading (2)

Description (1)

Submax (3)

Act √√

- Institutionalise the improvement to meet the needs of the business. √
- Devise strategies on how to continually improve operational procedures. √
- If the change was successful, implement it on a wider scale. √
- The business should continuously revise the process to identify and improve on shortcomings/until they get it right. √
- Any other relevant answer related to the act as a step in the PDCA-cycle.

Heading (2)

Description (1)

Submax (3)

NOTE: Only mark the first TWO (2) steps.**Max. (6)****3.8 Quality indicators of the marketing function**

- Using aggressive advertising campaigns to sustain/increase the market share. √√
- Win customers by satisfying their needs/wants/building positive relationships. √√
- Adhere to ethical advertising practices when promoting products/services. √√
- Identify competitive advantage to focus/improve on marketing strengths. √√
- Differentiate products in order to attract more customers. √√
- Communicate effectively with customers to get feedback about their experiences of the products sold/services rendered. √√
- Co-ordinate distribution with the production and advertising strategies. √√
- Use pricing techniques to ensure a competitive advantage. √√
- 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. √√
- Constantly reviewing value issues. √√
- Any other relevant answer related to the quality indicators of the marketing function.

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 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 ✓

(4 x 1) (4)

NOTE: Mark the first FOUR (4) only.**4.2 Advantages of diversification strategies**

- Increase sales/revenue/income and business growth. ✓✓
- Improves the business brand/image/brand awareness of the business. ✓✓
- Reduces the risk of relying only on one product for sales/revenue / income. ✓✓
- Businesses gain more technological capabilities through product modification. ✓✓
- Sustained profitability from different product lines during times of fluctuating economic activity. ✓✓
- Businesses produce 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. ✓✓
- Allow businesses to remain relevant/functional/operational in a dynamic business environment. ✓✓
- Any other relevant answer related to the advantages of diversification strategies.

Max. (6)**4.3 BBBEE pillars**

PILLARS	MOTIVATIONS
1. Management control ✓✓	TM has recently promoted two black women as a head of finance and public relation respectively. ✓
2. Enterprise and Supplier Development/ESD ✓✓	Teddy Motors uses Khwela Transport Services to commute to and from work. ✓
Submax (4)	Submax (2)

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

4.4 Penalties of non-compliance with the SDA

- Businesses that do not comply with the SDA may receive a compliance order from the Labour Court. This order forces the business to comply with the SDA. ✓✓
- Businesses who neglect to comply with the SDA may receive large fines and may be given a jail sentence (imprisonment), which will be dependent on the severity of the non-compliance. ✓✓
- Businesses that do not pay the SDL may not offer learnerships to employees or claim grants from the SDA. ✓✓
- A labour inspector may indefinitely stop the operations of the business if the business is found guilty of illegal practices. ✓✓
- The business's operating licence may be revoked, which may prevent the business from continuing any form of operations. ✓✓
- Any other relevant answer related to the penalties for non-compliance to the SDA.

Max. (4)**BUSINESS OPERATIONS****4.5 FOUR sources of external recruitment**

- Recruitment agencies ✓
- Billboards ✓
- Printed media such as newspapers/flyers/ pamphlets/magazines/ government gazette ✓
- Electronic media such as radio/internet/TV ✓
- Social media/Social networks/Business websites ✓
- Walk-ins ✓
- Head hunting ✓
- Professional associations ✓
- Networking ✓
- Educational/Training institutions ✓
- Word-of-mouth ✓
- Any other relevant answer related to sources of external recruitment.

NOTE: Mark the first FOUR (4) only.**Max. (4)****4.6 Legal requirements of employment contract**

- The employer and employee/Both parties must sign ✓ the contract. ✓
- Employer and employee must agree ✓ to any changes to the contract. ✓
- No party may unilaterally change aspects ✓ of the employment contract. ✓
- The remuneration package/including benefits ✓ must be clearly indicated. ✓
- The employment contract may not contain any requirements ✓ that are in conflict with the BCEA. ✓
- Aspects of the employment contract can be renegotiated ✓ during the course of employment. ✓
- The employer must explain the terms and conditions ✓ of the employment contract to the employee. ✓
- Conditions of employment/duties/responsibilities of the employees ✓ must be stipulated clearly. ✓

- All business policies, procedures and disciplinary codes/rules ✓ can form part of the employment contract. ✓
- The employer must allow the employee to thoroughly read through the contract ✓ before it is signed. ✓
- The employment contract should include a code of conduct ✓ and code of ethics. ✓
- Any other relevant answer related to the legal requirements of the employment contract.

Max. (6)

4.7.1 Ways to reduce the cost of quality from scenario

- Wally Enterprise (WE) introduced the use of quality circles to discuss ways to improve quality of work. ✓
- Wally Enterprise (WE) employees improve communication about quality challenges and learn from experience. ✓

NOTE: Only mark the first TWO (2) ways.

(2 x 1) (2)

4.7.2 Other ways TQM can reduce the cost of quality

- 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 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. ✓✓
- 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.

NOTE: Do not award marks for responses that are quoted from the scenario in QUESTION 4.7.1.

Max. (4)

4.8 Role of quality circles as part of continuous improvement to processes and systems

- Solve problems related to quality and implement improvements. ✓✓
- Investigate problems and suggest solutions to management. ✓✓
- 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. ✓✓
- 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. ✓✓
- Increase employees' morale/motivation to boost the team spirit in achieving organisational goals. ✓✓
- Build a healthy workplace relationship between the employer and employee. ✓✓
- Improve employees' communication at all levels of the business. ✓✓
- Improve employees' loyalty/commitment to organisational goals. ✓✓
- Increase the demand for products/services of the business. ✓✓
- Monitor/Reinforce strategies to improve the smooth running of business operations. ✓✓
- Develop a positive attitude/sense of involvement in decision-making processes of the services offered. ✓✓
- Any other relevant answer related to the role of quality circles as part of continuous improvement to processes and systems.

Max. (4)
[40]

BREAKDOWN OF MARKS

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

TOTAL SECTION B: 80

SECTION C

Mark the FIRST question only.

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

- Strategic management process helps businesses to identify challenges in the business environments and to develop plans to overcome these challenges. ✓
- Porter's Five Forces helps the business to scan the market environment and to determine its profitability potential. ✓
- Intensive strategies help the business to achieve growth and increase competitive advantage. ✓
- Strategy evaluation enables businesses to identify gaps in the chosen strategy with the aim of developing new/additional strategies. ✓
- Any other relevant introduction related to the strategic management process/Porter's Five Forces/types of intensive strategies/steps in strategy evaluation. (Any 2 x 1) (2)

5.2 Strategic management process**Option 1**

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

OR

Option 2

- 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. (10)

5.3 Application of Porter's Five Forces model

5.3.1 Bargaining power of suppliers

- The business must assess the power of the suppliers ✓ in influencing prices. ✓
- Suppliers that deliver high quality products may have power ✓ over the business. ✓
- The more powerful the suppliers, ✓ the less control the business has over them. ✓
- The smaller the number of suppliers the more powerful they may be ✓ as the choice of suppliers may be limited. ✓
- The business must identify the kind of power his suppliers have ✓ in terms of the quality of their products/services, their reliability and their ability to make prompt deliveries. ✓
- Any other relevant answer related to power of suppliers as a force of the Porter's Five Forces Model.

Submax (6)

5.3.2 Competitive rivalry/Power of competitors

- If the competitors have unique products/services, ✓ then they will have greater power. ✓
- Some competitors have the necessary resources to start and survive price wars ✓ and will continue selling at a loss until some/all competitors leave the market. ✓
- A business with many competitors in the same market, ✓ has very little power over their market. ✓
- Competitors selling the same products may have a greater impact ✓ on the market of the business. ✓
- Competitors using various pricing and marketing strategies, ✓ are likely to have power over the business. ✓
- Any other relevant answer related to power of competitors as a force of the Porter's Five Forces Model.

Submax (6)

Max. (12)

5.4 THREE types of intensive strategies

5.4.1 Market Penetration ✓✓

- New products penetrate an existing market at a low price, ✓ until it is well known to the customers and then the prices increase. ✓
- Businesses focus on selling existing products into existing markets ✓ to increase their market share. ✓
- The business use market research on existing clients to decide how to improve their marketing mix. ✓
- Aggressive marketing campaigns such as lowering prices ✓ are used to attract potential/existing clients.

- Embark on an intensive advertising campaign ✓ to increase awareness and customer loyalty. ✓
- Employ more sales staff ✓ to improve sales/services. ✓
- Any other relevant answer related to market penetration as an intensive strategy.

Strategy (2)
Description (2)
Submax (4)

5.4.2 **Market Development** ✓✓

- It is a growth strategy where businesses aim to sell its 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. ✓
- Prices are restructured ✓ to cater for customers of all income levels. ✓
- Any other relevant answer related to market development as an intensive strategy.

Strategy (2)
Description (2)
Submax (4)

5.4.3 **Product Development** ✓✓

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

Strategy (2)
Description (2)
Submax (4)

Max. (12)

5.5 **Steps in strategy evaluation**

- Examine the underlying basis of a business strategy. ✓✓
- Look forward and backwards into the implementation process. ✓✓
- Compare the expected performance with the actual performance. ✓✓
- Determine the reasons for deviations and analyse these reasons. ✓✓
- Take corrective action so that deviations may be corrected. ✓✓
- Set specific dates for control and follow up. ✓✓
- Draw up a table of the advantages and disadvantages of a strategy. ✓✓

- Decide on the desired outcome that will result in the achievement of business goals/as envisaged when strategies were implemented. ✓✓
- Consider the impact of the strategic implementation in the internal/ external environments of the business. ✓✓
- Any other relevant answer related to the steps in strategy evaluation.

NOTE: The steps may be in any order.

Max. (12)

5.6 Conclusion

- Businesses should conduct a strategic management process in order to devise effective strategies that are relevant to identified challenges. ✓✓
- With Porter's the business can have a clear understanding of where his power lies, and business can avoid taking any wrong steps in future. ✓✓
- Intensive strategies can help the business to increase the market share and reduce the business vulnerability to actions of competitors. ✓✓
- Strategy evaluation allows businesses to improve on the quality of services offered to customers resulting in a larger market share. ✓✓
- Any other relevant conclusion related to the strategic management process/Porters five forces/types of intensive strategies/steps in strategy evaluation.

(Any 1 x 2)

(2)

[40]

QUESTION 5: BREAKDOWN OF MARKS

DETAILS	MAXIMUM	TOTAL
Introduction	2	Max 32
Strategic management process	10	
Application of Porters Five Forces <ul style="list-style-type: none"> o Power of suppliers o Power of competitors/Competitive rivalry 	12	
Types of intensive strategies	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**

- A good quality management system could allow businesses to review their quality processes aimed at producing products of high quality standards. ✓
- Quality management and quality performance help the business to achieve pre-set standards and quality in different business functions. ✓
- Funds should only be used to buy the best quality raw materials to avoid/prevent faulty products. ✓
- Processes and systems are the flow of activities implemented to create or deliver products and services to customers. ✓
- The effective implementation of TQM elements may give businesses a competitive advantage resulting in reduced cost of quality. ✓
- Any other relevant introduction related to benefits of a good quality management system/differences between quality management and quality performance/impact of adequate financing and capacity/impact of continuous improvement to processes and systems/how TQM can reduce the cost of quality.

(Any 2 x 1) (2)

6.2 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/improved employee morale/productivity. ✓✓
- Increased market share/Financial stability as more customers improve profitability. ✓✓
- Improves the business image as there are less defects/returns. ✓✓
- Any other relevant answer related to the benefits of a good quality management system.

Max. (12)

6.3 **Difference between *quality management* and *quality performance***

QUALITY MANAGEMENT	QUALITY PERFORMANCE
- Techniques/tools ✓ used to design/improve the quality of a product. ✓	- Total performance of each department measured ✓ against the specified standards. ✓
- Can be used for accountability ✓ within each of the business functions. ✓	- Can be obtained if all departments work together ✓ towards the same quality standards. ✓
- Aims to ensure that the quality of goods/services ✓ is consistent ✓/ Focuses on the means ✓ to achieve consistency. ✓	- Quality is measured ✓ through physical product/statistical output of processes/surveys of the users and/or buyers of goods/services. ✓
- Any other relevant answer related to quality management.	- Any other relevant answer related to quality performance.
Submax (4)	Submax (4)

- NOTE:**
1. The answer does not have to be in tabular form.
 2. The difference does not have to link but must be clear.
 3. Award maximum of FOUR (4) marks if the difference is not clear./Mark either quality management or quality performance.

Max. (8)

6.4 **Impact of TQM elements on large businesses**6.4.1 **Adequate financing and capacity****Positives/Advantages**

- Large businesses have sufficient financing ✓ to test everything before implementing. ✓
- They can afford to have systems in place to prevent 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 positive impact/advantages of adequate financing and capacity as a TQM element.

AND/OR

Negatives/Disadvantages

- If the demand for the business product increases, orders start coming faster than expected, ✓ and the company lacks the capital required to fund the production of the stock to fill the orders. ✓
- These rapidly growing businesses can consume large amounts of capital ✓ as they try to balance normal operations and expansion. ✓
- Any other relevant answer related to negative impact/disadvantages of adequate financing and capacity as a TQM element.

Submax (8)

Max. (16)**6.4.2 Continuous improvement to processes and systems****Positives/Advantages**

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

AND/OR**Negatives/Disadvantages**

- Large scale manufacturing ✓ can complicate quality control. ✓
- Systems and processes take time and effort to implement in the business ✓ as communication may delay the process. ✓
- Risk of changing parts of the business ✓ that are actually working well. ✓
- Not all negative feedback from employees and customers is going to be accurate, ✓ which may result in unnecessary changes to systems and processes. ✓
- Any other relevant answer related to negative impact/disadvantages of continuous improvement to processes and systems as a TQM element.

Submax (8)

Max. (16)

6.5 Quality performance of the production can contribute to the success of the business

- 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. ✓✓
- 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 such as mass/batch/jobbing. ✓✓
- Specify the product or service standards and take note of the factors that consumers use to judge quality. ✓✓
- Any other relevant answer related to how the quality performance of production can contribute to the success of the business.

Max. (10)**6.6 Conclusion**

- A good quality management system requires businesses to do continuous research on ways to improve quality. ✓✓
- Good quality can ensure the sustainability of the business in the long run and lead to quality in all business departments. ✓✓
- Businesses that have quality processes and systems in place will produce good quality products and can provide excellent customer services. ✓✓
- Businesses that always implement TQM elements are less likely to experience voluntary staff turnover and reduced complaints from customers. ✓✓
- Any other relevant conclusion related to benefits of a good quality management system/differences between quality management and quality performance/impact of adequate financing and capacity/impact of continuous improvement to processes and systems/how TQM can reduce the cost of quality.

QUESTION 6: BREAKDOWN OF MARK ALLOCATION

DETAILS	MAXIMUM	TOTAL
Introduction	2	Max. 32
Benefits of a good quality management system	12	
Differences between quality management and quality performance	8	
Impact of TQM elements <ul style="list-style-type: none"> ○ Adequate financing and capacity ○ Continuous improvement to processes and systems 	16	
Quality performance of production	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