



**education**

Department:  
Education  
**PROVINCE OF KWAZULU-NATAL**

**GRADE 12**

**NATIONAL  
SENIOR CERTIFICATE**

**BUSINESS STUDIES**

**COMMON TEST**

**JUNE 2019**

**MARKS: 300**

**TIME: 3 hours**

**This question paper consists of 15 pages.**

**INSTRUCTIONS AND INFORMATION**

Read the following instructions carefully before answering the questions.

1. This question paper consists of **THREE** sections and covers all broad topics.

**SECTION A: COMPULSORY**

**SECTION B:** Consists of **FOUR** questions.

Answer any **THREE** of the **FOUR** questions in this section.

**SECTION C:** Consists of **THREE** questions.

Answer any **TWO** of the **THREE** questions in this section.

2. Read the instructions for each question carefully and take particular note of what is required.
3. Number the answers correctly according to the numbering system used in this question paper. **NO** marks will be awarded for answers that are numbered incorrectly.
4. Except where other instructions are given, answers must be written in full sentences.
5. Use the mark allocation and the nature of each question to determine the length and depth of an answer.
6. Use the table below as a guide for mark and time allocation when answering each question.

<b>SECTION</b>	<b>QUESTION</b>	<b>MARKS</b>	<b>TIME (minutes)</b>
<b>A: Objective type questions COMPULSORY</b>	<b>1</b>	<b>40</b>	<b>30</b>
<b>B: FOUR direct/indirect type questions (CHOICE: Answer any THREE)</b>	<b>2</b>	<b>60</b>	<b>30</b>
	<b>3</b>	<b>60</b>	<b>30</b>
	<b>4</b>	<b>60</b>	<b>30</b>
	<b>5</b>	<b>60</b>	<b>30</b>
<b>C: THREE essay type questions (CHOICE: Answer any TWO)</b>	<b>6</b>	<b>40</b>	<b>30</b>
	<b>7</b>	<b>40</b>	<b>30</b>
	<b>8</b>	<b>40</b>	<b>30</b>
<b>TOTAL:</b>		<b>300</b>	<b>180</b>

7. Begin the answer to **EACH** question on a **NEW** page, for example **QUESTION 1** – new page, **QUESTION 2** – new page, etc.
8. You may use non-programmable calculator.
9. Write neatly and legibly.

**SECTION A: (COMPULSORY)****QUESTION 1: MULTIPLE CHOICE**

1.1 1 Various options are provided as possible answers to the following questions. Choose the answer and write only the letter (A–D) next to the question numbers (1.1.1 to 1.1.10) in the ANSWER BOOK, e.g. 1.1.11 D.

1.1.1 The main purpose of this Act was to ensure full economic participation of previously disadvantaged individuals.

- A Skills Development Act, 1998 (Act 97 of 1998)
- B Labour Relations Act, 1995 (Act 66 of 1995)
- C Basic Conditions of Employment Act, 1997 (Act 75 of 1997)
- D Broad-Based Black Economic Empowerment Act, 2003 (Act 53 of 2003)

1.1.2 Employees have a right to belong to a trade union. This is known as an employee's right to...

- A be treated fairly.
- B equal payment.
- C freedom of association.
- D dignified treatment.

1.1.3 Strategic decisions are ...

- A usually made by top level managers.
- ~~B~~ usually made by middle level managers.
- ~~C~~ usually made by shareholders.
- ~~D~~ usually made by lower level managers.

1.1.4 Communication, largely by means of interaction, behaviour or charisma are undertaken by...

- A followers
- B employees
- C leaders
- D subordinates

1.1.5 Businesses use team dynamics theories to ...

- ~~A~~ promote total satisfaction.
- B allocate tasks according to the roles of team members.
- ~~C~~ allocate tasks to team members with similar personalities
- ~~D~~ encourage competition within teams

1.1.6 When resolving differences between employees in the workplace, management needs to ...

- ~~A~~ dismiss the affected worker.
- ~~B~~ shift the blame.
- C address the causes of conflict.
- ~~D~~ transfer the difficult worker.

1.1.7 A problem solving technique where a team of experts are given questionnaires to obtain their opinions without bringing them together.

- A Force –field
- B Delphi
- C Empty chair
- D Brainstorming

1.1.8 Which ONE of the following is an advantage of corporate social responsibility for a business?

- ~~A~~ Detailed reports must be drawn up.
- ~~B~~ Increases financial risks
- C Improves the image of the business
- ~~D~~ Projects must be constantly monitored

1.1.9 This business function is directly involved in the increase of sales of goods and services in a company.

- A Marketing
- B Production
- C Human resources
- D Finances

1.1.10 Small groups of employees who voluntarily meet on a regular basis to discuss quality related issues in a business:

- A Quality circles
- B MBO strategies
- C Entrepreneurship
- D Empowerment

(10 x 2) (20)

- 1.2 Complete the following statements by using the words provided in the list below. Write only the word(s) next to the question numbers (1.2.1 to 1.2.5) in the ANSWER BOOK.

dynamics; consensus; primary; time-related; democratic;  
human rights; piece-meal; laissez-faire; tertiary; triple bottom line;

- 1.2.1 An insurance company selling life policies belong to the ... <sup>tertiary</sup> economic sector.
- 1.2.2 A ... <sup>democratic?</sup> leadership style involves all employees in decision making.
- 1.2.3 When a business enterprise supports the ... <sup>triple bottom line</sup> they will consider the social, environmental and economic impact in its operations.
- 1.2.4 Group ... <sup>dynamics / consensus ✓</sup> is the method used by teams to come to an agreement.
- 1.2.5 A salary determination that is used to pay an employee based on the number of hours worked is called... <sup>piece-meal</sup>.
- (5 x 2) (10)

1.3 Choose a description from COLUMN B that matches a term in COLUMN A. Write only the letter (A–J) next to the question numbers (1.3.1 to 1.3.5) in the ANSWER BOOK, e.g. 1.3.6 K.

COLUMN A	COLUMN B
1.3.1 Corporate Social Investment <i>J/I</i>	A achieves greater output through synergy
1.3.2 Charismatic <i>E</i>	B the process by which businesses start operating on a domestic scale
1.3.3 Teamwork <i>F</i>	C a human resource activity where the competency of an employee is matched with his/her position
1.3.4 Globalisation <i>H</i>	D employees working as individuals
1.3.5 Placement <i>C</i>	E A leader who inspires workers with low morale
	F community projects that do not impact on the company costs
	G a human resource activity where preliminary interviews are conducted
	H the process by which businesses start operating on an international scale
	I a leader who rewards workers on completion of a task
	J projects initiated to benefit the community

(5 x 2) (10)

**TOTAL SECTION A: 40**

**SECTION B**

Answer ANY THREE questions from this section.

**NOTE:** Clearly indicate the QUESTION NUMBER of each question that you choose. The answer to EACH question must start on a NEW page, e.g. QUESTION 2 on a NEW page, QUESTION 3 on a NEW page, etc.

**QUESTION 2: BUSINESS ENVIRONMENTS**

2.1 Name the business environment for each of the following components and features of a business environment. *Micro, market, macro*

2.1.1 organisational culture *micro*

2.1.2 suppliers *market*

2.1.3 legal and political *macro*

2.1.4 competitors *macro*

(4 x 1) (4)

2.2 Outline any FOUR steps in the development of strategy in response to challenges in the business environment. *SWOT (strategy analysis)* (8)

2.3 Describe THREE types of defensive strategy *Disinvestment, Liquidation, retrenchment.* (9)

2.4 Read the scenario below and answer the questions that follow.

**PHUMLANI CLOTHING LTD (PC)**

Phumlani Clothing manufactures school uniforms. The management is concerned with the decline in productivity amongst its employees. The rising interest rate is making it difficult to repay its loan.

2.4.1 Name the business sector in which Phumlani Clothing operates. Motivate your answer by quoting from the scenario. (3)

Use the table below as a guide to answer QUESTIONS 2.4.2 to 2.4.3

	<b>Challenges (2.4.2)</b>	<b>Suggestions (2.4.3)</b>
1.		
2.		

- 2.4.2 Quote TWO challenges from the scenario above that Phumlani Clothing must deal with. (2)
- 2.4.3 Suggest ONE way in which Phumlani’s Clothing can address EACH of the challenges identified in QUESTION 2.4.2 (4)
- 2.5 Describe the strategic management process. (10)
- 2.6 Read the scenario below and answer the question that follow.

**VULENDELA SERVICES (VS)**

Vulendela Services specialises in retailing gifts for special occasions. All of his goods are bought from Jimmy’s Designers from Gauteng.

Due to a recent decline in sales, a market survey was conducted which revealed the following:

- A new store selling wedding gifts has opened in a nearby shopping complex
- Customers are switching to more African traditional gifts.

Use the table below as a guide to answer QUESTIONS 2.6.1

	Porter’s force	Motivation
1.		
2		

- 2.6.1 Identify the TWO Porter’s force applicable in the scenario. Motivate your answer by quoting from the scenario. (6)
- 2.6.2 Explain how Vulendela Services may use threat/ barriers of new entrants to the market as part of Porter’s Five Forces model to analyse the market environment. (4)
- 2.7 State TWO roles of SETA’s. (4)
- 2.8 Suggest ways in which business can comply with the requirements of the Skills Development Act (SDA) 1998 (Act 97 of 1998) (6)

**[60]**



**QUESTION 3: BUSINESS ROLES**

Storming  
Forming  
Norming  
Performing

- 3.1 Name any FOUR stages in team development. (4)
- 3.2 Explain the following criteria for successful teams:
  - (a) Interpersonal attitudes and behaviour (4)
  - (b) Shared values/ Mutual trust and support (4)
- 3.3 Read the scenario below and answer the questions that follow:

**MDLULI'S ACCOUNTING SERVICES (MAS)**

Vusi is an employee at Mdluli's Accounting Services (MAS). Vusi is wheelchair bound, however MAS does not have wheelchair ramp for easy access. English is the only medium of communication at the workplace, although Vusi not does not understand or speak the language.

Use the table below as a guide to answer QUESTIONS 3.3.1 and 3.3.2

	<b>Diversity issue (3.3.1)</b>	<b>Quote (3.3.1)</b>	<b>Recommendation (3.3.2)</b>
1.	discrimination?	"wheelchair"	1. 2.
2	Inequality?	language	1. 2.

- 3.3.1 Identify TWO diversity issues applicable in the scenario above. Motivate your answer by quoting from the scenario. (6)
- 3.3.2 Recommend TWO ways in which MAS should deal with EACH of the diversity issues identified in QUESTION 3.3.1. (8)
- 3.4 Explain how businesses may promote cultural rights in the workplace. (8)

3.5 Read the scenario below and answer the questions that follow:

**EVERTON SUPERMARKET (ES)**

Everton Supermarket (ES) is the only grocery store in Tongaat village. After Marco returned from visiting his friend in the city, he complained to the owner of Everton Supermarket about the high prices of his products. The owner told Marco that his goods are more expensive since customers do not have to travel to the city to do their shopping.

3.5.1 Identify the unethical business practice in the scenario above. (2)

3.5.2 Recommend ONE way in which Everton Supermarket can address the unethical business practice identified in QUESTION 3.5.1. (2)

3.5.3 Outline other ways (except for the recommendation mentioned in QUESTION 3.5.2) in which Everton Supermarket can conduct business professionally, responsibly and ethically. (6)

3.6 State FOUR causes of conflict in the workplace (8)

3.7 Discuss the disadvantages of corporate social investment (CSI) for communities. (8)

**[60]**

**QUESTION 4: BUSINESS OPERATIONS**

4.1 State FIVE aspects that should be included in an employment contract. (5)

4.2 Explain the selection procedure as an activity of the human resources function (8)

4.3 Read the scenario below and answer the question that follow.

**VALTRIN MOTORS (VM)**

Valtrin Motors (VM) has a vacancy for a qualified motor mechanic. VM advertised the post in the local community newspaper.

4.3.1 Identify the type of recruitment used by Valtrin Motors. Motivate your answer by quoting from the scenario above (3)

4.3.2 Discuss the disadvantages of the type of recruitment identified in QUESTION 4.3.1 (8)

- 4.4 Outline the advantages of fringe benefits to a business. (8)
- 4.5 Define *quality control* as a concept of quality (4)
- 4.6 Describe any FOUR quality indicators of the purchasing function. (8)
- 4.7 Read the scenario below and answer the question that follow.

**GIJIMA'S SPICES**

Gijima's Spices is a large business that specialises in selling different types of spices. The management of GS always requests their buyers to complete a questionnaire on the quality of their products and services. Employees are encouraged to bring new and innovative ideas on how to change the features of the product

Use the table below as a guide to answer questions 4.7.1 and 4.7.2.

TQM ELEMENT (4.7.1)	MOTIVATION
1.	
2.	

- 4.7.1 Identify TWO total quality management (TQM) elements applicable in the scenario. Motivate your answer by quoting from the scenario above. (6)
- 4.7.2 Analyse the impact of ONE TQM element identified in QUESTION 4.7.1 on GS as a large business. (4)
- 4.8 Advise GS on the benefits of a good quality management system. (6)

[60]

**QUESTION 5: MISCELLANEOUS****BUSINESS ENVIRONMENTS**

- 5.1 Name THREE types of leave as stated in the Basic Conditions of Employment Act, 1997 (Act 75 of 1997) (3)
- 5.2 Explain the advantages of the National Credit Act, 2005 (Act 34 of 2005) for the business (10)

**BUSINESS VENTURES**

- 5.3 Read the scenario below and answer the question that follow.

**SOLUTIONS EXPERTS (SE)**

Management and leadership are vital ingredients for the success of any business. The general manager of Solutions Experts believes that every crisis in a business has its own unique solution. This will depend on the conditions prevailing at the time of the crisis.

- 5.3.1 Identify the leadership theory applicable to the scenario. Motivate your answer by quoting from the scenario above. (3)
- 5.3.2 Discuss the leadership theory identified in QUESTION 5.3.1 (10)
- 5.4 Describe situations in which an autocratic leadership style can be applied in business. (4)

**BUSINESS ROLES**

- 5.5 Explain the procedure to deal with grievances in the workplace. (8)
- 5.6 Read the scenario below and answer the questions that follow

**MADEDENI PLUMBING SERVICES (MPS)**

Thabo and Johan are employees of Madedeni Plumbing Services. Thabo is always unsure of his duties and responsibilities at the workplace. Johan is a shy person who does not easily respond verbally and takes time to engage in a discussion

Use the table below as a guide to answer QUESTIONS 5.6.1 and 5.6.2

	<b>Employee</b>	<b>Personality (5.6.1)</b>	<b>Recommendation(5.6.2)</b>
1.	Thabo		
2	Johan		

- 5.6.1 Identify the type of difficult personalities displayed by Thabo and Johan. (4)
- 5.6.2 Recommend ONE strategy that MPS can use to deal with EACH type of difficult personality identified in QUESTION 5.6.1 (4)

**BUSINESS OPERATIONS**

- 5.7 Identify the business function responsible for the activity in each statement below:
- 5.7.1 The management of Karl's Plant and Hire ensures that equipment and machinery are regularly maintained. (2)
- 5.7.2 Farieda ensures that business documents are kept in a safe storage. (2)
- 5.7.3 Sandile is responsible for releasing positive news about the business in the local media. (2)
- 5.8 Advise businesses on how total quality management (TQM) can reduce the cost of quality. (8)

**[60]**

**SECTION C**

Answer ANY TWO questions in this section.

**NOTE:** Clearly indicate the QUESTION NUMBER of each question chosen.  
The answer to EACH question must start on a NEW page, e.g.  
QUESTION 6 on a NEW page, QUESTION 7 on a NEW page, etc.

**QUESTION 6: BUSINESS ENVIRONMENTS (LEGISLATION)**

The Compensation for Occupational Injuries and Diseases Act (COIDA). 1997 (Act 61 of 1997) recognises that some occupations are dangerous and expose workers to health risks. This implies costs to both the employers and employees when work-related accidents or diseases occur.

With reference to the statement above:

- Discuss the nature of COIDA
- Outline the rights of employers and employees in COIDA
- Analyse the impact of this Act on businesses (employers and employees)
- Recommend ways in which businesses can comply with COIDA.

[40]

**QUESTION 7: BUSINESS ROLES (CREATIVE THINKING)****BARCA CLOTHING (BC)**

Barca Clothing (BC) is experiencing a decline in sales and profits. Management is aware of the need to address the problem proactively and creatively. They have requested their employees to generate new, creative ideas on how to improve their range of clothing.

Refer to the scenario above and write an essay in which you include the following aspects:

- Distinguish between decision making and problem solving.
- Explain how management may apply the Delphi and Nominal group techniques to solve their business problem.
- Discuss the advantages of creative thinking
- Recommend practical ways in which management may create an environment that stimulates creative thinking.

[40]

**QUESTION 8: BUSINESS OPERATIONS ((HUMAN RESOURCE FUNCTION AND QUALITY OF PERFORMANCE)****LIGHTHOUSE ELECTRICAL SUPPLIES (PTY) LTD (LES)**

Lighthouse Electrical Supplies (LES) is a large electrical manufacturing business. The management has decided to recruit and appoint a quality controller to monitor and evaluate quality processes. An induction plan has been developed for the new candidate to be appointed. The successful candidate will be required to sign an employment contract and attend skills training courses every six months.

Provide a detailed report on the following aspects:

- Explain the advantages of inducting a new employee.
- Discuss the legal requirements of an employment contract that the employer and the new employee should agree on.
- Outline the implications of the Skills Development Act (SDA), 1998 Act 97 of 1998) on the human resource function.
- Recommend the advantages of monitoring and evaluating LES's quality processes as a TQM element.

[40]

**TOTAL SECTION C: 80**

**GRAND TOTAL: 300**





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GRADE 12

NATIONAL  
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BUSINESS STUDIES  
MARKING GUIDELINE  
COMMON TEST  
JUNE 2019

MARKS: 300

These marking guidelines consist of 40 pages.

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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
Senior Marker:	Green
Deputy Chief Marker:	Brown/Black/Blue
Chief Marker:	Pink
Internal Moderator:	Orange
DBE Moderator:	
Turquoise	

2. Comprehensive marking guidelines have 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 guidelines
- Comes from another source
- Original
- A different approach is used

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

3. Candidates' responses must be in full sentences for SECTIONS B and C. However, this would depend on the nature of the question.

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.

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8. In an indirect question, the theory as well as the response must be relevant and related to the question.

9. Incorrect numbering of answers to questions or sub questions in SECTIONS A and B will be severely penalised. Therefore, correct numbering is strongly recommended in all sections.

10. No additional credit must be given for repetition of facts. Indicate with an 'R'.

-11. Note that no marks will be awarded for indicating Yes/No in evaluation type questions requiring substantiation or motivation. (Applicable to SECTIONS B and C)

12. The differentiation between 'evaluate' and 'critically evaluate' can be explained as follows:

12.1 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.'**

12.2 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.

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

Cognitive verbs, such as:

13.1 Advise, name, state, mention, outline, motivate, recommend, suggest, (list not exhaustive) do not usually require much depth in candidates' responses. Therefore, the mark allocation for each statement/answer appears at the end.

13.2 Define, describe, explain, discuss, elaborate, distinguish, differentiate, justify, devise, 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.

14. Mark only the FIRST answer where candidates offer more than one answer for SECTION B and C questions that require one answer.

**SECTION B**

15.1 If for example, FIVE facts are required, mark the candidate's FIRST FIVE responses and ignore the rest of the responses. Indicate by drawing a line across the unmarked portion or use the word 'Cancel'.

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

15.2 If two facts are written in one sentence, award the candidate FULL credit. Point 15.1 above still applies.

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

**Use of the cognitive verbs and allocation of marks:**

15.4.1 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
- The 'fact' and 'explanation' are given separately in the marking guidelines to facilitate mark allocation.

15.4.2 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 guidelines.

15.5 **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).**

**SECTION C**

16.1 The breakdown of the mark allocation for the essays is as follows:

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

**SECTION A**

**QUESTION 1**

- 1.1 1.1.1 D ✓✓
- 1.1.2 C ✓✓
- 1.1.3 A ✓✓
- 1.1.4 C ✓✓
- 1.1.5 B ✓✓
- 1.1.6 C ✓✓
- 1.1.7 B ✓✓
- 1.1.8 C ✓✓
- 1.1.9 A ✓✓
- 1.1.10 A ✓✓
  
- 1.2 1.2.1 tertiary ✓✓
- 1.2.2 democratic ✓✓
- 1.2.3 triple bottom line ✓✓
- 1.2.4 consensus ✓✓
- 1.2.5 time-related ✓✓
  
- 1.3 1.3.1 J ✓✓
- 1.3.2 E ✓✓
- 1.3.3 A ✓✓
- 1.3.4 H ✓✓
- 1.3.5 C ✓✓

(10 x 2) (20)

(5 x 2) (10)

(5 x 2) (10)

**TOTAL SECTION A: 40**

**BREAKDOWN OF MARKS**

QUESTION 1	MARKS
1.1	20
1.2	10
1.3	10
<b>TOTAL</b>	<b>40</b>

**SECTION B**

Mark the FIRST THREE answers only.

**QUESTION 2: BUSINESS ENVIRONMENTS**

- 2.1 **Business environment**
  - 2.1.1 Micro ✓
  - 2.1.2 Market ✓
  - 2.1.3 Macro ✓
  - 2.1.4 Market ✓
  
- 2.2 **Steps in the development of strategy** (4)
  - Application of SWOT analysis/ PESTLE/ PORTERS FIVE Forces/ environmental scanning of the business environments ✓✓
  - Formulate strategies to meet objectives/ Develop measurable strategic goals/ objectives ✓✓
  - Implement strategies using action plans ✓✓
  - Evaluation of strategies/ compare the expected performance with the actual performance ✓✓
  - Measure business performance in order to determine the reasons for deviations and analyses these reasons ✓✓
  
- NOTE: 1. Accept steps in any order  
2. Mark the first FOUR (4) only
  
- 2.3 **THREE types of defensive strategy** (8)
  - Retrenchment ✓✓
  - The process of reducing the staff numbers ✓
  - Reduces the number of employees by terminating the employment contract of employees for operational reasons ✓
  - Decreasing the number of product lines that may lead to the closing of a department may result some workers becoming redundant ✓
  - Any other relevant answer related to retrenchment as a defensive strategy

Defensive strategy (2)  
Explanation (1)  
Sub max (3)

16.2 Insight consists of the following components:

Layout/Structure	Is there an introduction, a body and a conclusion?	2
Analysis and interpretation	Is the candidate able to break down the question into headings/subheadings/interpret it correctly to show understanding of what is being asked?  Marks to be allocated using this guide:  All headings addressed: 1 (One 'A') Interpretation (16 to 32 marks): 1 (One 'A')	2
Synthesis	Are there relevant decisions/facts/responses made based on the questions?  Marks to be allocated using this guide: No relevant facts: 0 (Two '-S') Some relevant facts: 1 (One '-S') Only relevant facts: 2 (No '-S') Option 1: Where a candidate answers 50% or more of the question with only relevant facts: no '-S' appears in the left margin. Award the maximum of TWO (2) marks for synthesis Option 2: Where a candidate answers less than 50% of the question with only OR some relevant facts: one '-S' appears in the left margin. Award a maximum of ONE (1) mark for synthesis. Option 3: Where a candidate answers less than 50% of the question with no relevant facts: two '-S' appear in the left margin. Award a ZERO mark for synthesis.	2
Originality	Is there evidence of examples, recent information, current trends and developments?	2
<b>TOTAL FOR INSIGHT: 8</b>		
<b>TOTAL MARKS FOR FACTS: 32</b>		
<b>TOTAL MARKS FOR ESSAY (8 + 32): 40</b>		

NOTE: 1. No marks will be awarded for contents repeated from the introduction and conclusion.

2. The candidate forfeits marks for layout if the words INTRODUCTION and CONCLUSION are not stated.

3. No marks will be awarded for layout, if the headings INTRODUCTION and CONCLUSION are not supported by an explanation.

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

16.4 The breakdown of marks is indicated at the end of the suggested answer/ marking guidelines to each question.

16.5 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.

16.6 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
<b>TOTAL</b>	<b>40</b>

16.7 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).

16.8 If the candidate identifies/interprets the question INCORRECTLY, then he/she may still obtain marks for layout.

16.9 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 guidelines.

16.10.1 Award TWO marks for complete sentences. Award ONE mark for phrases, incomplete sentences and vague answers.

16.10.2 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.

16.11 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.

OR

OPTION 2

- Review their mission statement ✓
- Analyse/ Re-examine mission statement ✓
- Formulate a strategy ✓, such as a defensive/ reinforcement 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 description of the strategic management process ✓

NOTE: The steps may be in any order

Max (10)

2.6.1 Porter's forces

	Porter's force	Motivation
1	Competitive rivalry ✓✓	<ul style="list-style-type: none"> <li>• A new store selling wedding gifts has opened in a nearby shopping complex ✓</li> </ul>
2	Power of buyers ✓✓	<ul style="list-style-type: none"> <li>• Customers are switching to more African traditional gifts ✓</li> </ul>
	Sub max (4)	Sub max (2)

- NOTE: 1. The motivation must be linked to the force.  
 2. The motivation must be quoted from the scenario.  
 3. Do not award marks for motivation if the force was incorrectly identified/omitted

Max (6)

2.6.2 Threats / Barriers of new entrants to the market

- The power Vulendela Services (VS) business has in the market ✓ will depend on how easy it is for new competitors to enter the market ✓
- If VS business is highly profitable ✓, it may attract more new entrants that want to benefit from high profits ✓
- If the barriers to enter VS market are low ✓, then it will be easy for other businesses to enter the market ✓
- New competitors can quickly enter the market ✓ if it takes little time or money to do so ✓
- Any other relevant answer relating to threats/ barriers of new entrants to the market ✓

Max (4)

2.7 Role of SETA's

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

NOTE: Mark the FIRST TWO (2) roles of SETA's

Max (4)

2.8 Ways a business can comply with SDA

- Businesses should register with SARS for skills development levy ✓✓
- Skills development levy equal to 1% of monthly payroll and must be paid to SARS by the 7<sup>th</sup> day of the following month. ✓✓
- Employers should submit a workplace skills plan and provide evidence that it was implemented ✓✓
- Business should register with the relevant SETA's ✓✓
- Provide all employees with the opportunity to improve their skills ✓✓
- Encourage employees to participate in learnerships and other learning programmes ✓✓
- Any other relevant answer related to ways a business can comply with the requirements of the SDA. ✓✓

Max (6)

[60]

Liquidation ✓✓

- The business sells off assets so as to raise cash to pay creditors, pay off the employees and close the organisation ✓
- Selling the entire business in order to pay shareholders a fair price for their shares ✓
- Creditors may apply for forced liquidation in order to have their claims settled ✓
- Companies in financial difficulty may apply for business rescue to avoid liquidation ✓
- The business stops operating and the assets are used to pay off the debts ✓
- Any other relevant answer related to liquidation as a defensive strategy.

Defensive strategy (2)  
Explanation (1)  
Sub max (3)

Divestiture/ Divestment/ Disinvestment ✓✓

- A business may sell divisions that are not profitable/ productive ✓/
- Process used to withdraw its investment in business ✓
- Businesses may also sell off divisions/ product lines with slow growth potential ✓
- An action forced by creditors to sell assets/ business units that no longer contribute to the financial success of the business ✓
- The business sells ownership by decreasing by decreasing the number of shareholders ✓
- Unproductive assets are sold to improve cash flow ✓
- Aims at acquiring additional capital ✓
- Any other relevant answer related to divestiture/divestment/ disinvestment as a defensive strategy.

NOTE: Accept unbundling as an alternative answer.

Defensive strategy (2)  
Explanation (1)  
Sub max (3)  
Max (9)

2.4.1 Secondary Sector ✓✓

Motivation  
Phumiani Clothing (PC) manufactures school uniforms ✓

NOTE: Do not allocate marks for the motivation if the business sector was incorrectly identified/omitted.

2.4.2/2.4.3

(3)

Challenges (2,4,2)	Ways to address identified challenges (2,4,3)
1. The management is concerned with the decline in productivity amongst its employees ✓	<ul style="list-style-type: none"> <li>• Offer training to employees to improve production levels ✓✓</li> <li>• Create incentives for employees who work harder ✓✓</li> <li>• Introduce technology to increase productivity levels ✓✓</li> <li>• Any other suggestions to address the challenge of declining productivity amongst employees</li> </ul>
2. The rising interest rate is making it difficult to repay its loan. ✓	<ul style="list-style-type: none"> <li>• Negotiate interest rate with the financial institution ✓✓</li> <li>• Re-arrange repayment period to reduce monthly payment ✓✓</li> <li>• Reduce other operating expenses to improve capacity to repay the loan ✓✓</li> <li>• Any other suggestions to address the challenge of rising interest rate</li> </ul>
Max (2)	Max (4)

Note: 1. The challenge must be quoted from the scenario  
2. The suggestion must be linked to the challenge  
3. Mark the FIRST suggestion for EACH challenge.

2.5 Strategic management process

OPTION 1

- Have a clear vision, a mission statement ✓ and ensure measurable/ realistic objectives are in place ✓
- Formulate alternative strategies ✓ to respond to the challenges ✓
- Tools available for environmental scanning ✓ may include a SWOT/PESTLE/ Porter's Five Forces model/ industrial analysis tools. ✓
- Develop action plans ✓ including the tasks to be done/ deadlines to be met/ resources to be procured ✓
- Implement selected strategies ✓ by communicating it to all stakeholders/ organizing business resources/ motivating staff ✓
- Evaluate, monitor, measure strategies ✓ in order to take corrective action ✓
- Formulate alternative strategies ✓ to respond to the challenges. ✓
- Any other relevant answer related to the description of the strategic management process

**BREAKDOWN OF MARKS**

QUESTION 2	MARKS
2.1	4
2.2	8
2.3	9
2.4.1	3
2.4.2	2
2.4.3	4
2.5	10
2.6.1	6
2.6.2	4
2.7	4
2.8	6
<b>TOTAL</b>	<b>60</b>

**QUESTION 3: BUSINESS ROLES**

**3.1 Stages in team development**

- Forming ✓
- Norming/Settling/Reconciliation ✓
- Storming ✓
- Performing ✓
- Adjourning/Mourning ✓

**NOTE: Mark the first FOUR (4) only**

**3.2 Criteria for successful teams**

**(a) Interpersonal attitudes and behaviour**

- Members have a positive attitude of support ✓ which motivates One another. ✓
- Good/Sound interpersonal relationships will ensure job satisfaction ✓ and increase productivity of the team. ✓
- Members are committed and passionate ✓ towards achieving a common goal/objective. ✓
- The team leader acknowledges/gives credit to members ✓ for positive contributions. ✓
- Any other relevant answer related to interpersonal attitudes and behaviour of successful teams. (4)

**(b) Shared values/Mutual trust and support**

- Shows loyalty/trust towards team members ✓ despite differences. ✓
- Shows respect ✓ to the knowledge/skills of other members. ✓
- Perform team tasks with integrity/pursuing responsibility/meeting team deadlines ✓ with the necessary commitment to team goals. ✓
- Any other relevant answer related to shared values/mutual trust and support of members in successful teams. (4)

**3.3.1 /3.3.2 Diversity issue / quote / recommendation**

Diversity issue (3.3.1)	Quote (3.3.1)	Recommendation (3.3.2)
1. Disability ✓	Vusi is wheel chair bound, however MAS does not have a wheelchair ramp for easy access. ✓	<ol style="list-style-type: none"> <li>1. Accommodate people with disabilities by building ramps /facilities for wheelchairs. ✓✓</li> <li>2. Ensure that workers with special needs do not feel excluded from workplace activities. ✓✓</li> <li>3. MAS should be well informed on how to deal with disabled employees. ✓✓</li> <li>4. MAS should consult experts to help with disability and accommodation issues. ✓✓</li> </ol> <p>Any other recommendation to address the diversity issue of disability</p>
2. Language ✓	English is the only medium of communication at the workplace, although Vusi does not understand or speak the language. ✓	<ol style="list-style-type: none"> <li>1. It may be necessary to employ an interpreter so that employees can fully understand what is being said in the workplace. ✓✓</li> <li>2. No worker should feel excluded in meetings/ workplace when communication is in one language only. ✓✓</li> </ol>

Sub max (4)	Sub max (2)	Max (8)
<p>3. MAS may specify that all communication must be in one specific language only and would expect employees to have a certain level of fluency in that language. ✓✓</p> <p>4. All business contracts should be in easy to understand language and should be available in the language of choice for the parties signing. ✓✓</p> <p>Any other recommendation to address the diversity issue of language</p>		<p>3. MAS may specify that all communication must be in one specific language only and would expect employees to have a certain level of fluency in that language. ✓✓</p> <p>4. All business contracts should be in easy to understand language and should be available in the language of choice for the parties signing. ✓✓</p> <p>Any other recommendation to address the diversity issue of language</p>

- NOTE: 1. Mark the first TWO (2) diversity issues.**  
**2. The quote must be linked to the diversity issue.**  
**3. The quote must be from the scenario.**  
**4. The recommendation must be linked to the diversity issue.**  
**5. Mark the first TWO (2) recommendations for EACH diversity issue.**

- 3.4 How a business can promote cultural rights in the workplace**
- Provides the environment in which employees are free to use their own language ✓ when interacting with others during their free time. ✓
  - Encourage employees ✓ to participate in cultural activities. ✓
  - Allow employees to provide solutions to challenges ✓ from their own cultural perspective. ✓
  - Regular cultural information sessions ✓ will help employees to respect each other's culture in the workplace. ✓
  - Make provision for different cultures ✓, e.g. food served in the canteen/entertainment at staff functions. ✓
  - Employ people ✓ from various cultural backgrounds. ✓
  - Employees should be trained ✓ on cultural tolerance. ✓
  - Any other relevant answer related to ways on how to a business can promote cultural rights in the workplace.

**Max (8)**

**3.5 Ethics**

**3.5.1 Pricing of goods in the rural area/ unfair prices in rural areas/ higher prices of products in rural areas. ✓✓ (2)**

**3.5.2 Ways to deal with unfair prices in rural areas**

- The owner may lobby with other businesses in the area to convince government to improve infrastructure in the rural area. ✓✓
- Charge fair/market related prices for goods and services. ✓✓
- Avoid unethical business practices to attract customer loyalty. ✓✓
- Investigate cost-effective ways of transporting products/hire a large truck to combine deliveries to shop-owners in the same area. ✓✓
- Work together with suppliers to share delivery costs to remote rural areas. ✓✓
- Any other relevant recommendation related to addressing unfair practices in rural areas as an unethical business practice.

**NOTE: Mark the FIRST response only.**

**3.5.3 Other ways to conduct business professionally, responsibly and ethically (2)**

- Everton Supermarket should pay fair wages to its employees. ✓✓
- All employees should be treated equally. ✓✓
- Everton Supermarket should not start other business ventures at the expense of others. ✓✓
- Everton Supermarket should pay tax regularly. ✓✓
- Appoint honest/trustworthy accountants with a good reputation. ✓✓
- Staffing and other processes should be open and transparent. ✓✓
- Draw up a code of ethics. ✓✓
- Managers must set the tone for professional /responsible/ethical behaviour. ✓✓
- There must be adequate internal control systems in place. ✓✓
- There should be honesty in all relationships/transactions in the business. ✓✓
- Employees should understand ethical business practices through effective communication/training. ✓✓
- Seminars on business ethics should be held for managers and the employees to help them understand the importance of the ethical work culture of the business. ✓✓
- Management must consider the impact of their decisions/actions on all stakeholders. ✓✓
- Regulations applicable to environmental protection should be taken seriously. ✓✓
- Any other relevant recommendation related to how Everton Supermarket can conduct business professionally, responsibly and ethically.

**Max (6)**



**4.2 Selection procedure**

- Determine fair assessment criteria ✓ on which selection will be based. ✓
- Use the assessment criteria to assess all CVs/ application forms ✓ received during recruitment ✓ / Preliminary screening ✓ is done by sorting the applications received according to the criteria for the job. ✓
- Check that applicants are not submitting false documents ✓ such as forged certificates/ degrees. ✓
- Make a preliminary list of all applicants ✓ who qualify for the post. ✓
- Screen and check references ✓ e.g. check applicant's criminal records/credit history/ social media ✓, etc.
- Conduct preliminary interviews ✓ to identify suitable applicants. ✓
- Inform all applicants ✓ about the outcome of the application. ✓
- Compile a shortlist ✓ of approximately five people. ✓
- Invite the shortlisted applicants/candidates ✓ for an interview. ✓
- Shortlisted candidates ✓ may be subjected to various types of selection tests, e.g. skills test. ✓
- A written offer is made ✓ to the chosen candidate. ✓
- Any other relevant answer related to the selection procedure.

**NOTE: Procedure can be in any order.**

**Max (8)**

**4.3.1 Type**

External recruitment ✓

Motivation

VM advertised the post in the local community newspaper. ✓

- NOTE: 1. The motivation must be from the scenario.**  
**2. Do not award marks for the motivation if the type of recruitment was incorrectly identified**

**(3)**

**4.3.2 Disadvantages of external recruitment**

- External sources may be expensive ✓, e.g. recruitment agencies fees/ publishing costs of advertisements in newspapers/magazines. ✓
- Selection process may not be effective ✓ resulting in an incompetent candidates being chosen. ✓
- Information on CVs/references ✓ may not be reliable. ✓
- Recruitment process takes longer/is more expensive ✓ as background checks must be conducted. ✓
- New candidates generally take longer ✓ to adjust to a new work environment. ✓
- In-service training may be needed ✓ which decreases productivity during the time of training. ✓
- Many unsuitable applications ✓ can slow down the selection process. ✓
- Any other relevant answer related to the disadvantages of external recruitment.

**NOTE: Accept relevant facts if external recruitment was incorrectly identified in QUESTION 4.3.1.**

**Max (8)**

**4.4 Advantages of fringe benefits to a business**

- Attractive fringe benefit packages may result in higher employee retention/ reduces employee turnover. ✓
- Attract qualified/skilled/experienced employees who may positively contribute towards the business goals/objectives. ✓
- It increases employee satisfaction/loyalty ✓ as they may be willing to go the extra mile.
- Improves productivity resulting in higher profitability. ✓
- Attracts good/ qualified employees who do always need extra training ✓
- Any other relevant answer related to the positive impact/advantages of fringe benefits to the businesses.

**Max (8)**

**4.5 Define quality control**

- Inspection of final product ✓ to ensure that it meets the required standards. ✓
- Includes setting targets/ measuring performance ✓ and taking corrective measures. ✓
- Checking raw materials/employees/machinery/workmanship/products ✓ to ensure that high standards are maintained ✓
- Any other relevant answer related to the definition of quality control

**(4)**

**4.6 Quality indicators of the purchasing function**

- Buying raw materials in bulk ✓ at lower prices. ✓
- Required quantities are delivered ✓ at the right time and place. ✓
- Selecting reliable suppliers ✓ that render the best quality raw materials/capital goods at reasonable prices. ✓
- Placing orders timelously and ensuring regular follow-ups ✓ so that goods are delivered on time. ✓
- Effective co-ordination between purchasing and production departments ✓ so that purchasing staff understands the requirements of the production process. ✓
- Implementing and maintaining stock control systems ✓ to ensure the security of stock. ✓
- Maintaining optimum stock levels ✓ to avoid overstocking/reduce out-dated stock. ✓
- Monitoring/Reporting on minimum stock levels ✓ to avoid stock-outs. ✓
- Involving suppliers ✓ in strategic planning/product design/material selection/ quality control process. ✓
- Ensuring that there is no break in production ✓ due to stock-shortages. ✓
- Establishing relationships with suppliers so that they are in alignment with the business's vision/mission/values. ✓
- Having a thorough understanding of supply chain management. ✓
- Any other relevant answer related to the quality indicators for the purchasing function.

**NOTE: Mark the FIRST (4) quality indicators only**

**Max (8)**

3.6 State FOUR causes of conflict in the workplace

- Limited business resources. ✓✓
- Differences in backgrounds/cultures/beliefs/language. ✓✓
- Different goals/objectives for groups/individuals. ✓✓
- Personality differences between group/individuals. ✓✓
- Different opinions. ✓✓
- Unfair workload. ✓✓
- Ill-managed stress. ✓✓
- Unrealistic expectations. ✓✓
- Ignoring rules. ✓✓
- Misconduct/Unacceptable behaviour. ✓✓
- Poor communication. ✓✓
- Unclear responsibilities. ✓✓
- Constant changes in the workplace. ✓✓
- Unfair treatment of workers/Favouritism/Discrimination. ✓✓
- Lack of trust amongst workers. ✓✓
- Any other relevant answer related to causes of conflict in the workplace.

NOTE: Mark the first FOUR (4) only.

(4x2) (8)

3.7 Disadvantages of CSI for communities

- Distribution of scarce CSI resources to selected beneficiaries in the community ✓ may cause problems such as discrimination. ✓
- The benefits of the programmes may not filter to the intended persons ✓ within the community. ✓
- Programmes that do not satisfy all the needs ✓ of the community may be rejected. ✓
- Hand-out programmes discourage locals from taking their own initiative ✓ by making them dependent on social investment programmes. ✓
- Sustaining projects after businesses withdraw their assistance ✓ are often difficult without the right expertise. ✓
- Spending money on CSI programmes could imply that the business has to recover costs by increasing its prices ✓ which may have a negative impact on the community/economy. ✓
- Any other relevant answer related to the disadvantages of CSI for the community.

Max (8)  
[60]

QUESTION 3	MARKS
3.1	4
3.2	8
3.3.1	6
3.3.2	8
3.4	8
3.5.1	2
3.5.2	2
3.5.3	6
3.6	8
3.7	8
<b>TOTAL</b>	<b>60</b>

QUESTION 4: BUSINESS OPERATIONS

4.1 Aspects / Contents of the employment contract

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

NOTE: 1. Mark the first FIVE (5) aspects only.

(5)

**4.8 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 ✓✓
- Business has a competitive advantage over its competitors ✓✓
- Regular training will continuously improve the quality of employee's skills / knowledge ✓✓
- Employers and employees will have a healthy working relationship resulting in happy/productive workers ✓✓
- Increased market share and profitability ✓✓
- Any other relevant answer related to the benefits of a good quality management system.

Max (10)

[60]

**BREAKDOWN OF MARKS**

QUESTION 5	MARKS
4.1	5
4.2	8
4.3.1	3
4.3.2	8
4.4	8
4.5	4
4.6	8
4.7.1	6
4.7.2	4
4.8	6
<b>TOTAL</b>	<b>60</b>

**QUESTION 6: MISCELLANEOUS TOPICS**

**BUSINESS ENVIRONMENT**

- 5.1 Types of leave
- Maternity ✓
  - Paternity ✓
  - Sick leave ✓
  - Family responsibility leave ✓
  - Annual leave ✓

**NOTE: 1. Accept Parental leave.  
2. Mark the first THREE only**

(3)

5.2 Advantages of the National Credit Act, 2005 (Act34 of 2006) for the business

- The whole credit process is transparent ✓ e.g. both business and customers know their responsibilities ✓
- Lower bad debts ✓ resulting in better cash flow ✓
- Protects the businesses ✓ against non-paying consumers ✓
- Increased cash sales ✓ because business only grant credit to qualifying customers/ more customers are buying in cash ✓
- Stamps out reckless lending ✓ and prevents business from bankruptcy ✓
- Business do through credit checks ✓ and receive up to date documentation ✓
- Leads to more customers ✓ through credit sales as they are now protected from abuse ✓
- Any other relevant answer related to the positive/ advantages of the NCA on businesses

Max (10)

4.7 Elements of TQM

TQM ELEMENT (4.7.1)	MOTIVATION
1. Total client/customer satisfaction ✓✓	The management of GS always requests their buyers to complete a questionnaire on the quality of their products and services. ✓
2. Involvement of all employees / People based management ✓✓	Employees are encouraged to bring new and innovative ideas on how to change the features of the product ✓
Max (4)	Max (2)

- Note: 1 The motivation must be from the scenario.  
 2 The motivation must be linked to the TQM element  
 3. Do not award marks for the motivation if the element is not stated.

4.7.2 Impact of total client/ customer satisfaction on GS as a large business

**Positives/Advantages**

- Large businesses uses market research/customer surveys ✓ to measure/ monitor customer satisfaction/analyse customers' needs. ✓
- Continuously promote ✓ a positive company image. ✓
- May achieve a state of total customer satisfaction. ✓ if businesses follow sound business practices that incorporate all stakeholders. ✓
- Strive to understand and fulfil customer expectations ✓ by aligning cross-functional teams across critical processes. ✓
- Ensures that cross-functional teams understand its core competencies ✓ and develop/strengthen it. ✓
- May lead to higher customer retention/loyalty ✓ and businesses may be able to charge higher prices. ✓
- Large businesses may be able to gain access ✓ to the global market. ✓
- May lead to ✓ increased competitiveness/profitability. ✓
- Any other relevant answer related to positive / advantages of total client / customer satisfaction.

AND/OR

**Negatives/ Disadvantages**

- Employees who seldom come into contact with customers ✓ often do not have a clear idea of what will satisfy their needs. ✓
- Monopolistic companies have an increased bargaining power ✓ so they do not necessarily have to please customers. ✓
- Not all employees may be involved/ committed ✓ to total client satisfaction. ✓
- Any other relevant answer related to negative / disadvantages of total client/ customer satisfaction.

Max (4)

**Impact of involvement of all employees / People based management on GS as a large business**

**Positives/Advantages**

- All employees at all levels ✓ are involved in quality management/ setting quality standards ✓.
- Employees are involved in regular reviews/inspections ✓ to ascertain whether non-compliance of standards is evident ✓.
- High quality standards are achieved ✓ through effective communication within the business ✓.
- Employees become committed by being involved ✓ and this may lead to increased productivity ✓.
- Involving all employees saves company time / money ✓ and reduce outsourcing/ dependence on outside consultants ✓.
- Encourages mentorship ✓ which bridges skills shortages for the future ✓
- Any other relevant answer related to positive / advantages of involvement of all employees / People based management

AND/OR

**Negatives/Disadvantages**

- It is difficult to implement in large businesses ✓ due to large workforce ✓
- Acquiring effective / advanced communication tools ✓ will add to business expenses ✓.
- It is challenging/ time consuming to implement decisions ✓ due to large number of employees ✓.
- Employees may become de-motivated ✓ when their ideas are not considered ✓
- Any other relevant answer related to negative / disadvantages of involvement of all employees / People based management

(Max 4)

- NOTE: 1. Do not award marks for recommendation if the identification of the personality is incorrect/ omitted.**  
**2. Mark the FIRST recommendation for EACH personality.**

**BUSINESS OPERATIONS**

- 5.7 Business functions
- 5.7.1 Production ✓✓ (2)
- 5.7.2 Administration ✓✓ (2)
- 5.7.3 Public relations ✓✓ (2)
- 5.8 Advice on how 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 all activities to eliminate duplication of tasks/activities. ✓✓
  - 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 pro-active maintenance programmes for equipment/machinery to reduce/eliminate breakdowns. ✓✓
  - Any other relevant answer related to ways in which a business can reduce the cost of quality.

Max (8)  
[60]

**BREAKDOWN OF MARKS**

QUESTION 5	MARKS
5.1	3
5.2	10
5.3.1	3
5.3.2	10
5.4	4
5.5	8
5.6.1	4
5.6.2	4
5.7	6
5.8	8
<b>TOTAL</b>	<b>60</b>

**TOTAL SECTION B: 180**  
Please Turn Over

**SECTION C**

Mark the FIRST TWO (2) questions only.

**QUESTION 6: BUSINESS ENVIRONMENTS (LEGISLATION)**

**6.1 Introduction**

- COIDA was introduced to protect the health and safety of employees in the workplace. ✓
- COIDA provides guidelines for the compensation of employees who are disabled because of injuries sustained/diseases contracted at work. ✓
- It also provides for compensation if a worker dies due to a work-related injury/ disease. ✓
- Injuries and diseases for which claims can be made are specified in the Act. ✓
- Any other relevant introduction related nature/ rights of employers and employees/ impact /compliance to COIDA.

Max (2 x 1) (2)

**6.2 Nature of COIDA**

- COIDA applies to all casual and full-time workers who become ill/injured/ disabled/killed ✓ due to a workplace accident/disease. ✓
- It excludes workers ✓ who are guilty of wilful misconduct/workers working outside South Africa for at least twelve months/members of the SA Defence Force/ Police services. ✓
- It provides for the establishment of a Compensation Board ✓ whose function is to advise the Minister of Labour on the application/provisions of COIDA. ✓
- Medical expenses/other types of compensation are paid to employees and/or their families ✓ depending on the type/severity of the injuries. ✓
- Employers have to pay an annual amount to the Compensation Fund ✓ depending on the number of employees/the level of risk they are exposed to. ✓
- Any other relevant answer related to the nature of COIDA.

Max (10)

**6.3.1 Rights of employers outlined in COIDA**

- Regulate the manner in which occupational injuries and work related illnesses in the workplace should be handled. ✓✓
- The role and responsibilities of the employer is to ensure that the workplace is safe ✓✓
- Employers are exempt from claims for injuries and illnesses sustained in the workplace if the employer was negligent regarding safety measures. ✓✓
- Employers must register with the Commissioner of the Compensation Fund as a contributor to the fund. ✓✓
- Employers must report accurate information on serious accidents/ occupational diseases/ employee information ✓✓

Sub max (8)

**BUSINESS VENTURES**

**5.3 Leadership theories**

**5.3.1 Situational leadership theory ✓✓**

**Motivation:**

The general manager of Solutions Experts believes that every crisis in a business has its own unique solution / This will depend on the conditions prevailing at the time of the crisis. ✓

**NOTE: 1. The motivation must be from the scenario**

**2. Do not award marks for the motivation if the leadership theory was incorrectly identified**

**5.3.2 Situational leadership theory**

- Different leadership characteristics ✓ are needed for different situations. ✓
- The task/situation dictates the leadership style that should be applied. ✓
- so leaders are adaptable/flexible/self-assured. ✓
- Effective application of this theory may enable leaders ✓ to accomplish their goals. ✓
- Relationships between leaders and employees ✓ are based on mutual trust/ respect/loyalty/integrity/honesty. ✓
- Leaders have the ability to analyse the situation/get the most suitable people in the right positions. ✓ to complete tasks successfully. ✓
- Leaders analyse group members/objectives/time constraints ✓ to adopt a suitable/relevant leadership style. ✓
- May lead to conflict ✓ when leaders use different leadership styles/when managing employees in different situations. ✓
- The success of this theory depends on the kind of relationship that exists ✓ between the leader and followers/subordinates/employees. ✓
- Any other relevant answer related to the situational leadership theory.

**NOTE:**

Accept relevant facts if the situational leadership theory was incorrectly identified in QUESTION 5.3.1.

**5.4 Situations in which autocratic leadership style can be applied**

- In crisis situations ✓, e.g. in the case of unforeseen challenges/accidents. ✓
- When all the information is available ✓ to solve the problem. ✓
- In emergencies ✓, where there is a shortage of time. ✓
- When employees are motivated ✓ and the leader has already earned the trust of the followers. ✓
- When dealing with employees ✓ who are not cooperative. ✓
- When employees are new ✓ and are not fully trained. ✓
- Any other relevant suggestions of situations in which the autocratic leadership style can be applied.

Max (4)

**BUSINESS ROLES**

**5.5 Grievance procedure**

- An aggrieved employee must verbally report the incident/grievance to his/her supervisor/manager ✓, who needs to resolve the issue within 3 to 5 working days. ✓
- Should the employee and supervisor not be able to resolve the grievance ✓, the employee may take it to the next level of management. ✓
- The employee may move to a more formal process ✓ where the grievance must be lodged in writing/completes a business grievance form. ✓
- The employee must receive a written reply ✓ in response to the written grievance. ✓
- A grievance hearing/meeting ✓ must be held with all the relevant parties present. ✓
- Minutes of the meeting must be recorded ✓ and any resolution passed must be recorded on the formal grievance form. ✓
- Should the employee not be satisfied ✓, then he/she could refer the matter to the highest level of management. ✓
- Top management ✓ should organise a meeting with all relevant parties. ✓
- Minutes of this meeting should be filed/recorded ✓ and the outcome/decision should be recorded on the formal grievance form. ✓
- Should the employee still not be satisfied, he/she may refer the matter to the CCMA ✓, who will make the final decision on the matter. ✓
- Any other relevant answer related to the correct procedure to deal with grievances in the workplace.

**NOTE: The procedure may be in any order.**

5.6

Max (8)

Employee	Personality (5.6.1)	Recommendation (5.6.2)
1. Thabo	Indecisive ✓✓	<ul style="list-style-type: none"> <li>• Guide him through alternatives. ✓✓</li> <li>• Emphasise the importance of making a decision. ✓✓</li> <li>• Help him make the decision/ solve the problem. ✓✓</li> <li>• Any other relevant strategy to deal with an indecisive person</li> </ul>
2. Johan	Quiet ✓✓	<ul style="list-style-type: none"> <li>• Prompt him through the process so that he gives his input. ✓✓</li> <li>• Do not fill his silence with words. ✓✓</li> <li>• Wait for a response. ✓✓</li> <li>• Any other relevant strategy to deal with a quiet person</li> </ul>
	(2)	(2)
	(2)	(2)
	(4)	(2)

**QUESTION 6: BREAKDOWN OF MARK ALLOCATION**

DETAILS	MAXIMUM	TOTAL
Introduction	2	
Nature of COIDA	10	
Rights of employees and employers	12	
Impact of COIDA	14	
Compliance	10	
Conclusion	2	
<b>INSIGHT</b>		
Layout	2	
Analysis and interpretation	2	8
Synthesis	2	
Originality and examples	2	
<b>TOTAL MARKS</b>		<b>40</b>

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

**QUESTION 7: BUSINESS ROLES (CREATIVE THINKING)**

**7.1 INTRODUCTION**

- Solving problems require businesses to apply creative and critical thinking skills. ✓
- Businesses have to solve many problems as they confront the challenges of dynamic and complex business environments. ✓
- Barca Clothing may use creative thinking techniques to solve business problems. ✓
- Creative thinking is the thought process that leads to original/novel/new ideas. ✓
- Businesses need to find ways to break out from routine thinking. ✓
- Any other introduction related to problem solving/decision making/creative thinking.

Max (2 x 1) (2)

**7.2 Distinction between decision making and problem solving**

DECISION MAKING	PROBLEM SOLVING
• Often done by one person/a member of senior management who makes it authoritarian. ✓	• Problems can be solved by a group/team/ or an individual team member. ✓
• Various alternatives are considered before deciding on the best alternative. ✓	• Alternative solutions are generated/identified and critically evaluated. ✓
• It is part of the problem solving cycle as decisions need to be made in each step. ✓	• Process of analysing a situation to identify strategies to bring about change. ✓
• Any other relevant answer related to decision making.	• Any other relevant answer related to problem solving
Sub max (4)	Sub max (4)

- NOTE: 1. The answer does not have to be in tabular format but the distinction must be clear.**  
 2. Award a maximum of FOUR (4) marks if the distinction is not clear. Mark decision making or problem solving

Max (8)

## 6.3.2 Rights of employees outlined in COIDA

- Ensure they are not injured as a result of serious/willful misconduct. ✓✓
- Notify the employer of the accident as soon as possible. ✓✓
- Comply with the necessary medical assessment to assess the nature of the injury/disease. ✓✓
- May claim for compensation, if he/she is partially/permanently disabled. ✓✓
- Employees' dependants have a right to claim when the employee dies as a result of injuries at work. ✓✓
- Any other relevant answer related to the rights of employees outlined in COIDA.

Sub max (8)  
Max (12)

## 6.4 The impact of COIDA on businesses

## Positives/Advantages

- Promotes safety ✓ in the workplace. ✓
- Creates a framework ✓ for acceptable employment practices/safety regulations. ✓
- Supply administrative guidelines/mechanisms ✓ for dealing with/processing claims. ✓
- Eliminates time and costs spent ✓ on lengthy civil court proceedings. ✓
- Covers all employees at the workplace ✓ if both parties meet all the necessary safety provisions in the Act. ✓
- Employees are compensated financially for any injury/disability ✓ resulting from performing their duties at their workplace. ✓
- In the event of the death of an employee as a result of a work-related accident/disease ✓, his/her dependant(s) will receive financial support. ✓
- Employers are protected from financial burden should an accident occur in the workplace ✓ provided that the employer was not negligent. ✓
- Employees do not have to contribute ✓ towards this fund. ✓
- Employees receive medical assistance ✓ provided there is no other party involved. ✓
- Any compensation to an employee/the family ✓ is exempt from income tax. ✓
- The processes ✓ are relatively simple. ✓
- Makes businesses more socially responsible ✓ as they cannot just employ workers at random in dangerous working conditions. ✓
- Workers are treated with dignity/respect ✓ as businesses view them as valuable assets and not just as workers. ✓
- Any other relevant answer related to the advantages/positive impact of COIDA.

## AND/OR

## Negatives/Disadvantages

- Claiming processes/procedures ✓ can be time consuming. ✓
- Processes/Procedures required by this Act may be costly ✓ as paperwork places an extra administrative burden on businesses. ✓
- Employers have to register all their workers/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. ✓
- Workers who are temporarily/permanently employed in foreign countries ✓ are not covered. ✓
- Domestic/Military workers ✓ are not covered. ✓
- Any other relevant answer related to the disadvantages/negative impact of COIDA.

Max (14)

## 6.6 Recommendations on ways to comply with COIDA

- Businesses should provide a healthy/safe working environment. ✓✓
- They should 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 ways in which businesses have to comply with COIDA.

Max (10)

## 6.7 Conclusion

- Good progress has been made as businesses are now more socially responsible in improving safety measures/working conditions/being responsible for workers and their dependants. ✓✓
- Workers in some industries are being compensated for contracting diseases such as tuberculosis, silicosis, etc.
- If death occurs, families may benefit as the deceased worker may be substituted by another family member in the same industry. ✓✓
- Any other relevant conclusion related to the nature, rights of employers and employees, impact and compliance of COIDA.

Max (1 x 2) (2)



### 7.5 Practical ways to create an environment that stimulates creative thinking

- Barca Clothing must emphasise the importance of creative thinking to ensure that all staff know that their ideas will be heard. ✓✓
- Encourage staff to come up with new ideas/opinions/solutions. ✓✓
- Make time for brainstorming sessions to generate new ideas, e.g. regular workshops/follow up sessions to build on one another's ideas. ✓✓
- Place suggestion boxes around the workplace and keep communication channels open for new ideas. ✓✓
- Barca Clothing should train staff in innovative techniques/creative problem solving skills/mind-mapping/lateral thinking. ✓✓
- Encourage job swaps within the organisation/studying how other businesses are doing things. ✓✓
- Encourage alternative ways of working/doing things. ✓✓
- Respond enthusiastically to all ideas and never let anyone feel less important. ✓✓
- Reward creativity with reward schemes for teams/individuals that come up with creative ideas. ✓✓
- Provide a working environment conducive to creativity, free from distractions. ✓✓
- Any other relevant recommendations of practical ways in which Barca Clothing can stimulate creative thinking in the workplace.

**NOTE:** The emphasis is on 'practical ways', not advantages, of how Barca Clothing can create an environment that stimulates creative thinking.

**Max (10)**

### 7.6 Conclusion

- Constant changes in the market impact on business operations and so they need to adapt to it quickly and make quick/creative decisions. ✓✓
- Creative thinking can help to solve business problems successfully. ✓✓
- Businesses must know how to deal with problems that may arise. ✓✓
- Any other relevant conclusion related to problem solving/decision making/creative thinking.

**Max (1 x 2) (2)**

**[40]**

### QUESTION 7: BREAKDOWN OF MARK ALLOCATION

Details	Maximum	Total
Introduction	2	
Distinction between decision making and problem solving	8	Max 32
Application of Delphi and Nominal group technique	14	
Advantages of creative thinking	14	
Ways to promote creative thinking in the workplace	10	
Conclusion	2	
<b>INSIGHT</b>		
Layout		2
Analysis, Interpretation		2
Synthesis		2
Originality/Examples		2
<b>TOTAL MARKS</b>		<b>40</b>

**LASO – For each component**

Allocate 2 marks if all requirements are met

Allocate 1 mark if only some of the requirements are met

Allocate 0 marks when requirements are not met at all

## 7.3 Application of the Delphi and Nominal-group techniques

## 7.3.1 Delphi technique

- Barca Clothing must invite a panel of experts ✓ to research the reason for the decline in sales and profits. ✓
- Experts do not have to be in one place ✓ and can be contacted individually. ✓
- Design a questionnaire consisting of questions on how to improve the quality of their clothing ✓ and distribute it to the panel members/experts. ✓
- Request the panel to individually respond to the questionnaire/suggest improvements to the products ✓ and return it to Barca Clothing. ✓
- Summarise the responses from the experts ✓ in a feedback report. ✓
- Send the feedback report and a second set of questions/questionnaire ✓ based on the feedback report to the panel members. ✓
- Request panel members to provide further input/ideas on how to improve the quality of Barca Clothing's products ✓ after they have studied the results/documentation. ✓
- Distribute a third questionnaire ✓ based on previous feedback from the second round. ✓
- Prepare a final summary/feedback report ✓ with all the methods to improve the quality of Barca Clothing's products. ✓
- BC should choose the best solution/proposal ✓ after reaching consensus. ✓
- Any other relevant answer related to the application of the Delphi technique by Barca Clothing.

NOTE: Do not allocate marks for advantages and disadvantages as the question focuses on the process/application of the technique.

Sub max (8)

## 7.3.2 Nominal-group technique

- Encourage group to clearly define the problem/to improve the quality of their products due to various complaints ✓ so that all the small groups can work on the same problem. ✓
- BC should divide the employees ✓ into smaller groups. ✓
- Request each employee to silently brainstorm/generate many ideas on his/her own, on how the quality of their clothing can be improved ✓ and to write it down. ✓
- Each employee in the small group has the opportunity ✓ to give one of his/her ideas/solution with a short explanation. ✓
- Appoint one employee ✓ to write the ideas/solutions on a large sheet of paper/capture solutions electronically on computer for all to see. ✓
- Allow each employee to give a second solution ✓ until all possible solutions have been recorded. ✓
- Encourage employees ✓ to ask clearly seeking questions. ✓
- Discourage criticism of ideas/solutions ✓ as this may prevent others from giving their solutions. ✓
- Barca Clothing must eliminate ideas ✓ that are duplicated/similar. ✓

## 7.4 Advantages of creative thinking

- Each employee must read through all the suggestions ✓ and anonymously rate them giving the highest points for the best solution. ✓
- Collect the ratings ✓ and calculate total points. ✓
- Small groups must present one solution to the large group ✓ that was deemed best according to the scores/votes in their small groups. ✓
- Any other relevant answer related to the application of the Nominal-group technique by Barca Clothing.

NOTE: Do not allocate marks for advantages and disadvantages as the question focuses on the process/application of the technique.

Sub max (8)  
Max (14)

## 7.4 Advantages of creative thinking

- Better/Unique/Unconventional ideas/solutions ✓ are generated. ✓
- May give the business a competitive advantage ✓ if unusual/unique solutions/ideas/strategies are implemented. ✓
- Complex business problems ✓ may be solved. ✓
- Productivity increases ✓ as management/employees may quickly generate multiple ideas which utilises time and money more effectively. ✓
- Managers/Employees have more confidence ✓ as they can live up to their full potential. ✓
- Managers will be better leaders ✓ as they will be able to handle/manage change(s) positively and creatively. ✓
- Managers/Employees can develop a completely new outlook ✓, which may be applied to any task(s) they may do. ✓
- Leads to more positive attitudes ✓ as managers/employees feel that they have contributed towards problem solving. ✓
- Improves motivation ✓ amongst staff members. ✓
- Managers/Employees have a feeling of great accomplishment ✓ and they will not resist/obstruct the process once they solved a problem/contributed towards the success of the business. ✓
- Management/employees may keep up ✓ with fast changing technology. ✓
- Stimulates initiative from employees/managers ✓, as they are continuously pushed out of their comfort zone. ✓
- Creativity may lead to new inventions ✓ which improves the general standard of living. ✓
- Any other relevant answer related to the advantages of creative thinking.

Max (14)

**8.5 Recommend advantages of monitoring and evaluation of quality processes as a TQM element.**

- Large businesses have a system of monitoring and evaluation/quality assurance processes in place to prevent product defects. ✓✓
- Key performance indicators are carefully selected to set realistic baselines. ✓✓
- Data gathered from indicators/ Control charts are used to effectively monitor outcomes. ✓✓
- Large businesses have quality control checks and procedures to ensure zero tolerance. ✓✓
- May be better equipped to get things right the first time with no defects ✓✓
- Use benchmarking to find the best practices to compare results with it ✓✓
- Quality circles meet often to evaluate the progress in terms of quality/ to check whether the monitoring system is still effective ✓✓
- Any other relevant answer related to the advantages of monitoring and evaluation of quality processes as a TQM element.

**Max (10)**

**8.6 Conclusion**

- Employees are important resource in any business, therefore their success should be guaranteed by an effective induction programme ✓✓
- It is important that the employer and employee sign the employment contract ✓✓
- Businesses should adhere to the provisions outlined in the Skills Development Act.
- Quality is important for a business to be sustainable ✓✓
- It is important for businesses to have a proper system for managing quality, e.g. monitoring and evaluating procedures ✓✓
- Any other relevant conclusion related to TQM and human resources.

**Max (1 x 2) (2)  
[40]**

**QUESTION 8: BREAKDOWN OF MARK ALLOCATION**

DETAILS	MAXIMUM	TOTAL
Introduction	2	
Advantages of induction	10	
Legalities of an employment contract	12	MAX 32
Implications of SDA on HR	14	
Advantages of monitoring and evaluation as TQM elements	10	
Conclusion	2	
<b>INSIGHT</b>		
Layout	2	2
Analysis, interpretation	2	2
Synthesis	2	2
Originality, examples	2	2
<b>TOTAL MARKS</b>		<b>40</b>

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

**TOTAL SECTION C: 80**

**GRAND TOTAL: 300**

**QUESTION 8: BUSINESS OPERATIONS (HUMAN RESOURCE FUNCTION AND QUALITY OF PERFORMANCE)**

**8.1 INTRODUCTION**

- Induction is the process of introducing new employee to a business / work environment ✓
- The employment contract should conform to all legal requirements ✓
- All training programmes should be conducted within the framework of the Skills Development Act to develop the skills of employees
- Every business should have a quality management system that ensures all systems and processes are carried out correctly and safely ✓
- Any other relevant introduction related to induction / legal requirements of a contract / SDA/ TQM elements

Max (2 x 1) (2)

**8.2 Advantages of inducting a new employee**

- New employees who are familiar with the business's policies/procedures ✓ may easily adapt to his/her new work environment. ✓
- New employees become aware of management personnel / colleagues ✓ and form quicker relationships with fellow colleagues at different levels ✓
- New employees learn more about the business ✓ and understand their role in the business ✓ what is expected in the job. ✓
- New employees feel welcome when introduced to their physical work space ✓ and take less time to settle in their work environment ✓
- Increased productivity ✓ and quality of service/performance. ✓
- Minimises ✓ the need for on-going training and development. ✓
- Better/More focused training may be provided ✓ based on the results obtained from the induction process. ✓
- New employees will understand rules/ restrictions in the business. ✓
- New employees will know where everything is ✓ and who the supervisors/ low-level managers are for better communication purposes. ✓
- New employees may feel part of the team ✓ resulting in positive morale/ motivation. ✓
- Any other relevant answer related to the advantages of induction.

MAX (10)

**8.3 Legal requirements of the employment contract**

- The employment contract is a legally binding document ✓ even though certain aspects of the contract are negotiable. ✓
- Neither the employee nor the employer may unilaterally change aspects ✓ of the employment contract. ✓
- Employer must explain the terms and conditions of the employment contract to the employee ✓, if deemed necessary. ✓
- Employers must allow employees to read through the conditions of service and code of conduct ✓ before they sign the contract. ✓
- Both parties involved ✓ must have contractual capacity. ✓
- It should include code of conduct and/or a code of ethics ✓ for employees. ✓
- Specific details of the remuneration package ✓ should be clearly explained to employees/stipulated in the contract. ✓
- It must stipulate what employees would receive ✓ in terms of benefits and labour legislation. ✓
- All business policies/procedures/disciplinary codes ✓ should form part of the employment contract. ✓
- Any other relevant answer related to other legal requirements of the employment.

Max (12)

**8.4 Implications of the Skills Development Act (SDA) on the Human Resources Function**

- Human Resource function must develop skills of existing workers resulting in a productive workforce ✓
- The human resources function should interpret the aims and requirements of the SDA and adapt workplace skills training programmes accordingly. ✓
- Identify the training needs of the employees and provide them with training opportunities so that they will perform their tasks efficiently. ✓
- Use the National Qualification Framework/ NQF to assess the skills levels of employees ✓
- Interpret/Implement the aims/requirements of the framework for the National Skills Development Strategy ✓
- HR function must ensure training in the workplace is more formalised and structured. ✓
- Assist managers in identifying skills/training needs ✓ to help them to introduce learnerships. ✓
- Employers should contribute 1% of their salary bill to the Skills Development Levy/SDL. ✓
- Appoint a full/part time consultant as a Skills Development Facilitator. ✓
- Any other relevant answer related to the implications of the Skills Development Act on the Human Resource Function.

Max (14)