MARKS: 100

This marking guideline consists of 21 pages.
NOTES TO MARKERS

PREAMBLE

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

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

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

2. 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.

3. 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.)

4. The word ‘Sub-max’ is used to facilitate the allocation of marks within a question or sub-question.

5. 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.

6. 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.

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

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

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

10.1 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.'

10.2 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.

11. 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:

11.1 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.

11.2 Define, describe, explain, discuss, elaborate, distinguish, differentiate, compare, tabulate, justify, analyse, evaluate, critically evaluate *list not exhaustive* require a greater depth of understanding, application and reasoning. Therefore, the marks must be allocated more objectively to ensure that assessing is conducted according to established norms so that uniformity, consistency and fairness are achieved.

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

13.1 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.

13.2 If two facts are written in one sentence, award the candidate FULL credit point above still applies.

13.3 If candidates are required to provide their own examples/views, brainstorm this at memo discussion.

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

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

- Fact: 2 marks (or as indicated in the marking guidelines)
- Explanation: 1 mark (two marks will be allocated in Section C)

The fact' and 'explanation’ are given separately in the marking guideline to facilitate mark allocation.

13.4.2 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.

13.5 **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).**

14. SECTION C

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

<table>
<thead>
<tr>
<th>Introduction</th>
<th>Maximum: 32</th>
</tr>
</thead>
<tbody>
<tr>
<td>Content</td>
<td></td>
</tr>
<tr>
<td>Conclusion</td>
<td></td>
</tr>
<tr>
<td>Insight</td>
<td>8</td>
</tr>
<tr>
<td>TOTAL</td>
<td>40</td>
</tr>
</tbody>
</table>
14.2 Insight consists of the following components:

<table>
<thead>
<tr>
<th>Layout/Structure</th>
<th>Is there an introduction, a body and a conclusion?</th>
<th>2</th>
</tr>
</thead>
<tbody>
<tr>
<td>Analysis and interpretation</td>
<td>Is the candidate able to break down the question into headings/subheadings/interpret it correctly to show understanding of what is being asked?</td>
<td>2</td>
</tr>
<tr>
<td>Synthesis</td>
<td>Are there relevant decisions/facts/responses made based on the questions?</td>
<td>2</td>
</tr>
<tr>
<td>Marks to be allocated using this guide:</td>
<td>All headings addressed: 1 (One 'A') Interpretation (16 to 32 marks): 1 (One 'A')</td>
<td></td>
</tr>
<tr>
<td>Originality</td>
<td>Is there evidence of examples based on recent information, current trends and developments?</td>
<td>2</td>
</tr>
</tbody>
</table>

**Synthesis**

- **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.

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

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

14.5 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".

14.6 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, 0 - Originality) as in the table below.

<table>
<thead>
<tr>
<th>CONTENT</th>
<th>MARKS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Facts</td>
<td>32 (max.)</td>
</tr>
<tr>
<td>L</td>
<td>2</td>
</tr>
<tr>
<td>A</td>
<td>2</td>
</tr>
<tr>
<td>S</td>
<td>2</td>
</tr>
<tr>
<td>0</td>
<td>2</td>
</tr>
<tr>
<td>TOTAL</td>
<td>40</td>
</tr>
</tbody>
</table>

14.7 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.)

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

14.9 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.

14.10

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

14.10.2 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.

14.11 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: (COMPULSORY)

QUESTION 1

1.1 Multiple choice

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

(5 x 2) 10

1.2 Matching

1.2.1 C ✓✓
1.2.2 E ✓✓
1.2.3 H ✓✓
1.2.4 G ✓✓
1.2.5 A ✓✓

(5 x 2) 10

TOTAL SECTION A: 20

BREAKDOWN OF MARK ALLOCATION

<table>
<thead>
<tr>
<th>QUESTION 1</th>
<th>MARKS</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.1</td>
<td>10</td>
</tr>
<tr>
<td>1.2</td>
<td>10</td>
</tr>
<tr>
<td>TOTAL</td>
<td>20</td>
</tr>
</tbody>
</table>
SECTION B

Mark the FIRST TWO answers only.

QUESTION 2: BUSINESS ENVIRONMENTS (LEGISLATION)

2.1 Types of defensive strategies

- retrenchment ✓
- liquidation ✓
- divestiture / divestment ✓

NOTE: MARK THE FIRST TWO TYPES ONLY.

(2)

2.2 BBBEE pillars

2.2.1 Ownership ✓ ✓

2.2.2 Management control ✓ ✓

(4)

2.3 Labour Relations Act

2.3.1 Labour Relations Act (LRA), 1995 (Act 66 of 1995) / LRA ✓ ✓

(2)

2.3.2 Rights of employers according to LRA:

- To form employer’s association/organisation. ✓
- Form a bargaining council for collective bargaining purposes. ✓
- Right to lockout employees who engaged in an unprotected/illegal strike/ labour action. ✓
- Right to dismiss employees who are engaged in an unprotected strike/misconduct such as intimidation/ violence during a strike action. ✓
- Right not to pay an employee who has taken part in a protected strike for services / work they did not do during strike. ✓
- Any other relevant answer related to rights of employers according to LRA

Max (8)
2.4 Ways in which businesses can comply with the Employment Equity Act (EEA)

- Business must guard against discriminatory appointments.
- Promote equal opportunities and fair treatment.
- Reasonable accommodation of people from designated groups.
- Ensure that there is equal representation of all racial groups in every level of employment.
- Ensure that diversity/inclusivity in the workplace is achieved.
- Prepare an employment equity plan in consultation with employees.
- Implement an employment equity plan.
- Submit the employment equity plan to Department of Labour.
- Regularly report to the Department of Labour on progress in the implementing the plan.
- Retain/Train/Develop designated groups, including skills development of such groups.
- Eliminate barriers that have an adverse impact on designated groups.
- Assess the racial composition of all employees, including senior management.
- Clearly define the appointment process, so that all parties are well informed.
- Any other relevant answer related to ways in which businesses can comply with the Employment Equity Act (EEA)

NOTE: MARK THE FIRST TWO (2) WAYS ONLY.

Max (4)

[20]

<table>
<thead>
<tr>
<th>BREAKDOWN OF MARKS</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>QUESTION</td>
<td>MARKS</td>
</tr>
<tr>
<td>2.1</td>
<td>2</td>
</tr>
<tr>
<td>2.2.1</td>
<td>2</td>
</tr>
<tr>
<td>2.2.2</td>
<td>2</td>
</tr>
<tr>
<td>2.3.1</td>
<td>2</td>
</tr>
<tr>
<td>2.3.2</td>
<td>8</td>
</tr>
<tr>
<td>2.4</td>
<td>4</td>
</tr>
<tr>
<td>TOTAL</td>
<td>20</td>
</tr>
</tbody>
</table>
QUESTION 3: BUSINESS OPERATIONS

3.1 Aspects of induction programme

- Introduction to key people and immediate colleagues. ✓
- Safety regulations and rules. ✓
- Overview of the business. ✓
- Discussion of the employment contract and conditions of service. ✓
- Discussion of employee benefits. ✓
- Information about the business products/services. ✓
- Meeting with senior management who will explain the company’s vision/value descriptions/daily tasks. ✓
- Conditions of employment ✓
- Administration details on systems/processes/logistics. ✓
- Discussion of personnel policies ✓
- Corporate social responsibility programmes. ✓
- Any other relevant answer relating to aspects to be included in an induction programme.

NOTE: MARK THE FIRST TWO ASPECTS ONLY

(2)

3.2 Human resources activities

3.2.1 Recruitment ✓ ✓

3.2.2 Selection ✓ ✓ (4)

3.3 Link between salary determination and BCEA

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

Max (8)
3.4

3.4.1 Identification

ME is planning to provide training for Zothando to strengthen her skills. ✓✓

(2)

3.4.2 Other importance of training/skills development in Human Resources

- Ongoing and upskilling of workforce, encourages creativity. ✓✓
- The employees who receive the necessary training is more capable to perform in their job. ✓✓
- Productivity usually increases when human resources function implements training courses. ✓✓
- The investment in training that a company makes shows employees that they are valued. ✓✓
- Training motivates employees and improves their morale. ✓✓
- Any other relevant answer related to importance of training in human resource.

NOTE: DO NOT AWARD MARKS FOR THE RESPONSE PROVIDED IN QUESTION 3.4.1.

Max (4)

<table>
<thead>
<tr>
<th>BREAKDOWN OF MARKS</th>
</tr>
</thead>
<tbody>
<tr>
<td>QUESTION</td>
</tr>
<tr>
<td>----------</td>
</tr>
<tr>
<td>3.1</td>
</tr>
<tr>
<td>3.2.1</td>
</tr>
<tr>
<td>3.2.2</td>
</tr>
<tr>
<td>3.3</td>
</tr>
<tr>
<td>3.4.1</td>
</tr>
<tr>
<td>3.4.2</td>
</tr>
<tr>
<td>TOTAL</td>
</tr>
</tbody>
</table>
QUESTION 4: MISCELLANEOUS TOPICS

BUSINESS ENVIRONMENTS

4.1 Consumer rights

4.1.1 Right to choose ✓✓ (2)

4.1.2 Right to privacy/confidentiality ✓✓ (2)

4.2 Purpose of the National Credit Act (NCA), 2005 (Act 34 of 2005)

- Makes provision ✓ for the establishment of the NCR. ✓
- Promote a fair ✓ but competitive credit market. ✓
- Promote the social and financial interest ✓ of consumers. ✓
- Ensure that consumers know ✓ what is included in their credit contracts. ✓
- Ensure the registration ✓ of credit bureau and debit counselling services. ✓
- Prevent discrimination ✓ and ensure that credit is available to all consumers. ✓
- Any other relevant answer related to purpose of NCA.

Max (4)

4.3 Provision of BCEA in respect of termination of an employment contract

- The employee must be given a notice in writing for the termination of contract. ✓✓
- Minimum of four (4) weeks’ notice must be given, if the worker has been employed for a year or longer. ✓✓
- A contract may only be terminated following one week’s notice, if the worker has been employed for six months or less. ✓✓
- Retrenched/ dismissed employee for restructuring reasons is entitled to one week’s severance pay for every year of service. ✓✓
- Any other relevant answer related to the termination of an employment contract.

Max (4)

BUSINESS ROLES

4.4

4.4.1 Benefits of creative thinking

- generate unique solutions. ✓ (1)
- improve productivity. ✓ (1)

Note: Mark the first TWO benefits only

Copyright Reserved
• May give business a competitive advantage if unusual / unique solutions / ideas / strategies are implemented.
• Management / employees may keep up with fast changing technology, which may lead to increased market share.
• Productivity increases as management/employees may quickly generate multiple ideas which utilises time and money more effectively.
• Creativity may lead to new inventions which improves the general standard of living.
• Managers / employees have more confidence as they can live up to their full potential.
• Leads to more positive attitudes as managers/employees feel that they have contributed towards problem solving.
• Managers will be better leaders as they will be able to manage/ handle change(s) positively and creatively.
• Managers/Employees can develop a completely new outlook, which may be applied to any task(s) they may do.
• 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.
• Stimulates initiative from managers/employees, as they are continuously pushed out of their comfort zone.
• Creativity may lead to new inventions which improves the general standard of living/attract new investors.
• Any other relevant answer related to benefits of creative thinking to businesses.

Max (6)

NOTE: 1. MARK THE FIRST THREE BENEFITS ONLY.
2. DO NOT AWARD MARKS FOR BENEFITS STATED IN 4.4.1

<table>
<thead>
<tr>
<th>BREAKDOWN OF MARK</th>
<th>QUESTION 4</th>
<th>MARKS</th>
</tr>
</thead>
<tbody>
<tr>
<td>4.1.1</td>
<td>2</td>
<td></td>
</tr>
<tr>
<td>4.1.2</td>
<td>2</td>
<td></td>
</tr>
<tr>
<td>4.2</td>
<td>4</td>
<td></td>
</tr>
<tr>
<td>4.3</td>
<td>4</td>
<td></td>
</tr>
<tr>
<td>4.4.1</td>
<td>2</td>
<td></td>
</tr>
<tr>
<td>4.4.2</td>
<td>6</td>
<td></td>
</tr>
<tr>
<td>TOTAL</td>
<td>20</td>
<td></td>
</tr>
</tbody>
</table>

TOTAL SECTION B: 40
SECTION C

Mark the FIRST question only.

QUESTION 5: BUSINESS ENVIRONMENTS (BUSINESS STRATEGIES)

5.1 Introduction

- Businesses should develop strategies to respond to the challenges emanating from business environment. ✓
- Businesses should always conduct a strategic management process as they operate in a dynamic environment that pose many challenges. ✓
- Integration strategies enable businesses to remain sustainable in the business environment. ✓
- Intensive strategies include market penetration, product and or market development. ✓
- Any other relevant introduction related to developing strategies / strategic management process / intensive strategies.

Any (2 x 1)(2)

5.2 Steps in developing a strategy

- Application of SWOT analysis/PESTLE/Porter’s Five Forces / environmental scanning of the business environment. ✓✓
- Formulate strategies to meet objectives / Develop measurable strategic goals/ objectives. ✓✓
- Implement strategies using action plan. ✓✓
- Evaluate the strategies by comparing the expected performance with the actual performance. ✓✓
- Measure business performance in order to determine the reasons for deviations and analyse these reasons. ✓✓
- Any other relevant answer relating to the steps in development of a strategy.

NOTE: ACCEPT STEPS IN ANY ORDER

Max (10)
5.3 The strategic management process

OPTION 1

- Have a clear vision, mission statement ✓ and measurable/realistic objectives 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 business challenges. ✓
- Develop (an) action plan(s) ✓ including the tasks to be done/deadlines to be met/resources to be procured etc. ✓
- Organise the business resources ✓ and motivate staff. ✓
- Implement selected strategies ✓ by communicating it to all stakeholders. ✓
- Continuously evaluate/monitor/measure strategies ✓ in order to take corrective action. ✓
- Any other relevant answer related to the strategic management process.

OPTION 2

- Review ✓ the vision statement. ✓
- Analyse/Re-examine ✓ mission statement. ✓
- Conduct an environmental analysis ✓ using models such as PESTLE/PORTER’S/SWOT ANALYSIS. ✓
- Formulate a strategy ✓ such as an intensive 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 (12)

NOTE: ACCEPT STEPS IN ANY ORDER

5.4 Types of integration strategies

Forward integration strategy ✓✓

- The business combines/take-over ✓ its distributors. ✓
- Involves expansion of business activities ✓ to gain control over the direct distribution of the product. ✓
- Any other relevant answer related to the forward integration strategy.

Strategy: (2)
Discussion (2)
Sub-max (4)
Backward integration strategy ✓ ✓

- Business combines/take-over ✓ its suppliers. ✓
- It aims to decrease the business’s dependency ✓ on the supplier. ✓
- Any other relevant answer related to backward integration strategy.

Strategy: (2)
Discussion (2)
Sub max (4)

Horizontal integration ✓ ✓

- A business takes control of other businesses ✓ in the same industry/sell the same goods/services. ✓
- The aim is to reduce ✓ the threat of competition. ✓
- Any other relevant answer related to horizontal integration.

Strategy: (2)
Discussion (2)
Sub max (4)
Max (12)

5.5 Advantages of intensive strategies

- Increase market share and decreases the business vulnerability to competitors. ✓ ✓
- Increase in sales/income and profitability. ✓ ✓
- Improves service delivery which in return improves business image. ✓ ✓
- Business may have more control over the prices of products/services. ✓ ✓
- Gain loyal customers through effective promotion campaigns. ✓ ✓
- Eliminate competitors and dominate market prices. ✓ ✓
- Improves service delivery by taking the products to customers. ✓ ✓
- Businesses have more control over prices. ✓ ✓
- Has more control over its distribution channels. ✓ ✓
- Improves customer satisfaction by satisfying their needs. ✓ ✓
- Any other relevant answer related to the advantages of intensive strategies.

Max (12)

5.6 Conclusion

- Developed strategies must be in line with vision, mission statement and set goals of the business. ✓ ✓
- Integration strategies are used when there is a need for an alliance, merger or takeover. ✓ ✓
- Intensive strategies can be used as a mechanism for business growth and expansion. ✓ ✓
- Any other relevant conclusion related to strategy development/strategic management process/integration strategies/intensive strategies.

Any (1 x 2)(2)

[40]
QUESTION 5

BREAKDOWN OF MARK ALLOCATION

<table>
<thead>
<tr>
<th>DETAILS</th>
<th>MAXIMUM</th>
</tr>
</thead>
<tbody>
<tr>
<td>Introduction</td>
<td>2</td>
</tr>
<tr>
<td>Steps in developing a strategy</td>
<td>10</td>
</tr>
<tr>
<td>Strategic management process</td>
<td>12</td>
</tr>
<tr>
<td>Types of integration strategies</td>
<td>12</td>
</tr>
<tr>
<td>Advantages of intensive strategies</td>
<td>12</td>
</tr>
<tr>
<td>Conclusion</td>
<td>2</td>
</tr>
</tbody>
</table>

INSIGHT

<table>
<thead>
<tr>
<th>DETAILS</th>
<th>MAXIMUM</th>
</tr>
</thead>
<tbody>
<tr>
<td>Layout</td>
<td>2</td>
</tr>
<tr>
<td>Analysis, interpretation</td>
<td>2</td>
</tr>
<tr>
<td>Synthesis</td>
<td>2</td>
</tr>
<tr>
<td>Originality, examples</td>
<td>2</td>
</tr>
</tbody>
</table>

TOTAL MARKS 40

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

QUESTION 6: BUSINESS ROLES (ETHICS AND PROFESSIONALISM/CREATIVE THINKING)

6.1 Introduction

- A code of practice usually addresses professional behaviour/professionalism, whereas a code of ethics contains ethical actions/what is right and acceptable in a business.
- Many businesses in South Africa have their own code of conduct and code of ethics and a commitment to ethical and professional behaviour.
- King code principles guide an ethical conduct in organisations.
- Creative thinking is essential to manage challenging business situations.
- Any other relevant introduction on the relevant to ethics and professionalism, challenges posed by tax evasion and abuse of work time, King code principles and creativity.

Any (2 x 1) (2)
6.2 Distinction between ethics and professionalism

<table>
<thead>
<tr>
<th>ETHICS</th>
<th>PROFESSIONALISM</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Conforms to a set of values ✓ that are morally acceptable. ✓</td>
<td>• Set of standards ✓ of expected behaviour. ✓</td>
</tr>
<tr>
<td>• Refers to the principles of right and wrong / acceptable ✓ in society. ✓</td>
<td>• Refer to what is right/ wrong/ acceptable ✓ in a business. ✓</td>
</tr>
<tr>
<td>• Focuses on upholding the reputation ✓ of the business/ profession. ✓</td>
<td>• Focuses on developing a moral compass ✓ for decision making. ✓</td>
</tr>
<tr>
<td>• Forms part of a code of conduct ✓ to guide employees to act ethically. ✓</td>
<td>• Applying code of conduct ✓ of a profession or business. ✓</td>
</tr>
<tr>
<td>• Involves following the principles ✓ of right and wrong in business activities/practices/dealings. ✓</td>
<td>• Includes guidelines ✓ on employees’ appearance/ communication/ attitude/responsibility, ✓ etc.</td>
</tr>
<tr>
<td>• Any other relevant answer related to ethics.</td>
<td>• Any other relevant answer related to professionalism.</td>
</tr>
</tbody>
</table>

Sub max (6) Sub max (6)

Max (12)

NOTES: 1. The answer does not have to be in a tabular format.
2. The distinction must be clear.
3. Award a maximum of 6 marks if the distinction is not clear. Mark either ethics/professionalism.

6.3 Challenges posed by tax evasion and abuse of work time

Tax evasion

• Businesses may pay heavy fines ✓ for submitting fraudulent returns. ✓
• It may negatively affect business image, ✓ leading to loss of key customers/ investors. ✓
• Business might have to liquidate/retrench employees ✓/sell some assets if it has to pay tax that it has been evading. ✓
• Businesses will not obtain a tax clearance certificate ✓ if their tax status is not in order ✓.
• Any other relevant answer related to challenges posed by tax evasion on businesses.

Sub max (6)
Abuse of work time

- The business will be less competitive ✓ as employees concentrate more on their personal matters. ✓
- Wasting business time costs business time ✓ and money. ✓
- It increases administration costs ✓ as records regarding issues like absenteeism, etc. need to be kept. ✓
- Workers may fail to meet deadlines ✓ and that can lead to loss of customers. ✓
- Poor quality products may be produced ✓ resulting in loss of customers/customer dissatisfaction. ✓
- Business may be less productive, ✓ which may result in decline in profits. ✓
- Any other relevant answer related to challenges posed by abuse of work time on businesses.

Sub max (6)
Max (12)

6.4 King Code Principles

Transparency

- Staffing and other processes ✓ must be open and transparent. ✓
- Decisions/ actions must be clear ✓ to all stakeholders. ✓
- Auditing and other reports must be accurate/ available ✓ to shareholders/employees. ✓
- Business deals should be conducted openly ✓ so that there is no hint /sign of dishonesty/corruption. ✓
- Regular audits should be done ✓ to determine the effectiveness of the business. ✓
- Employees/ Shareholders/Directors should be aware ✓ of the employment policies of the business implemented. ✓
- Businesses should give details of shareholder’s voting rights to them ✓ before/ at Annual General Meeting (AGM). ✓
- The board of directors must report ✓ on both the negative and positive impact of the business on community/environment. ✓
- Any other relevant answer related to transparency as King Code principle of good corporate governance.

Sub max (6)
Accountability

- Company should appoint internal and external auditors ✓ to audit financial statements. ✓
- Business should be accountable/ responsible ✓ for their decisions/actions. ✓
- The board should ensure that the company’s ethics ✓ are effectively implemented. ✓
- Businesses should present accurate annual reports ✓ to shareholders at Annual General Meeting (AGM). ✓
- Top management should ensure that other levels of management are clear ✓ about their roles and responsibilities to improve accountability. ✓
- There must be regular communication ✓ between management and stakeholders. ✓
- Any other relevant answer to accountability as a King Code principle of good corporate governance.

Sub max (6)  
Max (12)

6.5 Ways to promote an environment that stimulates creative thinking in the workplace

- Encourage staff to come up with new ideas/opinions/solutions. ✓✓
- Encourage alternative ways of working/doing things. ✓✓
- Train staff in innovative technique/ creative problem-solving skills / mind-mapping/ lateral thinking. ✓✓
- Respond enthusiastically to all ideas and never let anyone feels less important. ✓✓
- Place suggestion boxes around the workplace and keep communication channels open for new ideas. ✓✓
- Make time for brainstorm sessions to generate new ideas, e.g. regular workshops/ generate more ideas/ build on one another's ideas. ✓✓
- Provide a conducive working environment free from distractions. ✓✓
- Encourage job swopping within the organization / studying how other businesses are doing things. ✓✓
- Reward creativity by introducing reward schemes for teams/individual who come with creative ideas. ✓✓
- Any other relevant answer to ways in which a business can create an environment that promotes creative thinking.

Max (10)
6.6 CONCLUSION

- It is important that a business’s dealings and behaviour are in line with its code of ethics and professionalism. ✔✔
- Ethics and professionalism form an integral part of business operations and practices. ✔✔
- Working with others is a very effective way to generate more creative ideas than working alone. ✔✔
- Any other relevant conclusion related to creative thinking, ethics and professionalism.

Any (1 x 2)(2)

QUESTION 6

BREAKDOWN OF MARK ALLOCATION

<table>
<thead>
<tr>
<th>DETAILS</th>
<th>MAXIMUM</th>
</tr>
</thead>
<tbody>
<tr>
<td>Introduction</td>
<td>2</td>
</tr>
<tr>
<td>Ethics and professionalism</td>
<td>12</td>
</tr>
<tr>
<td>Tax evasion and abuse of work time</td>
<td>12</td>
</tr>
<tr>
<td>King Code principles</td>
<td>12</td>
</tr>
<tr>
<td>Ways to promote an environment that stimulates creative thinking</td>
<td>10</td>
</tr>
<tr>
<td>Conclusion</td>
<td>2</td>
</tr>
<tr>
<td>INSIGHT</td>
<td>MAX 32</td>
</tr>
<tr>
<td>Layout</td>
<td>2</td>
</tr>
<tr>
<td>Analysis, interpretation</td>
<td>2</td>
</tr>
<tr>
<td>Synthesis</td>
<td>2</td>
</tr>
<tr>
<td>Originality, examples</td>
<td>2</td>
</tr>
<tr>
<td>TOTAL MARKS</td>
<td>40</td>
</tr>
</tbody>
</table>

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

TOTAL SECTION C: 40

GRAND TOTAL: 100