



basic education

Department:
Basic Education
REPUBLIC OF SOUTH AFRICA

**NATIONAL
SENIOR CERTIFICATE**

GRADE 12

BUSINESS STUDIES P1

EXEMPLAR 2020

MARKING GUIDELINES

MARKS: 150

These marking guidelines consist of 26 pages.

NOTES TO MARKERS**PREAMBLE**

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

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

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

Marker:	Red
Senior Marker:	Green
Deputy Chief Marker:	Brown
Chief Marker:	Pink
Internal Moderator:	Orange
DBE Moderator:	Turquoise

2. Candidates' responses must be in full sentences for SECTIONS B and C. However, this would depend on the nature of the question.
3. A comprehensive marking guideline has been provided but this is by no means exhaustive. Due consideration should be given to an answer that is correct but:
 - Uses a different expression from that which appears in the marking guideline
 - Comes from another credible source
 - Original
 - A different approach is used**NOTE: There is only ONE correct answer in SECTION A.**
4. Take note of other relevant answers provided by candidates and allocate marks accordingly. (In cases where the answer is unclear or indicates some understanding, part-marks should be awarded, for example, one mark instead of the maximum of two marks.)
5. The word 'Submax' is used to facilitate the allocation of marks within a question or subquestion.
6. The purpose of circling marks (guided by 'max' in the breakdown of marks) on the right-hand side is to ensure consistency and accuracy in the marking of scripts as well as for calculation and moderation purposes.
7. Subtotals to questions must be written in the right-hand margin. Circle the subtotals as indicated by the allocation of marks. This must be guided by 'max' in the marking guidelines. Only the total for each question should appear in the left-hand margin next to the appropriate question number.
8. In an indirect question, the theory as well as the response must be relevant and related to the question.

9. Correct numbering of answers to questions or subquestions is recommended in SECTIONS A and B. However, if the numbering is incorrect, follow the sequence of the candidates' responses. Candidates will be penalised if the latter is not clear.
10. No additional credit must be given for repetition of facts. Indicate with an 'R'.
11. The differentiation between 'evaluate' and 'critically evaluate' can be explained as follows:
- 11.1 When 'evaluate' is used, candidates are expected to respond in either a positive/negative manner or take a neutral (positive and negative) stance, e.g. **Positive:** '*COIDA eliminates time and costs spent[√] on lengthy civil court proceedings.*'[√]
- 11.2 When 'critically evaluate' is used, candidates are expected to respond in either a positive/negative manner or take a neutral (positive and negative) stance. In this instance candidates are also expected to support their responses with more depth, e.g. '*COIDA eliminates time and costs spent[√] on lengthy civil court proceedings[√], because the employer will not be liable for compensation to the employee for injuries sustained during working hours as long as it can be proved that the business was not negligent.*'[√]
- NOTE:** 1. The above could apply to 'analyse' as well.
2. Note the placing of the tick (√) in the allocation of marks.
12. The allocation of marks must be informed by the nature of the question, cognitive verb used, mark allocation in the marking guideline and the context of each question.
- Cognitive verbs, such as:
- 12.1 Advise, name, state, 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.
- 12.2 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.
13. Mark only the FIRST answer where candidates offer more than one answer for SECTION B and C questions that require one answer.

14. **SECTION B**

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

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

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

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

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

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

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

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

14.4.2 If the number of facts required is not specified, the allocation of marks must be informed by the nature of the question and the maximum mark allocated in the marking guideline.

14.5 **ONE mark may be awarded for answers that are easy to recall, requires one word answers or is quoted directly from a scenario/case study. This applies to SECTIONS B and C in particular (where applicable).**

15. **SECTION C**

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

Introduction	Maximum: 32
Content	
Conclusion	
Insight	8
TOTAL	40

15.2 Insight consists of the following components:

Layout/Structure	Is there an introduction, a body, and a conclusion?	2
Analysis and interpretation	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 based on recent information, current trends and developments?	2
TOTAL FOR INSIGHT:		8
TOTAL MARKS FOR FACTS:		32
TOTAL MARKS FOR ESSAY (8 + 32):		40

- NOTE:**
1. No marks will be awarded for contents repeated from the introduction and conclusion.
 2. The candidate forfeits marks for layout if the words **INTRODUCTION** and **CONCLUSION** are not stated.
 3. No marks will be awarded for layout, if the headings **INTRODUCTION** and **CONCLUSION** are not supported by an explanation.

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

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

- 15.5 Mark all relevant facts until the SUBMAX/MAX mark in a subsection has been attained. Write SUBMAX/MAX after maximum marks have been obtained, but continue reading for originality 'O'.
- 15.6 At the end of each essay indicate the allocation of marks for facts and marks for insight as follows: (L – Layout, A – Analysis, S – Synthesis, O – Originality) as in the table below.

CONTENT	MARKS
Facts	32 (max.)
L	2
A	2
S	2
O	2
TOTAL	40

- 15.7 When awarding marks for facts, take note of the submaximum indicated, especially if candidates do not use the same subheadings. Remember, headings and subheadings are encouraged and contribute to insight (structuring/logical flow/sequencing) and indicate clarity of thought. (See MARK BREAKDOWN at the end of each question.)
- 15.8 If the candidate identifies/interprets the question INCORRECTLY, then he/she may still obtain marks for layout.
- 15.9 If a different approach is used by candidates, ensure that the answers are assessed according to the mark allocation/subheadings as indicated in the marking guideline.
- 15.10 15.10.1 Award TWO marks for complete sentences. Award ONE mark for phrases, incomplete sentences and vague answers.
- 15.10.2 With effect from November 2015, the TWO marks will not necessarily appear at the end of each completed sentence. The ticks (√) will be separated and indicated next to each fact, e.g. 'Product development is a growth strategy √, where businesses aim to introduce new products into existing markets.'√
- This will be informed by the nature and context of the question, as well as the cognitive verb used.
- 15.11 With effect from November 2017, the maximum of TWO (2) marks for facts shown as headings in the marking guidelines, will not necessarily apply to each question. This would also depend on the nature of the question.

SECTION A**QUESTION 1**

- 1.1 1.1.1 B√√
 1.1.2 D√√
 1.1.3 A√√
 1.1.4 C√√
 1.1.5 B√√
(5 x 2) **(10)**
- 1.2 1.2.1 liquidation√√
 1.2.2 strategy√√
 1.2.3 recruitment√√
 1.2.4 administration √√
 1.2.5 continuous improvement to processes and systems√√
(5 x 2) **(10)**
- 1.3 1.3.1 E√√
 1.3.2 J√√
 1.3.3 F√√
 1.3.4 I√√
 1.3.5 A√√
(5 x 2) **(10)**

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

QUESTION 1	MARKS
1.1	10
1.2	10
1.3	10
TOTAL	30

SECTION B**Mark the FIRST TWO answers only.****QUESTION 2: BUSINESS ENVIRONMENTS****2.1 Types of diversification strategies**

- Concentric ✓
- Horizontal ✓
- Conglomerate ✓

NOTE: Mark the first TWO (2) only.**(2 x 1) (2)****2.2 Role of SETAs**

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

Max (8)**2.3 Provisions of leave**

2.3.1 Maternity ✓✓

2.3.2 Annual ✓✓

2.3.3 Family responsibility ✓✓

(6)**2.4 Porter's Five Forces Model****2.4.1 Bargaining power of buyers/Power of buyers**

- Assess how easy it is for buyers/customers ✓ to drive prices down. ✓
- Determine the number of buyers/the importance of each buyer to the business ✓ and the cost of switching to other products. ✓
- A few powerful buyers ✓ are often able to dictate their terms to the business. ✓
- Buyers buying in bulk can bargain for prices ✓ in their favour. ✓
- If buyers can do without the business's products ✓ then they have more power to determine the prices and terms of sale. ✓
- Conduct market research ✓ to gather more information about its buyers. ✓
- Any other relevant answer related to how businesses could apply the bargaining power of buyers/power of buyers to analyse the market environment.

Max (4)

2.4.2 Competitive rivalry/Power of competitors

- Competitors selling the same/similar products/services√ may have a greater impact on the market of the business.√
- If competitors have a unique product/service√, then they will have greater power.√
- A business with many competitors in the same market√ has very little power in their market.√
- Draw up a competitor's profile√ so that they can determine their own strength as well as that of competitors.√
- Some businesses have necessary resources to start price wars√ and continue selling at a loss until some/all competitors leave the market.√
- Any other relevant answer related to how businesses could apply competitive rivalry/power of competitors to analyse the market environment.

Max (4)**2.5 PESTLE ANALYSIS**

CHALLENGE (2.5.1)	PESTLE FACTOR (2.5.2)	RECOMMENDATION (2.5.3)
1. The profitability of the business has decreased due to the high inflation rate. √	Economic√√	<ul style="list-style-type: none"> • Consider decreasing profit margins rather than increasing product prices. √√ • Cut down on unnecessary spending.√√ • Any other relevant recommendation related to how MJF can deal with the high inflation rate as an economic challenge. <p style="text-align: right;">Submax (2)</p>
2. MJF had to pay a heavy fine because they did not renew their trading license in time. √	Legal/Legislation√√	<ul style="list-style-type: none"> • Renew the trading licence on time.√√ • Review the administrative clerk's job description.√√ • Diarise the renewal date and follow up with the administrative clerk.√√ • Any other relevant recommendation related to how MJF can deal with the renewal of a trading licence as a legal challenge. <p style="text-align: right;">Submax (2)</p>
Max (2)	Max (4)	Max (4)

NOTE: .1.The answer does not have to be in tabular format.**2. Do not award marks for challenges that are not fully quoted from the scenario.****3. Do not award marks for PESTLE factors if they are not linked to the challenges.****4. Award marks for the PESTLE factors even if the quote is incomplete.****5. The recommendation must be linked to the challenge.****6. The challenge may be in any order.**

2.6 Practical ways in which businesses can comply with the National Credit Act/NCA

- Businesses/credit providers should be registered with the National Credit Regulator. √√
- Offer applicants pre-agreement statements. √√
- Disclose all costs of a loan/No hidden costs should be charged/added. √√
- Obtain credit records/checks of clients before granting loans. √√
- Submit an annual compliance report to the National Credit Regulator. √√
- Conduct affordability assessment to ensure the consumer has the ability to meet his/her obligation. √√
- Conduct credit check with a registered credit bureau and consult with National Credit Register. √√
- Businesses must have procedures in place to comply with the provision of the Financial Intelligence Centre Act (FICA). √√
- Credit providers must have procedures in place to comply with the provision of the Financial Intelligence Centre Act (FICA). √√
- Verify the identity of clients, report suspicious transactions/train staff on their obligations in terms of FICA. √√
- Any other relevant answer related to practical ways in which businesses can comply with NCA.

NOTE: Mark the first THREE (3) only.

**(3 x 2) (6)
[40]**

BREAKDOWN OF MARKS

QUESTION 2	MARKS
2.1	2
2.2	8
2.3	6
2.4	8
2.5.1	2
2.5.2	4
2.5.3	4
2.6	6
TOTAL	40

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

- Personal details of the employee.√
- Details of the business/employer, e.g. name/address√, etc.
- 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.√
- Employee deductions (compulsory/non-compulsory).√
- Period of contract/Details of termination.√
- Probation period.√
- Signatures of both the employer and 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 that should be included in an employment contract.

NOTE: 1. Mark the first FOUR (4) only.

2. Allocate a maximum of ONE (1) mark for each aspect when examples are used.

(4 x 1) (4)

3.2 Purpose of induction as a human resources activity

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

Max (6)

3.3 Salary determination methods

Piecemeal ✓✓

- Workers are paid according to the number of items/ units produced /action performed. ✓
- Workers are not remunerated for the number of hours worked, regardless of how long it takes them to make the items ✓
- Mostly used in factories particularly in the textile/technology industries. ✓
- Any other relevant answer related to piecemeal as a salary determination method.

Method (2)
Discussion (1)
Submax (3)

Time-related ✓✓

- Workers are paid for the amount of time they spend at work/on a task. ✓
- Workers with the same experience/qualifications are paid on salary scales regardless of the amount of work done. ✓
- Many private and public sector businesses use this method ✓
- Any other relevant answer related to time-related as a salary determination method.

Method (2)
Discussion (1)
Submax (3)
Max (6)

NOTE: Mark the first TWO (2) only.

3.4 Role of the interviewer and interviewee/applicant from the scenario

ROLE	QUOTES
Interviewer/Elzette	1. Candidates were allocated the same amount of time. ✓ 2. Elzette recorded all candidates' responses. ✓
	Submax (2)
Interviewee/Candidates	1. All candidates showed confidence. ✓ 2. Some candidates asked clarity-seeking questions. ✓
	Submax (2)

NOTE: Only award marks for responses that are quoted from the scenario.

Max (4)

3.5 Impact of TQM if poorly implemented by businesses

- Setting unrealistic deadlines ✓ that may not be achieved. ✓
- Employees may not be adequately trained ✓ resulting in poor quality products. ✓
- Decline in productivity ✓, because of stoppages. ✓
- Businesses may not be able to make necessary changes of products/services ✓ to satisfy the needs of customers. ✓
- Business reputation/image may suffer ✓ because of poor quality/defective goods. ✓
- Customers will have many alternatives to choose from ✓ and the impact could be devastating to businesses. ✓
- Investors might withdraw investment ✓, if there is a decline in profits. ✓
- Decline in sales ✓ as more goods are returned by unhappy customers. ✓
- High staff turnover ✓, because of poor skills development. ✓

- Undocumented/Uncontrolled quality control systems/processes√ could result in errors/ deviations from pre-set quality standards.√
- Any other relevant answer related to the impact of TQM if poorly implemented by businesses.

Max (6)**3.6 Total Quality Management****3.6.1 Benefits of a good quality management system from the scenario**

- She indicated that her employees are trained on a regular basis.√
- Time and resources are also used efficiently.√

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

(2 x 1) (2)**3.6.2 Other benefits of a good quality management system**

- Effective customer services will be rendered√, resulting in increased customer satisfaction.√
- Productivity increases through proper time management√ and using high quality resources.√
- Products/Services are constantly√ improving.√
- Vision and mission/Business goals√ may be achieved.√
- The business may achieve a competitive advantage√ over its competitors.√
- Employers and employees will have a healthy working relationship√ which generally results in happy workers.√
- Increased market share/profitability may result√ in business growth/expansion.√
- Improved business image√, as there is less defects/faulty products/returns.√
- Any other relevant answer related to other benefits of a good quality management system.

NOTE: Do not award marks for responses quoted in QUESTION 3.6.1.

Max (6)**3.7 Ways in which TQM can reduce the cost of quality**

- Introduce quality circles/small teams of five to ten employees, who meet regularly to discuss ways of improving the quality of their work.√√
- Schedule activities to eliminate duplication of tasks/activities.√√
- Share responsibility for quality output between 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 the quality challenges/deviations, so that everyone can learn from past experiences.√√
- Reduce investment on expensive, but ineffective inspection procedures in the production process.√√
- Implement pro-active maintenance programmes for equipment/machinery to reduce/eliminate breakdowns.√√
- Any other relevant answer related to ways in which TQM can reduce the cost of quality.

Max (6)
[40]

BREAKDOWN OF MARKS

QUESTION 3	MARKS
3.1	4
3.2	6
3.3	6
3.4	4
3.5	6
3.6.1	2
3.6.2	6
3.7	6
TOTAL	40

QUESTION 4: MISCELLANEOUS TOPICS**BUSINESS ENVIRONMENTS****4.1 Consumer rights**

- 4.1.1 Right to choose√√
- 4.1.2 Right to privacy and confidentiality√√
- 4.1.3 Right to equality in the consumer market place√√

(6)**4.2 Business environments and extent of control**

BUSINESS ENVIRONMENTS	EXTENT OF CONTROL
1. Micro environment√	Full control√
2. Market environment√	Partial/Some/Limited/Less/Little control√
3. Macro environment√	No control√
Submax (3)	Submax (3)

- NOTE:**
1. Mark the first THREE (3) only.
 2. The answer does not have to be in tabular format.
 3. Award marks for the business environment even if the extent of control is not indicated/incorrect.
 4. The extent of control must be linked to the business environment.

Max (6)**4.3 Legislation**

- 4.3.1 Compensation for Occupational Injuries and Diseases Act/COIDA. √√

(2)**4.3.2 Discriminatory action in terms of COIDA**

- Employers who bribe employees not to report the accident/injury.√√
- Providing false information about previous, serious accidents/occupational diseases.√√
- Employers who do not contribute to the Compensation fund.√√
- Employers who do not allow claims for injuries, discriminates against injured employees.√√

- Employers that take too long to process claims/delay the claiming process.√√
- Compensation that is set off against any debt of the person entitled to the compensation.√√
- Any other relevant answer related to actions that could be regarded as discriminatory with reference to COIDA.

Max (6)

BUSINESS OPERATIONS

4.4 Sources of internal recruitment

- Internal e-mails/Intranet/websites to staff√
- Word of mouth√
- Business newsletter/circulars√
- Internal/management referrals√
- Notice board of the business√
- Internal bulletins√
- Recommendation of current employees√
- Head hunting within the business/organisational database.√
- Any other relevant answer related to the sources of internal recruitment.

NOTE: Mark the first TWO (2) only.

(2 x1) (2)

4.5 Selection procedure as a human resources activity

OPTION 1

- Determine fair assessment criteria√ on which selection will be based.√
- Applicants must submit√ the application forms/curriculum vitae and certified copies of personal documents/IDs/proof of qualifications, etc.√
- Sort the received documents/CVs√ according to the assessment/selection criteria.√
- Screen/Determine which applications√ meet the minimum job requirements and separate these from the rest.√
- Preliminary interviews are conducted√ if many suitable applications were received.√
- Reference checks should be made√ to verify the contents of CV's, e.g. contact previous employers to check work experience.√
- Compile a shortlist√ of potential candidates identified.√
- Shortlisted candidates may be subjected to various types of selection tests√ e.g. skills tests, etc.√
- Invite shortlisted candidates√ for an interview.√
- A written offer√ is made to the selected candidate.√
- Inform unsuccessful applicants√ about the outcome of their application.√/Some adverts indicate√ the deadline for informing only successful candidates.√
- Any other relevant answer related to the selection procedure as a human resources activity.

OR

OPTION 2

- Receive documentation√, e.g. application forms and sort it according to the criteria of the job.√
- Evaluate CVs√ and create a shortlist/Screen the applicants.√
- Check information in the CVs√ and contact references.√
- Conduct preliminary sifting interviews√ to identify applicants who are not suitable for the job, although they meet all requirements.√
- Assess/Test candidates√ who have applied for senior positions/to ensure the best candidate is chosen.√
- Conduct interviews√ with shortlisted candidates.√
- Offer employment√ in writing to the selected candidate(s).√
- Any other relevant answer related to the selection procedure as a human resources activity.

NOTE: The procedure can be in any order

Max (8)

4.6 Business functions and Quality circles

4.6.1 Business functions

BUSINESS FUNCTIONS	MOTIVATION
1. Financial function√√	- They prepare their own accounting records to ensure accurate tax payments.√
2. Public relations function√√	- PE responded quickly when one of their clients was not happy with their service.√
Submax (4)	Submax (2)

- NOTE:**
1. The answer does not have to be in tabular format.
 2. Award marks for the business functions even if the quotes were incomplete.
 3. Do not award marks for the motivation if the business functions were incorrectly identified.

Max (6)

4.6.2 Importance of quality circles as part of continuous improvement to processes and systems

- They solve problems related to quality and implement improvements.√√
- Investigate problems and suggest solutions to management.√√
- Ensures that there is no duplication of activities/tasks in the workplace.√√
- Make suggestions for improving systems and processes in the workplace.√√
- Improve the quality of products/services/productivity through regular reviews of quality processes.√√
- Monitor/Reinforce strategies to improve the smooth running of business operations.√√
- Reduce costs of redundancy in the long run.√√
- Quality circles discuss ways of improving the quality of work/workmanship.√√
- Contribute towards the improvement and development of the organisation.√√
- Reduce costs/wasteful efforts in the long run.√√
- Increase the demand for products/services of the business.√√
- Create harmony and high performance in the workplace.√√
- Build a healthy workplace relationship between the employer and employee.√√
- Improve employees' loyalty and commitment to the business and its goals.√√
- Improve employees' communication at all levels of the business.√√

- Develop a positive attitude/sense of involvement in decision making processes of the services offered. ✓✓
- Any other relevant answer related to the importance of quality circles, as part of continuous improvement to processes and systems, on a business.

Max (4)
[40]

BREAKDOWN OF MARKS

QUESTION 4	MARKS
4.1	6
4.2	6
4.3.1	2
4.3.2	6
4.4	2
4.5	8
4.6.1	6
4.6.2	4
TOTAL	40

TOTAL SECTION B: 80

SECTION C**Mark only the FIRST question.****QUESTION 5: BUSINESS ENVIRONMENTS (LEGISLATION)****5.1 Introduction**

- BBBEE was introduced to bring the majority of the South Africans into the mainstream of the economy.√
- BBBEE increased the number of black people that manage/own/control the economy.√
- The BBBEE pillars enable the government to spread wealth across all population groups.√
- Enterprise and supplier development enable large businesses to empower black owned businesses and suppliers.√
- Businesses are obliged to comply with the requirements of the Act or face penalties for non-compliance.√
- Any other relevant introduction related to BEE/BBBEE/impact of BBBEE/implications of BBBEE pillars on businesses/penalties for non-compliance with the BBBEE.

Any (2 x 1) (2)**5.2 Distinction between BEE and BBBEE**

BLACK ECONOMIC EMPOWERMENT (BEE)	BROAD BASED BLACK ECONOMIC EMPOWERMENT (BBBEE)
- It is a government policy√ which may not be enforced.√	- It is an Act√ that is enforced/must be complied with by businesses.√
- Benefits only a few previously disadvantaged people√ in the economy.√	- Encourages a wider group of previously disadvantaged people/black women/people who are physically challenged/youth/people in rural areas√ to participate in the economy.√
- Few previously disadvantaged individuals share in the wealth√ of the economy.√	- Aims at distributing the country's wealth√ across a broader spectrum of society.√
- Focuses only on three pillars√ that did not include all previously disadvantaged people.√	- Focuses on seven/five pillars√ which includes all sectors of the society, especially the previously disadvantaged.√
- Any other relevant answer related to BEE.	- Any other relevant answer related to BBBEE.
Submax (4)	Submax (4)

- NOTE:**
1. The answer does not have to be in tabular format.
 2. The distinction does not have to link, but must be clear.
 3. Award a maximum of FOUR (4) marks if the distinction is not clear/Mark either BEE or BBBEE only.

Max (8)

5.3 Impact of BBBEE on businesses

Positives/Advantages

- Businesses that comply with BBBEE regarding the pillars✓ will be rated high on the BEE scorecard/may get government tenders/may attract other BBBEE business partners/-suppliers.✓
- Encourages businesses to address the demands✓ for redress/ equity directly.✓
- Provides a variety of business codes✓ to improve employment equity.✓
- Provides for human resources development✓ through training and development.✓
- Promotes enterprise development✓, by developing entrepreneurial skills of designated people to start their own businesses.✓
- Businesses will have a good overview on how it is performing✓ in comparison to other businesses in the rest of the country.✓
- A good BBBEE rating✓ will improve the image of the business.✓
- By focusing on BBBEE, the business will show commitment✓ towards the social/education/economic developments in the community/country.✓
- Once rated, the business will understand how to develop BBBEE strategies✓ that will increase its BBBEE ratings on an annual basis.✓
- Fronting is discouraged✓, as it may lead to the disqualification of a business's entire scorecard/BBBEE status.✓
- Share prices of BBBEE compliant businesses are likely to increase✓ as they attract more business.✓
- Businesses that support Small, Micro, Medium Enterprises (SMMEs)✓, may increase their own BBBEE ratings.✓
- Complying with BBBEE requirements gives businesses experience/exposure✓ to be able to provide better employment opportunities/staff development.✓
- Any other relevant answer related to the positive impact/advantages of BBBEE on businesses.

AND/OR

Negatives/Disadvantages

- Businesses have to go through the process of having their BBBEE compliance measured/verified✓ by an independent BEE verification agency.✓
- Businesses that wish to do business with the government✓, must have their BEE status assessed annually.✓
- Provides for preferential procurement✓, so certain businesses may be excluded from supplying goods/services.✓
- Processes may lead to corruption/nepotism✓, if not monitored properly.✓
- Many businesses have been disadvantaged due to BBBEE ratings✓ as they may not be able to meet all the scoring.✓
- Processes and procedures may be costly for a business✓ as there are many legal requirements for scoring enough points to be compliant.✓
- Businesses could experience large financial implications/penalties✓ if they do not comply with BBBEE.✓
- Businesses will have to spend money in areas covered by the seven/five BBBEE pillars✓ to obtain a good BBBEE rating.✓
- Investment/Ownership issues✓ can cause unhappiness between existing shareholders.✓
- Any other relevant answer related to the negative impact/disadvantages of BBBEE on businesses.

Max (10)

5.4 Implications of the BBBEE pillars on businesses

5.4.1 Management control

- Business must ensure that transformation[√] is implemented at all levels.[√]
- Appoint black people[√] in senior executive positions/to management.[√]
- Involve black people[√] in the decision making processes.[√]
- Ensure that black females[√] are represented in management.[√]
- Businesses score points in both management and ownership[√] when selling more than 25 % of their shares to black investors so that some of them can become directors.[√]
- Due to a shortage of skilled black managers/directors[√], some businesses find it difficult to make appointments.[√]
- Businesses are directly penalised[√] for not implementing this pillar.[√]
- Any other relevant answer related to the implication of management control as a BBBEE pillar on businesses.

Submax (6)

5.4.2 Ownership

- Business should include black people[√] in shareholding/partnerships/franchises.[√]
- Exempted Micro Enterprises (EMEs) with an ownership of 50% or more of black people[√] are promoted to level 3 of the BEE scorecard.[√]
- More opportunities are created for black people[√] to become owners/entrepreneurs.[√]
- Encourage small black investors[√] to invest in big companies and share ownership.[√]
- Large businesses should form joint ventures with small black owned businesses[√] and share business risks.[√]
- Businesses sometimes find it difficult[√] to locate suitable black business partners/ shareholders.[√]
- Many black people cannot afford[√] shares in companies/contributions to partnerships.[√]
- Any other relevant answer related to the implication of ownership as a BBBEE pillar on businesses.

Submax (6)

5.4.3 Enterprise and supplier development (ESD)

- Business must create jobs[√] as ESD promotes local manufacturing.[√]
- Businesses are encouraged to invest/support[√] black owned SMMEs.[√]
- Contribution can be monetary[√], e.g. loans/investments/donations.[√]
- Contribution can be non-monetary[√], e.g. consulting services/advice/entrepreneurial programmes[√], etc.
- SMMEs will be encouraged to use their own business initiatives[√] to make them sustainable.[√]
- Businesses are encouraged to invest/support[√] black owned SMMEs.[√]
- Outsource services[√] to suppliers that are BBBEE compliant.[√]
- Identify black owned suppliers[√] that are able to supply goods and services.[√]
- Develop the business skills of small/black owned suppliers[√], e.g. sales techniques, legal advice[√], etc.
- Support the cash flow of small suppliers[√] by offering them preferential terms of payment.[√]
- Develop and implement[√] a supplier development plan/supply chain.[√]

- Small/Large businesses may not be able[√] to afford enterprise development investment/support.[√]
- Black owned SMMEs may become too reliant[√] on support from other businesses/ unable to take their own initiatives.[√]
- BBEE suppliers[√] may be without good workmanship.[√]
- Smaller businesses that are not BBEE compliant[√] lose business.[√]
- Businesses are forced[√] to choose from a smaller pool of suppliers.[√]
- Any other relevant answer related to the implication of enterprise and supplier development (ESD) as a BBEE pillar on businesses.

Submax (6)

Max (18)

5.5 Penalties for non-compliance with BBEE

- Businesses may face imprisonment for non-compliance/fronting practices.^{√√}
- The penalty could be a fine of up to 10% of the company's annual turnover.^{√√}
- Government will cancel any contract awarded that was based on false information regarding its BBEE status.^{√√}
- A business can be banned from participating in government contracts for a period of 10 years.^{√√}
- Business licenses may not be renewed and authorisations may not be issued.^{√√}
- Businesses that fail to achieve at least a minimum 40% of compliance with ownership, skills development and new enterprise and supplier development will be automatically downgraded by one level.^{√√}
- Any other relevant answer related to penalties businesses could face for non-compliance with the BBEE.

Max (10)

5.6 Conclusion

- BBEE addresses and enhances the economic participation of previously disadvantaged people in the South African economy.^{√√}
- Businesses will have to spend money in the areas covered by the BBEE pillars to obtain a good rating.^{√√}
- A BEE scorecard is used to determine the BBEE status of a business.^{√√}
- Broad-Based Black Economic Empowerment (BBEE) creates opportunities for people who were previously excluded from participating in the South African economy.^{√√}
- Penalties for non-compliance may have a negative financial implication for businesses.^{√√}
- Any other relevant conclusion related to BBEE/impact of BBEE/implications of BBEE pillars on businesses/penalties for non-compliance with BBEE.

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

QUESTION 5: BREAKDOWN OF MARK ALLOCATION

DETAILS	MAXIMUM	TOTAL
Introduction	2	Max 32
Distinguish between BEE and BBEE	8	
Impact of BBEE on businesses	10	
Implications of: <ul style="list-style-type: none"> o Management control o Ownership o Enterprise and supplier development 	18	
Penalties for non-compliance	10	
Conclusion	2	
INSIGHT		8
Layout	2	
Analysis/Interpretation	2	
Synthesis	2	
Originality/Examples	2	
TOTAL MARKS		40

LASO – For each component:

Allocate 2 marks if all requirements are met.

Allocate 1 mark if some requirements are met.

Allocate 0 marks where requirements are not met at all.

QUESTION 6: BUSINESS OPERATIONS (QUALITY OF PERFORMANCE)**6.1 Introduction**

- Quality is the ability of a product/service to satisfy specific needs of consumers.√
- Businesses must quality assure manufactured goods throughout the production cycle. √
- Quality management should not just be an inspection process, but become part of the culture of the business.√
- Total quality relates to products that totally satisfy consumers' needs and expectations in every respect on a continuous basis.√
- The production function depends on the quality of raw material that are bought by the purchasing function in order to produce good quality products.√
- The rationale behind the implementation of TQM elements is to ensure that businesses do things right the first time.√
- TQM helps to design, produce/provide quality products at a lower cost. √
- Any other relevant introduction related to quality assurance/quality management/quality performance/total client/customer satisfaction/adequate financing and capacity/quality indicators of the purchasing function/production function.

Any (2 x 1) (2)

6.2 Meaning of quality assurance

- Checks carried out during√ and after the production process.√
- Ensure that required standards√ have been met at every stage of the process.√
- Processes put in place to ensure that the quality of products/services/ systems adhere to pre-set standards√ with minimal defects/delays/short-comings.√
- Ensuring that every process is aimed to get the product 'right the first time'√ and prevent mistakes from happening.√
- Any other relevant answer related to the meaning of quality assurance.

Max (6)**6.3 Distinction between quality management and quality performance**

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

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

Max (8)**6.4 Impact of TQM elements on large businesses****6.4.1 Total client/customer satisfaction****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 the positive impact/advantages of total client/customer satisfaction as a TQM element on large businesses.

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/customer satisfaction.√
- Any other relevant answer related to the negative impact/disadvantages of total client/customer satisfaction as a TQM element on large businesses.

Submax (8)

6.4.3 Adequate financing and capacity**Positives/ Advantages**

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

AND/OR**Negatives/ Disadvantages**

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

Submax (8)

Max (16)**6.5 Quality indicators of the purchasing function and production function****6.5.1 Quality indicators of the purchasing function**

- Businesses should buy raw materials/products in bulk at lower prices. √√
- Select reliable suppliers that render the best quality raw materials/capital goods at reasonable prices. √√
- Place orders timeously and regular follow-ups to ensure that goods are delivered on time. √√
- Effective co-ordination between purchasing and production departments so that purchasing staff understand the requirements of the production process. √√
- Required quantities should be delivered at the right time and place. √√
- Implement and maintain stock control systems to ensure the security of stock. √√
- Maintain optimum stock levels to avoid overstocking/reduce out-dated stock. √√
- Monitor and report on minimum stock levels to avoid stock-outs. √√
- Effective use of storage space and maintain product quality while in storage. √√
- Involve suppliers in strategic planning/product design/material selection/quality control process. √√
- Ensure that there is no break in production due to stock shortages. √√

- Establish relationships with suppliers so that they are in alignment with the business's vision/mission/values. √√
- Have a thorough understanding of supply chain management. √√
- Any other relevant answer related to the quality indicators of the purchasing function that businesses could use to remain competitive.

Submax (8)

6.5.2 Quality indicators of the production function

- Provide high quality services/products according to specifications.√√
- The production/operating processes of a business should be done correctly through proper production planning and control.√√
- Products and services should be produced at the lowest possible cost to allow for profit maximisation.√√
- Businesses should clearly communicate the roles and responsibilities to the production workforce.√√
- Products must meet customers' requirements by being safe, reliable and durable.√√
- Businesses should have good after-sales services and warranties.√√
- Empower workers so that they can take pride in their workmanship.√√
- Get accreditation from the SABS/ISO 9001 to ensure that quality products are being produced.√√
- Specify the product or service standards and take note of the factors that consumers use to judge quality.√√
- Monitor processes and find the root causes of production problems.√√
- Implement quality control systems to ensure that quality building products are consistently being produced.√√
- Utilise machines and equipment optimally.√√
- Accurately calculate the production costs.√√
- Select the appropriate production system e.g. mass/batch/jobbing.√√
- Any other relevant answer related to the quality indicators of the production function that businesses could use to remain competitive.

Submax (8)

Max (16)

6.6 Conclusion

- Quality is important to a business to be sustainable.√√
- Quality management and performance in all business functions/departments are necessary as it contribute to business success.√√
- Every business should have a quality management system that ensure that all systems and processes are carried out correctly and safely.√√
-

- It is important that businesses have a proper system for managing quality, e.g. TQM which will reduce cost and increase profits.√√
- The purchasing function and the production function should always work together in ensuring the quality of product is constantly improved.√√
- Any other relevant conclusion related to quality assurance/quality management/quality performance/total client/customer satisfaction/adequate financing and capacity/quality indicators of the purchasing function/production function.

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

QUESTION 6: BREAKDOWN OF MARK ALLOCATION

DETAILS	MAXIMUM	TOTAL
Introduction	2	Max 32
Meaning of quality assurance	6	
Distinction between quality management and quality performance	8	
Impact of TQM elements on large businesses: <ul style="list-style-type: none"> ○ Total client/customer satisfaction ○ Adequate financing and capacity 	16	
Quality indicators of the purchasing function and the production function.	16	
Conclusion	2	
INSIGHT		8
Layout	2	
Analysis/Interpretation	2	
Synthesis	2	
Originality/Examples	2	
TOTAL MARKS		40

LASO – For each component:

Allocate 2 marks if all requirements are met.

Allocate 1 mark if some requirements are met.

Allocate 0 marks where requirements are not met at all

TOTAL SECTION C: 40
GRAND TOTAL: 150