



Province of the  
**EASTERN CAPE**  
EDUCATION

**NATIONAL  
SENIOR CERTIFICATE**

**GRADE 12**

**SEPTEMBER 2021**

**BUSINESS STUDIES P1  
MARKING GUIDELINE**

**MARKS: 150**

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This marking guideline consists of 27 pages.

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## NOTES TO MARKERS

### 1. PREAMBLE

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

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

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

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

4. Take note of other relevant answers provided by candidates and allocate marks accordingly. (In cases where the answer is unclear or indicates some understanding, part-marks should be awarded, for example, one mark instead of the maximum of two marks.)
5. The word 'Sub-max' is used to facilitate the allocation of marks within a question or sub-question.
6. The purpose of circling marks (guided by 'max' in the breakdown of marks) on the right-hand side is to ensure consistency and accuracy in the marking of scripts as well as for calculation and moderation purposes.
7. Subtotals to questions must be written in the right-hand margin. Circle the subtotals as indicated by the allocation of marks. This must be guided by 'max' in the marking guidelines. Only the total for each question should appear in the left-hand margin next to the appropriate question number.
8. In an indirect question, the theory as well as the response must be relevant and related to the question.
9. Correct numbering of answers to questions or sub questions is recommended in SECTIONS A and B. However, if the numbering is incorrect, follow the sequence of the candidate's responses. Candidates will be penalised if the latter is not clear.

10. No additional credit must be given for repetition of facts. Indicate with an 'R'.
11. The differentiation between 'evaluate' and 'critically evaluate' can be explained as follows:
- 11.1 When 'evaluate' is used, candidates are expected to respond in either a positive/negative manner or take a neutral (positive and negative) stance, e.g. **Positive:** 'COIDA eliminates time and costs spent ✓ on lengthy civil court proceedings.' ✓
- 11.2 When 'critically evaluate' is used, candidates are expected to respond in either a positive/negative manner or take a neutral (positive and negative) stance. In this instance candidates are also expected to support their responses with more depth, e.g. 'COIDA eliminates time and costs spent ✓ on lengthy civil court proceedings, ✓ because the employer will not be liable for compensation to the employee for injuries sustained during working hours as long as it can be proved that the business was not negligent.' ✓
- NOTE:**
1. The above could apply to 'analyse' as well.
  2. Note the placing of the tick (✓) in the allocation of marks.
12. The allocation of marks must be informed by the nature of the question, cognitive verb used, mark allocation in the marking guideline and the context of each question.

Cognitive verbs, such as:

- 12.1 Advise, name, state, outline, motivate, recommend, suggest, (*list not exhaustive*) do not usually require much depth in candidates' responses. Therefore, the mark allocation for each statement/answer appears at the end.
- 12.2 Define, describe, explain, discuss, elaborate, distinguish, differentiate, compare, tabulate, analyse, evaluate, critically evaluate (*list not exhaustive*) require a greater depth of understanding, application and reasoning. Therefore, the marks must be allocated more objectively to ensure that assessing is conducted according to established norms so that uniformity, consistency and fairness are achieved.
13. Mark only the FIRST answer where candidates offer more than one answer for SECTION B and C questions that require one answer.

## 14. SECTION B

14.1 If for example, FIVE facts are required, mark the candidate's FIRST FIVE responses and ignore the rest of the responses. Indicate by drawing a line across the unmarked portion 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	<b>Maximum: 32</b>
Content	
Conclusion	
Insight	<b>8</b>
<b>TOTAL</b>	<b>40</b>

15.2 Insight consists of the following components:

Layout/Structure	Is there an introduction, a body, and a conclusion?	<b>2</b>
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')	<b>2</b>
Synthesis	Are there relevant decisions/facts/responses made based on the questions? Marks to be allocated using this guide:  Option 1: <b>Only relevant facts: 2 marks (No '-S')</b> Where a candidate answers 50% or more (two to four sub-questions) of the question with only relevant facts; no '-S' appears in the left margin. Award the maximum of TWO (2) marks for synthesis.  Option 2: <b>Some relevant facts: 1 mark (One '-S')</b> Where a candidate answers less than 50% (only one sub-question) of the question with only OR some relevant facts; one '-S' appears in the left margin. Award a maximum of ONE (1) mark for synthesis.  Option 3: <b>Some relevant facts: 1 mark (One '-S')</b> Where a candidate writes FOUR questions, but one sub-question of the question with no relevant facts; one '-S' appears in the left margin. Award a maximum of ONE (1) mark for synthesis.  Option 4: <b>No relevant facts: 0 marks (Two '-S')</b> Where a candidate answers less than 50% (only one sub-question) of the question with no relevant facts; two '-S' appear in the left margin. Award a ZERO mark for synthesis.	<b>2</b>
Originality	Is there evidence of examples based on recent information, current trends and developments?	<b>2</b>
<b>TOTAL FOR INSIGHT:</b>		<b>8</b>
<b>TOTAL MARKS FOR FACTS:</b>		<b>32</b>
<b>TOTAL MARKS FOR ESSAY (8 + 32):</b>		<b>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.

- 15.3 Indicate insight in the left-hand margin with a symbol e.g. ('L, A, -S and/or O').
- 15.4 The breakdown of marks is indicated at the end of the suggested answer/marking guideline to each question.
- 15.5 Mark all relevant facts until the SUB-MAX/MAX mark in a subsection has been attained. Write SUB-MAX/MAX after maximum marks have been obtained but continue reading for originality "O".
- 15.6 At the end of each essay indicate the allocation of marks for facts and marks for insight as follows: (L – Layout, A – Analysis, S – Synthesis, O – Originality) as in the table below.

<b>CONTENT</b>	<b>MARKS</b>
Facts	<b>32 (max.)</b>
L	<b>2</b>
A	<b>2</b>
S	<b>2</b>
O	<b>2</b>
<b>TOTAL</b>	<b>40</b>

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

**SECTION A****QUESTION 1**

- 1.1 1.1.1 B ✓✓  
 1.1.2 D ✓✓  
 1.1.3 A ✓✓  
 1.1.4 C ✓✓  
 1.1.5 A ✓✓
- (5 x 2) (10)

- 1.2 1.2.1 National Credit Regulator ✓✓  
 1.2.2 forty-five ✓✓  
 1.2.3 horizontal ✓✓  
 1.2.4 applicant ✓✓  
 1.2.5 management ✓✓
- (5 x 2) (10)

- 1.3 1.3.1 J ✓✓  
 1.3.2 F ✓✓  
 1.3.3 H ✓✓  
 1.3.4 A ✓✓  
 1.3.5 G ✓✓
- (5 x 2) (10)

**TOTAL SECTION A: 30**

**BREAKDOWN OF MARKS**

<b>QUESTION 1</b>	<b>MARKS</b>
<b>1.1</b>	<b>10</b>
<b>1.2</b>	<b>10</b>
<b>1.3</b>	<b>10</b>
<b>TOTAL</b>	<b>30</b>

**SECTION B**

Mark the **FIRST TWO** answers only.

**QUESTION 2: BUSINESS ENVIRONMENTS****2.1 Types of diversification strategies**

- Concentric diversification ✓
- Horizontal diversification ✓
- Conglomerate diversification ✓

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

(3 x 1) (3)

**2.2 Purpose of the Employment Equity Act**

- The EEA allows employees who do the same work to be paid equally. ✓✓
- Eliminates discrimination on grounds of gender/race/disability in the workplace. ✓✓
- Promotes equal opportunity and fair treatment in the workplace. ✓✓
- Protects employees from victimisation if they exercise the rights given to them by the EEA. ✓✓
- Promotes diversity in the workplace by ensuring that people of diverse backgrounds are appointed. ✓✓
- Ensures equal representation in the workplace through the implementation of affirmative action. ✓✓
- Ensures equal representation of all population groups in the workplace. ✓✓
- Any other relevant answer related to the purpose of the Employment Equity Act.

**Max. (6)**

**2.3 PESTLE factors****2.3.1 PESTLE factors from the scenario**

<b>PESTLE FACTORS</b>	<b>MOTIVATIONS</b>
1. Technological ✓✓	Paul Furnitures is losing some of their customers as the business does not have online transaction facilities. ✓
2. Social ✓✓	They are experiencing a decline in sales due to the high unemployment rate. ✓
3. Environmental ✓✓	The packaging material that PF uses is not recyclable. ✓
Sub-max. (6)	Sub-max. (3)

- NOTE:**
1. **Mark the first THREE (3) factors only.**
  2. **The answer does not have to be in tabular format.**
  3. **Award marks for the PESTLE factors even if the quotes were incomplete.**
  4. **Do not award marks for the motivations if the PESTLE factors were incorrectly identified.**

**Max. (9)**



## 2.4 Funding of SETA's

- Skills Development levies paid by employers ✓ e.g. 80% is distributed to the different SETA and 20% is paid into the National Skills Fund. ✓
- Donations and grants ✓ from the public. ✓
- Surplus funds ✓ from government institutions. ✓
- Funds received ✓ from rendering their services. ✓
- Any other relevant answer related to how SETA's are funded.

**Max. (4)**

## 2.5 Legislation

2.5.1 Consumer Protection Act/CPA ✓✓ (2)

### 2.5.2 Advantages of CPA on businesses

- Enable MT / businesses to resolve disputes fairly ✓ through the National Consumer Commission/Consumer Court/Industrial ombudsmen. ✓
- Businesses may build a good image ✓ when they ensure that consumer rights are not violated. ✓
- May gain consumer loyalty, ✓ if they comply with CPA. ✓
- Businesses are less likely to have court cases against them ✓ for consumer rights violations. ✓
- Businesses may be protected ✓ if they are regarded as consumers. ✓
- Businesses may be safeguarded ✓ from dishonest competitors. ✓
- Prevents larger businesses ✓ from undermining smaller ones. ✓
- Any other relevant answer related to the advantages of CPA on MT/ businesses.

**Max. (4)**

## 2.6 Types of intensive strategies

### Market penetration ✓✓

- New products penetrate an existing market at a low price, until it is well known to the customers and then the prices increase. ✓
- It is a growth strategy where businesses focus on selling existing products to existing markets. ✓
- Focuses on gaining a larger share of the market by reducing prices to increase sales/increasing advertising and promotion. ✓
- Any other relevant answer related to market penetration as a type of intensive strategy.

Type (2)  
Discussion (1)  
Sub-max. (3)

**Market development** √√

- A process of exploring/finding/searching new markets for existing products. √
- Businesses sell their existing products to new markets √/Involves targeting consumers in a potential market that is outside its normal target market. √
- Business must research the market it wants to enter. √
- They change the way the products are distributed to reach a different market. √
- Any other relevant answer related to market development as a type of intensive strategy.

Type (2)  
Discussion (1)  
Sub-max. (3)

**Product development** √√

- Businesses generate new ideas and develop a new product or service. √
- The introduction of a new product or service into existing markets. √
- A business may need to acquire new technology to develop new products. √
- They improve/change the packaging of current products so that they look and seem different and appeal to the market. √
- Any other relevant answer related to product development as a type of intensive strategy.

Type (2)  
Discussion (1)  
Sub-max. (3)

**NOTE: Mark the first TWO (2) only.**

**Max. (6)**

**2.7 Steps in evaluating a strategy**

- Examine the underlying basis of a business strategy. √√
- Look forward and backwards into the implementation process. √√
- Compare the expected performance with the actual performance. √√
- Measure the business performance in order to determine the reasons for deviations and analyse these reasons. √√
- Take corrective action so that deviations may be corrected. √√
- Set specific dates for control and follow up. √√
- Draw up a table of the advantages and disadvantages of a strategy. √√
- Decide on the desired outcome. √√
- Consider the impact of the strategic implementation in the internal and external environments of the business. √√
- Any other relevant answer related to the steps in evaluating a strategy.

**NOTE: Accept steps in any order.**

**Max. (6)**  
**[40]**

BREAKDOWN OF MARKS	
QUESTION 2	MARKS
2.1	3
2.2	6
2.3.1	9
2.4	4
2.5.1	2
2.5.2	4
2.6	6
2.7	6
<b>TOTAL</b>	<b>40</b>

### QUESTION 3: BUSINESS OPERATIONS

#### 3.1 Sources of external recruitment

- Recruitment agencies ✓
- Billboards ✓
- Printed media, e.g. newspapers/flyers/magazine/posters ✓
- Electronic media, e.g. radio/TV ✓
- Social media/Social networks/Internet/Business websites ✓
- Walk-ins ✓
- Head hunting ✓
- Professional associations ✓
- Networking ✓
- Educational/Training institutions ✓
- Word-of-mouth ✓
- Any other relevant answer related to the sources of external recruitment.

**NOTE: Mark the first TWO (2) only.**

(2 x 1) (2)

#### 3.2 Placement procedure as a human resource activity

- Businesses should outline the specific responsibilities of the new position, including the expectations/skills required for this position. ✓✓
- Determine the successful candidate's strengths/weaknesses/interests/skills by subjecting him/her to a range of psychometric tests. ✓✓
- Determine the relationship between the position and the competencies of the new candidate. ✓✓
- Any other relevant answer related to the placement procedure as a human resource activity.

**Max.** (4)

#### 3.3 Employment contract

##### 3.3.1 Aspects included in the employment contract from the scenario

- hours of work ✓
- probation period ✓
- termination of contract ✓

**NOTE: Mark the first TWO (2) only.**

(2 x 1) (2)

**3.3.2 Legal requirements of the employment contract**

- The employer and employee ✓ must both sign the contract. ✓
- Employer and employee must agree ✓ to any changes to the contract. ✓
- No party may unilaterally ✓ change aspects of the employment contract. ✓
- The remuneration package/including benefits ✓ must be clearly indicated. ✓
- It may not contain any requirements ✓ that conflict with the BCEA. ✓
- The employment contract should include ✓ a code of conduct and code of ethics.
- Aspects of the employment contract ✓ can be renegotiated during the course of employment. ✓
- The employer must explain ✓ the terms and conditions of the employment contract to the employee. ✓
- Conditions of employment/duties/responsibilities of the employees ✓ must be stipulated clearly. ✓
- All business policies, procedures and disciplinary codes/rules ✓ can form part of the employment contract. ✓
- The employer must allow the employee to thoroughly read through the contract ✓ before it is signed. ✓
- Any other relevant answer related to the legal requirements of the employment contract.

**Max. (6)****3.4 Impact of fringe benefits on businesses****Positives/Advantages**

- Attractive fringe benefit packages ✓ may result in higher employee retention/reduces employee turnover. ✓
- Attracts qualified/skilled/experienced employees ✓ who may positively contribute towards the business goals/objectives. ✓
- Improves productivity ✓ resulting in higher profitability. ✓
- It increases employee satisfaction/loyalty ✓ as they may be willing to go the extra mile. ✓
- Businesses save money ✓ as benefits are tax deductible. ✓
- Fringe benefits can be used as leverage ✓ for salary negotiations. ✓
- Any other relevant answer related to the positive impact/advantages of fringe benefits on businesses.

**AND/OR****Negatives/Disadvantages**

- A business which cannot offer fringe benefits ✓ fails to attract skilled workers. ✓
- A business which offers employees different benefit plans may create resentment ✓ to those who receive less benefit resulting in lower productivity. ✓
- It can create conflict/lead to corruption ✓ if allocated unfairly. ✓
- Fringe benefits are additional costs ✓ that may result in cash flow problems. ✓

- Decreases business profits, ✓ as incentive/package/remuneration costs are higher. ✓
- Administrative costs increase ✓ as benefits need to be correctly recorded for tax purposes. ✓
- Workers only stay with the business for fringe benefits, ✓ and may not be committed/loyal to the tasks/business. ✓
- Businesses has to pay advisors/attorneys ✓ to help them create benefit plans that comply with legislation. ✓
- Errors in benefit plans ✓ may lead to costly lawsuits/regulatory fines. ✓
- Any other relevant answer related to the negative impact/disadvantages of fringe benefits on businesses.

**Max. (6)**

### 3.5 Quality of performance

#### 3.5.1 Quality indicators of the purchasing function from the scenario

- Jane place orders timeously and follow-up to ensure goods are delivered on time. ✓
- She also monitors and reports on minimum stock levels to avoid running out of stock. ✓

**NOTE: Mark the first TWO (2) only.**

(2 x 1) (2)

#### 3.5.2 Other 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. ✓
- 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. ✓
- 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 other quality indicators of the purchasing function.

**NOTE: Do not award marks for responses quoted in QUESTION 3.5.1.**

**Max. (4)**

**3.6 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. √
- The business may achieve a competitive advantage√ over its competitors. √
- Regular training will continuously improve√ the quality of employees' skills/knowledge. √
- Employers and employees will have a healthy working relationship√ resulting in happy/productive workers. √
- Increased market share and profitability may result √ in business growth/expansion. √
- Improved business image, √ as there are less defects/faulty products/returns. √
- Any other relevant answer related to the benefits of a good quality management system.

**Max. (4)****3.7 Impact of TQM if it is 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 it is poorly implemented by businesses.

**Max. (4)**

### 3.8 Advantages of monitoring and evaluation of quality processes on large businesses as a TQM element

- Prevents product defects and minimises wastage/customer complaints. √√
- Good quality checks/procedures minimise the replacement/breakdown of equipment/machinery on a regular basis. √√
- May be equipped to get things done right the first time. √√
- Improve performance and maintain high quality standards. √√
- Improve current and future management of quality outputs/outcomes/impact. √√
- Provide clear indication about quality aspects that are contributing to the achievement of goals/targets. √√
- Modify interventions that may improve the efficient use of resources. √√
- Support management to acquire information needed to make informed decision about processes. √√
- Cost of production is reduced as deviations from set standards can be corrected. √√
- Strategies are revised in order to improve the quality of the product and services/business image. √√
- Allows for quality control checks and procedures at key points. √√
- Key performance indicators are carefully selected to monitor and evaluate the outcome. √√
- Benchmarking is used to find best practices in order to determine the competitive position of the business. √√
- Quality circles meet on regular basis to evaluate the progress in terms of quality. √√
- Continuous research is conducted on latest developments to ensure that TQM planning is up to date. √√
- Any other relevant answer related to the advantages of monitoring and evaluation of quality processes as a TQM element on large businesses

**Max.** (6)  
**[40]**

#### BREAKDOWN OF MARKS

QUESTION 3	MARKS
3.1	2
3.2	4
3.3.1	2
3.3.2	6
3.4	6
3.5.1	2
3.5.2	4
3.6	4
3.7	4
3.8	6
<b>TOTAL</b>	<b>40</b>

**QUESTION 4: MISCELLANEOUS TOPICS****BUSINESS ENVIRONMENTS****4.1 Provisions of the BCEA**

- Hours of work/Work hours ✓
- Overtime ✓
- Leave ✓
- Meal breaks and rest periods ✓
- Public holidays ✓
- Termination of employment ✓
- Child and forced labour ✓

**NOTE: Mark the first TWO (2) only.**

(2 x 1) (2)

**4.2 Challenges of business environments and extent of control**

<b>CHALLENGES 4.2.1</b>	<b>BUSINESS ENVIRONMENTS 4.2.2</b>	<b>EXTENT OF CONTROL 4.2.3</b>
1. ZC is operating in a high crime area which has a negative impact on their profitability. ✓	Macro environment ✓	No control ✓
2. ZC is also losing their clients to Monja Computers who offer their services at reasonable prices. ✓	Market environment ✓	Partial/Some/Limited/Less/Little control ✓
Sub-max. (2)	Sub-max. (2)	Sub-max. (2)

- NOTE:**
1. Mark the first TWO (2) challenges only.
  2. The answer does not have to be in tabular format.
  3. If the business environment is not linked to the challenge, mark the challenge only.
  4. Award full marks for the business environment even if the challenge is not quoted in full.
  5. The extent of control must be linked to the business environment.
  6. Do not award marks for the business environment if the challenges were incorrectly identified.
  7. Award marks for the challenges even if the business environment is incomplete/incorrect.
  8. Do not award marks for the extent of control if the business environment is not mentioned.
  9. Accept responses in any order.

**Max. (6)**



### 4.3 Application of Porter's Five Forces model

#### 4.3.1 Threat/Barriers of new entrants to the market

- If the barriers to enter the market are low, ✓ then it is easy for new businesses to enter the market/industry. ✓
- If the business is highly profitable, it will attract potential competitors ✓ that want to benefit from high profits. ✓
- New competitors can quickly/easily enter the market, ✓ if it takes little time/ money to enter the market. ✓
- If there are a few suppliers of a product/service but many buyers, ✓ it may be easy to enter the market. ✓
- Any other relevant answer related to how businesses could apply the threat/barriers of new entrants to the market to analyse the market environment.

**Max. (4)**

#### 4.3.2 Bargaining power of buyer/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)**

### 4.4 Ways in which businesses can comply with COIDA

- Businesses should provide a healthy/safe working environment. ✓✓
- Register with the Compensation Commissioner and provide the particulars of the business. ✓✓
- Keep records of employees' income and details of work for four years. ✓✓
- Obligated to report all incidents causing death/injury/illness of employees. ✓✓
- Submits returns of earnings not later than 1 March annually. ✓✓
- Levies must be paid to the Compensation Fund. ✓✓
- Ensure that the premises/equipment/machinery is in good working condition. ✓✓
- 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 can comply with COIDA.

**Max. (4)**

## BUSINESS OPERATIONS

### 4.5 Aspects that should be included in an induction programme

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

**NOTE: Mark the first TWO (2) only.**

(2 x 1) (2)

### 4.6 Salary determination methods from given statements

4.6.1 Time-related ✓✓

4.6.2 Piecemeal ✓✓

(4)

### 4.7 Benefits of induction for businesses

- Allows new employees to settle in quickly ✓ and work effectively. ✓
- Ensures that new employees understand rules and restrictions in the business. ✓
- New employees may establish relationships ✓ with fellow employees at different levels. ✓
- Make new employees feel at ease in the workplace, ✓ which reduces anxiety/ insecurity/fear. ✓
- The results obtained during the induction process provide ✓ a base for focussed training. ✓
- Increases quality ✓ of performance/productivity. ✓
- Minimises the need ✓ for on-going training and development. ✓
- Employees will be familiar with organisational structures, ✓ e.g. who are their supervisors/low level managers. ✓
- Opportunities are created for new employees ✓ to experience/explore different departments. ✓
- New employees will understand their role/responsibilities ✓ concerning safety regulations and rules. ✓
- New employees will know the layout of the building/factory/offices/ where everything is, ✓ which saves production time. ✓
- Learn more about the business so that new employees understand their roles/responsibilities ✓ in order to be more efficient. ✓

- Company policies are communicated, ✓ regarding conduct and procedures/safety and security/employment contract/conditions of employment/working hours/leave. ✓
- Realistic expectations for new employees ✓ as well as the business are created. ✓
- New employees may feel part of the team ✓ resulting in positive morale and motivation. ✓
- Employees may have a better understanding of business policies ✓ regarding ethical/professional conduct/procedures/CSR, ✓ etc.
- Reduces the staff turnover ✓ as new employees have been inducted properly. ✓
- Any other relevant answer related to the benefits of induction for businesses.

**Max. (4)**

**4.8 Total quality management**

**4.8.1 Total quality management elements from the scenario**

TQM ELEMENTS		MOTIVATIONS
1.	Continuous improvement to processes and systems ✓✓	FFL makes use of the services of quality circles to stay ahead of their competitors. ✓
2.	Adequate financing and capacity ✓✓	They can also afford market researchers to gather information about their target market. ✓
Sub-max. (4)		Sub-max. (2)

- NOTE:**
1. Mark the first TWO (2) only.
  2. The answer does not have to be in tabular format.
  3. Award marks for the TQM elements even if the quotes were incomplete.
  4. Do not award marks for the motivations if the TQM elements were incorrectly identified.

**Max. (6)**

**4.9 Ways in which TQM can reduce the cost of quality**

- Introduce quality circles to discuss ways of improving the quality of work/workmanship. ✓✓
- Schedule activities to eliminate duplication of tasks. ✓✓
- Share responsibility for quality output amongst management and workers. ✓✓
- Train employees at all levels, so that everyone understands their role in quality management. ✓✓
- Develop work systems that empower employees to find new ways of improving quality. ✓✓
- Work closely with suppliers to improve the quality of raw materials/inputs. ✓✓
- Improve communication about quality challenges/deviations, so that everyone can learn from experience. ✓✓
- Reduce investment on expensive, but ineffective inspection procedures in the production process. ✓✓
- Implement pro-active maintenance programmes for equipment/machinery to reduce/eliminate breakdowns. ✓✓
- Any other relevant answer related to ways in which TQM can reduce the cost of quality.

**NOTE: Mark the first TWO (2) only**

**(2 x 2) (4)  
[40]**

**BREAKDOWN OF MARKS**

<b>QUESTION 4</b>	<b>MARKS</b>
4.1	2
4.2.1	2
4.2.2	2
4.2.3	2
4.3.1	4
4.3.2	4
4.4	4
4.5	2
4.6	4
4.7	4
4.8.1	6
4.9	4
<b>TOTAL</b>	<b>40</b>

**TOTAL SECTION B: 80****SECTION C****Mark the FIRST question only.****QUESTION 5: BUSINESS ENVIRONMENTS (LEGISLATION)****5.1 Introduction**

- Black Economic Empowerment is an integrated and connected socio-economic development process which contributes directly to SA's economic transformation. ✓
- BBBEE achieves substantial change in the racial composition of ownership and increases the access to economic activities and skills training of previously disadvantaged individuals. ✓
- Enterprise and supplier development enable large businesses to empower black owned businesses and suppliers. ✓
- Businesses enjoy the benefits of the BBBEE Act even though this Act may disadvantage other businesses. ✓
- Penalties/Consequences for non-compliance encourage businesses to comply with this Act. ✓
- Any other relevant introduction related to the differences between BEE and BBBEE Act/implications of BBBEE pillars/impact of BBBEE on businesses/penalties for non-compliance.

(Any 2 x 1) (2)

5.2 Differences between **BEE** and the **BBBEE Act**

<b>BLACK ECONOMIC EMPOWERMENT (BEE)</b>	<b>BROAD BASED BLACK ECONOMIC EMPOWERMENT (BBBEE)</b>
- 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.
Sub-max. (4)	Sub-max. (4)

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

**Max. (8)**

5.3 Implications of **BBBEE** pillars for businesses

**Ownership**

- Business should include black people ✓ in shareholding/partnerships/franchises. ✓
- Encourage small black investors to invest ✓ in big companies and share ownership. ✓
- 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. ✓
- 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 implications of ownership as a BBBEE pillar for businesses.

Sub-max. (8)

**Skills development**

- Businesses must engage black employees ✓ in skills development initiatives. ✓
- Provide learnerships/Learning programmes ✓ to black employees. ✓
- Business must contribute 1% of their payroll ✓ to fund the skills development programmes. ✓
- Businesses could benefit from the increased ✓ pool of skilled/trained workers. ✓
- Businesses must go the extra mile to train staff ✓ where learnerships are not offered. ✓
- Productivity is compromised as mentors/coaches have to find the time ✓ to participate in learnerships/training. ✓
- Any other relevant answer related to the implications of skills development as a BBEE pillar for businesses.

Sub-max. (8)  
**Max.** (16)

**5.4 Impact of BBEE on businesses****Positives/Advantages**

- Businesses that comply with BBEE regarding the pillars ✓ will be rated high on the BEE scorecard/may get government tenders/may attract other BBEE 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 BBEE rating ✓ will improve the image of the business. ✓
- By focusing on BBEE, the business will show commitment ✓ towards the social/education/economic developments in the community/ country. ✓
- Once rated, the business will understand how to develop BBEE strategies ✓ that will increase its BBEE ratings on an annual basis. ✓
- Fronting is discouraged, ✓ as it may lead to the disqualification of a business's entire scorecard/BBEE status. ✓
- Share prices of BBEE compliant businesses are likely to increase ✓ as they attract more business. ✓
- Businesses that support Small, Micro, Medium Enterprises (SMMEs), ✓ may increase their own BBEE ratings. ✓
- Complying with BBEE requirements gives businesses experience/exposure ✓ to be able to provide better employment opportunities/staff development. ✓
- Any other relevant answer related to the positive impact of BBEE on businesses.

**AND/OR**

**Negatives/Disadvantages**

- Businesses have to go through the process of having their BBEE compliance/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 BBEE 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 BBEE. ✓
- Businesses will have to spend money in areas covered by the seven/five BBEE pillars ✓ to obtain a good BBEE rating. ✓
- Investment/Ownership issues ✓ can cause unhappiness between existing shareholders. ✓
- Any other relevant answer related to the negative impact of BBEE on businesses.

**Max.** (14)**5.5 Penalties for non-compliance with the BBEE Act**

- Businesses may face imprisonment for non-compliance and 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 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 that businesses could face for non-compliance with BBEE Act.

**Max.** (8)**5.6 Conclusion**

- BBEE Act increased the number of previously disadvantaged people that manage and control the country's economy. ✓✓
- More previously disadvantaged individuals have been receiving access to ownership and training therefore empowering rural and local communities. ✓✓
- The BBEE Act is an enabling framework that allows for the development of Codes of Good Practice. ✓✓
- Businesses should strive to comply with the BBEE Act to avoid unnecessary fines and negative publicity. ✓✓

- Any other relevant conclusion related to the differences between BEE and BBEE Act/implications of BBEE pillars/impact of BBEE on businesses/penalties for non-compliance.

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

### QUESTION 5: BREAKDOWN OF MARKS

DETAILS	MAXIMUM	TOTAL
Introduction	2	Max 32
Differences between BEE and BBEE Act	8	
Implication of BBEE pillars	16	
○ Ownership		
○ Skills development		
Impact of BBEE on businesses	14	
Penalties/consequences for non-compliance with the BBEE Act	8	
Conclusion	2	
<b>INSIGHT</b>		
Layout	2	8
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 where requirements are not met at all.

### QUESTION 6: BUSINESS OPERATIONS (HUMAN RESOURCES FUNCTION)

#### 6.1 Introduction

- A job analysis assists businesses in identifying the details of the vacancy and of the candidate. ✓
- Internal recruitment allows for businesses to first look for a suitable candidate within the organisation. ✓
- The interviewer is responsible for planning and administering of the interview process. ✓
- The human resource function should implement the Skills Development Act/SDA to keep abreast with the latest development in the industry in which the business operates. ✓
- Any other relevant introduction related to the differences between job description and job specification/impact of internal recruitment/role of the interviewer /implication of the SDA on human resources function.

(Any 2 x 1) (2)



6.2 Differences between job description and job specifications

JOB DESCRIPTION	JOB SPECIFICATION
- Describes duties/responsibilities of a specific job/Summary of the nature/type of the job. ✓✓	- Specifies the minimum acceptable personal qualities/skills/qualifications needed for the job. ✓✓
- Written description of the job and its requirements. ✓✓	- Written description of specific qualifications/skills/experience needed for the job. ✓✓
- Describes key performance areas/tasks for a specific job, e.g. job title/working conditions/relationship of the job with other jobs in the business, ✓✓ etc.	- Describes key requirements of the person who will fill the position, e.g. formal qualifications/willingness to travel/work unusual hours, ✓✓ etc.
- Any other relevant answer related to job description.	- Any other relevant answer related to job specification.
Sub-max. (4)	Sub-max. (4)

- NOTE:**
1. The answer does not have to be in tabular format.
  2. The differences do not have to link but must be clear.
  3. Award a maximum of FOUR (4) marks if the differences are not clear/Mark either job description or job specification only.

Max. (8)

6.3 Impact of internal recruitment on businesses

**Positives/Advantages**

- Cheaper/Quicker to fill ✓ the post. ✓
- Placement is easy, ✓ as management knows the employees' skills/personality/experience/strengths. ✓
- Provides opportunities for career paths ✓ within the business. ✓
- The employee already has an understanding of how the business operates, ✓ induction/training is not always necessary. ✓
- Reduces the chances of losing employees, ✓ as future career prospects are available. ✓
- Detailed, reliable information can be obtained ✓ from the supervisors/employee records. ✓
- Any other relevant answer related to the positive impact/advantages of internal recruitment on businesses.

**AND/OR**

**Negatives/Disadvantages**

- Current employees may not bring new ideas ✓ into the business. ✓
- Promoting a current employee may cause resentment ✓ amongst other employees. ✓
- Promotion may disrupt business operations ✓ as it creates open vacancies that need to be filled. ✓

- The number of applicants is limited ✓ to current staff only. ✓
- Employees who do not really have the required skills for the new job ✓ may be promoted. ✓
- Current employees may need to be trained/developed ✓ before they can be promoted, which can be expensive. ✓
- Staff that is not promoted may feel demotivated ✓ which may hamper productivity. ✓
- Any other relevant answer related to the negative impact/disadvantages of internal recruitment on businesses.

**Max.** (16)

#### 6.4 **Role of the interviewer while preparing for an interview**

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

**Max.** (12)

#### 6.5 **Implications of SDA on the human resources function**

- The human resource function must contribute 1% of their salary bill to the Skills Development Levy/SDL. ✓✓
- Ensure training in the workplace is formalised/structured. ✓✓
- Appoint a full/part time consultant as a skills development facilitator. ✓✓
- Assist managers in identifying skills/training needs to help them to introduce learnerships. ✓✓
- The human resources manager 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. ✓✓
- Any other relevant answer related to the implications of the Skills Development Act on the human resources function.

**Max.** (10)

### 6.6 Conclusion

- A clear job analysis enables the human resources manager to select the best candidate from those who apply for the job. √√
- Internal recruitment enables businesses to reward hardworking employees the opportunity to promotion positions. √√
- Employees are the most important resource in any business and its success is strongly influenced by a good interview process. √√
- The SDA not only ensure that employees are well qualified, but also that their skills are continuously improved to ensure the business stays competitive in the future. √√
- Any other relevant conclusion related to the differences between job description and job specification/impact of internal recruitment/role of the interviewer/implication of the SDA on human resources function.

(Any 1 x 2)

(2)  
[40]

### QUESTION 6: BREAKDOWN OF MARK ALLOCATION

DETAILS	MAXIMUM	TOTAL
Introduction	2	<b>Max. 32</b>
Differences between job description and job specifications	8	
Impact of internal recruitment	16	
Role of the interviewer before the interview	12	
Implications of SDA on the human resources function	10	
Conclusion	2	
<b>INSIGHT</b>		
Layout	2	<b>8</b>
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 where requirements are not met at all.

**TOTAL SECTION C: 40**  
**GRAND TOTAL: 150**