



Province of the
EASTERN CAPE
EDUCATION

**NATIONAL
SENIOR CERTIFICATE**

GRADE 11

NOVEMBER 2019

**BUSINESS STUDIES P1
MARKING GUIDELINE**

MARKS: 150

This marking guideline consists of 27 pages.

NOTES TO MARKERS**1. PREAMBLE**

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

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

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

The 'fact' and 'explanation' are given separately in the marking guidelines 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 guidelines.

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

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

- 15.7 When awarding marks for facts, take note of the sub-maxima indicated, especially if candidates do not make use of the same subheadings. Remember headings and sub-headings are encouraged and contribute to insight (structuring/logical flow/sequencing) and indicate clarity of thought.
(See MARKS 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 memorandum.
- 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 C ✓✓
- 1.1.2 B ✓✓
- 1.1.3 A ✓✓
- 1.1.4 B ✓✓
- 1.1.5 C ✓✓ (5 x 2) (10)

- 1.2 1.2.1 natural ✓✓
- 1.2.2 networking ✓✓
- 1.2.3 regulator ✓✓
- 1.2.4 overhead ✓✓
- 1.2.5 standardisation ✓✓ (5 x 2) (10)

- 1.3 1.3.1 J ✓✓
- 1.3.2 F ✓✓
- 1.3.3 I ✓✓
- 1.3.4 H ✓✓
- 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 Business sector**

- Primary ✓
- Secondary ✓
- Tertiary ✓

NOTE: Mark the first THREE (3) only.

(3 x 1) (3)

2.2 Challenges and extent of control

CHALLENGES (2.2.1)	BUSINESS ENVIRONMENTS	EXTENT OF CONTROL (2.2.2)
- Joe's Supermarket employed a manager that lacks management skills. ✓	Micro	Full control ✓
- Recently a new 24-hour supermarket opened across the street of Joe's Supermarket. ✓	Market	Some/Limited control ✓
- The increase in the minimum wages of employees that is enforced by legislation is making it hard to make a profit. ✓	Macro	No control ✓
Sub-max. (3)		Sub-max. (3)

Max. (6)

- NOTE:**
1. Do not award marks for challenges that are not fully quoted from the scenario.
 2. The extent of control must be linked to the business environment.
 3. Mark the **FIRST** challenge of each environment only.

2.3 Impact of strikes as a socio-economic issue on businesses

- Strike actions may lead to production losses ✓ and decline in sales. ✓
- Businesses may be forced to close down operations ✓ after strike actions. ✓
- May lead to unhealthy working relationships ✓ between management and workers. ✓
- May force businesses to retrench some of its skilled workers ✓ to recover from losses. ✓
- Strikes leads to loss of productivity ✓ and decreases economic growth. ✓
- Loss of revenue ✓ and financial loss on business operations. ✓
- Looting, destruction of business property/infrastructure ✓ and intimidation of non-striking workers. ✓
- Businesses have to hire employees to replace striking workers ✓ and that increases the training costs of new employees. ✓
- Businesses may lose market shares ✓/customers to competitors ✓ during the period of a strike. ✓
- The image/reputation of the business ✓ might be damaged. ✓
- Limited availability ✓ of labour. ✓
- The supplies of goods and services ✓ are interrupted. ✓
- Prices sometimes increase ✓ to offset the costs incurred by the strike. ✓
- Any other relevant answer related to the impact of strikes as a socio-economic issue on businesses. **Max. (6)**

2.4 Functions of a trade union

2.4.1 Quotation of functions of a trade union from the scenario

- The trade union often meets with the management of the mine in an effort to improve the working conditions of the workers. ✓
- The trade union also provides legal and financial advice to their members. ✓
- Recently the trade union influenced the government's decision to ensure the safe use of explosives in mines. ✓

NOTE: Mark the first THREE (3) only.

(3 x 1) (3)

2.4.2 Other functions of a trade union

- Protecting the interest of workers. ✓✓
- Representing the interest of general society and minority groups through media and negotiations. ✓✓
- Representing employees corporately and individually. ✓✓
- Improving the material benefits of their members. ✓✓
- Advancing the interest of members. ✓✓
- Providing benefits and educational facilities to its members. ✓✓
- Supporting gender equality. ✓✓
- Protecting members in times of retrenchments and disciplinary hearings. ✓✓

- Protecting the interest of their members during disciplinary procedures. ✓✓
- Any other relevant answer related to the functions of trade unions.

NOTE: Do not award marks for the functions of the trade union quoted in QUESTION 2.4.1. Max. (6)

2.5 Purpose of the Labour Relations Act

- Provides a framework where the employees, trade unions and employers work together ✓ to discuss matters relating to employment, e.g. wages, conditions of employment. ✓
- Promotes orderly negotiations and employee participation ✓ in decision making in the workplace. ✓
- Promotes resolution ✓ of labour disputes. ✓
- Promotes fair ✓ employment practices. ✓
- Outlines the relationship ✓ between employees and employers. ✓
- Provides simple procedures ✓ for the registration of trade unions and employers' organisations. ✓
- Regulates the rights of trade unions and facilitates ✓ collective bargaining. ✓
- Regulates the effectiveness of bargaining councils ✓ and statutory councils. ✓
- Allows workplace forums ✓ where employees may participate in decision making. ✓
- Establishes the Commission for Conciliation, Mediation and Arbitration (CCMA) to resolve labour disputes ✓ through statutory conciliation, mediation and arbitration. ✓
- Endorses the right to strike against retrenchments, ✓ and facilitates labour disputes. ✓
- Clarifies the transfer ✓ of contracts of employment procedures. ✓
- Establishes Labour Courts and Labour Appeal Courts ✓ to deal with labour issues. ✓
- Offers codes ✓ of good practice. ✓
- Deals with ✓ strikes and lockouts and workplace forums. ✓
- Establishes workplace forums to promote ✓ the interests of all employees in the workplace whether they belong to a trade union or not. ✓
- Any other relevant answer related to the purpose of the Labour Relations Act. **Max. (6)**

2.6 Ways businesses can deal with unemployment as a socio-economic issue

- Provide skills development programmes ✓ through learnerships. ✓
- Offer bursaries to the community ✓ to improve the level of education. ✓
- Create jobs ✓ for members of the community. ✓
- Provide entrepreneurial programmes ✓ that can promote self-employment. ✓
- Support existing small businesses ✓ to create more employment opportunities. ✓
- Any other relevant answer related to ways businesses can deal with unemployment as a socio-economic issue. **Max. (4)**

2.7 Ways in which businesses can overcome competition in the market

- Offering a different product or service. ✓✓
- Offering a more personal service. ✓✓
- Having the lowest price. ✓✓
- Having products of a superior quality. ✓✓
- Having well trained and knowledgeable staff. ✓✓
- Any other relevant answer related to ways in which businesses can overcome competition in the market.

Max. (6) [40]

BREAKDOWN OF MARKS

QUESTION 2	MARKS
2.1	3
2.2.1	3
2.2.2	3
2.3	6
2.4.1	3
2.4.2	6
2.5	6
2.6	4
2.7	6
TOTAL	40

QUESTION 3: BUSINESS OPERATIONS

3.1 Categories of consumer goods

- Convenience ✓
- Select/Shopping ✓
- Speciality ✓

NOTE: Mark the first THREE (3) only. (3 x 1) (3)

3.1 3.2.1 Packaging

TYPE OF PACKAGING	MOTIVATION
1. Double use ✓✓	- Their biscuits are packaged in airtight containers that can be used to store other items when the biscuits are finished. ✓
2. Combination ✓✓	- Recently Bright Biscuits also sold sweets and biscuits packaged together as a special offer. ✓
Sub-max. (4)	Sub-max. (2)

- NOTE:
1. Mark the first TWO (2) only.
 2. Do not award marks for the motivation quoted, if the types of packaging were incorrectly identified.
 3. Award marks for the type of packaging even if the quote is incomplete.
- Max. (6)

3.2.2 Purpose of packaging of products

- Physically protect ✓ the product from any harm. ✓
- Promote the marketing ✓ of a product. ✓
- Prevent a product ✓ from getting spoilt. ✓
- Prevent tampering ✓ or theft of a product. ✓
- Improve convenience ✓ in use or storage of a product. ✓
- Make product easier ✓ to identify. ✓
- Any other relevant answer related to the purpose/function of the packaging of products.

Max. (6)

3.3 Ways in which South Africa businesses can enter into a foreign market

- Businesses can export by selling goods and services ✓ to individuals/businesses in other countries. ✓
- Businesses can sell the license/transfer the right to the use of a product/service ✓ to businesses in another country. ✓
- Businesses can form a partnership/joint venture with another company (in a foreign country) ✓ by forming a third company together that will benefit both of the companies. ✓
- Businesses can directly invest in facilities in a foreign market ✓ by establishing a new venture or acquiring an existing company. ✓
- Any other relevant answer related to ways in which South African businesses can enter into a foreign market.

Max. (6)

3.4 Type of production system

3.4.1 Jobbing ✓✓

(2)

Motivation

They make the cupboards to the exact specifications of a specific customer. ✓

NOTE: Do not award marks for motivation if the type of production system was incorrectly identified.

(1)
Max. (3)

3.4.2 Disadvantages of jobbing

- The period of production is usually lengthy and slower compared to other systems ✓ because one job must be completed before the next one can start. ✓
- The cost per product ✓ is usually higher owing to the unique nature of each product. ✓
- The labour costs are usually higher because of the need for skilled and specialised workers, ✓ resulting in higher production costs. ✓
- The workers with the required skills ✓ are sometimes difficult to find. ✓
- The variety of raw materials that need to be kept ✓ will increase the cost of storage. ✓
- There are not many opportunities to automate the process ✓ and heavily reliant on the skills of employees. ✓

- A large capital investment is required ✓ as more raw materials and semi-completed products are in circulation, and stock circulates more slowly. ✓
- The planning of each new individual order is time-consuming ✓ and expensive. ✓
- The production control is also more complicated ✓ because of the unique nature of each product. ✓
- Any other relevant answer related to the disadvantages of jobbing.

Max. (6)

3.5 Description of Total Quality Management

- It is a management philosophy that seeks to integrate ✓ all organisational functions such as marketing/finance/customer services etc. ✓
- The focus is on improving the quality of products and services ✓ in order to satisfy the needs of customers. ✓
- Total Quality Management refers to all aspects of quality ✓ within the business. ✓
- It is the responsibility of everyone in the organisation ✓ from top management to general workers. ✓
- Businesses strive to get it right the first time ✓ by implementing the elements of TQM. ✓
- Any other relevant answer related to the description of Total Quality Management as part of quality management systems.

Max. (4)

3.6 Aspects to consider during production control

- The starting of the production process/dispatching involves giving orders/instructions for production activities. ✓✓
- The following up involves the comparing actual output with planned output ensuring that a job is on schedule. ✓✓
- The process of checking/inspection and comparing the results to predetermined standards. ✓✓
- The corrective action entails the steps that are taken in order to solve a problem found during the inspection process/differences between planned production and actual production. ✓✓
- Any other relevant answer related to the aspects that must be considered during production control.

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

BREAKDOWN OF MARKS

QUESTION 3	MARKS
3.1	3
3.2.1	6
3.2.2	6
3.3	6
3.4.1	3
3.4.2	6
3.5	4
3.6	6
TOTAL	40

QUESTION 4: MISCELLANEOUS TOPICS**BUSINESS ENVIRONMENTS****4.1 Solutions for piracy**

4.1.1 Trademark √√

4.1.2 Patent √√

(4)

4.2 Benefits of businesses that are involved in the macro environment

- A job creation programme √ can improve the image of the business. √
- Government tenders can generate √ a big income, increasing profitability. √
- By expanding into Africa, √ the market of the business will expand. √
- The business will be more competitive √ e.g. take lead in technology. √
- The business can attract √ new investors. √
- Potential employees will recognise the business √ as a great place to work. √
- Consumers will recognise the business as a business √ that promotes their interest (improve image). √
- The business can stay informed √ about challenges and developments in the macro environment. √
- The business can anticipate challenges better √ and deal with challenges from the macro environment as soon as possible. √
- The business has a platform √ from which to exercise influence/collective bargaining/lobbying. √
- Any other relevant answer related to the benefits of businesses that are involved in the macro environment.

Max. (6)**4.3 Effect of contemporary legislation on business operations**

- Failure to comply with contemporary legislation can lead to fines/penalties, √ which can affect the profitability of a business. √
- Legislation e.g. Employment Equity Act, limits √ the number of qualified and skilled staff that the business can employ. √
- Business might have to pay someone to assist the business to ensure that they comply with legislation, √ which can be costly. √
- Any other relevant answer related to the effect of contemporary legislation on business operations.

Max. (4)**4.4 Ways in which businesses can be involved in the macro environment**

- Collective bargaining/lobbying, representatives of business community use opportunity to discuss matters of mutual interest with government officials. √√
- Private-public partnership, business can enter into mutually beneficial partnerships with the government and business can benefit from government policies. √√
- Privately owned services to the community or country; business makes use of government owned assets (harbour) and decide to keep the area clean (service). √√
- Job creation businesses will receive a subsidy or tax reduction and have more trained workers. √√

- Increased involvement in social responsibility initiatives; business gets involved in socio-economic issues through training and communication in the workplace project. √√
- Government tenders offered by the government and in response businesses will submit a formal offer to supply specified goods and services. √√
- Expansion into Africa; businesses get involved in the supply chain to get products from industrial countries to African countries. √√
- Taking the lead in technology, by spending money on research in the development of their products. √√
- Any other relevant answer related to the ways in which businesses can be involved in the macro environment.

Max. (6)

BUSINESS OPERATIONS

4.5 Employee benefits

- Medical Aid/Health Insurance √
- Pension √
- Provident Fund √
- Funeral benefits √
- Car/Travel allowance √
- Housing allowance √
- Cell phone allowance √
- Holiday packages √
- Clothing allowance √
- Performance based incentives √
- Issuing of bonus shares √
- Staff discount/Free or low-cost meals √
- Any other relevant answer related to employee benefits.

NOTE: Mark the first THREE (3) only.

(3 x 1) (3)

4.6 Components of marketing communication/promotion policy

- 4.6.1
- Advertising √√
 - Publicity √√

NOTE: Mark the first TWO (2) only.

(4)

4.6.2 Other components of marketing communication/promotion policy

- Personal selling √
- Sales promotion √

NOTE: Mark the first ONE (1) only.

(1)

4.7 Disadvantages of electronic marketing on businesses

- The cost of software, hardware, website design, maintenance of the site, online distribution costs and time ✓ must all be included in the cost of providing your service/product. ✓
- The number of local households that shop online is only a small percentage, ✓ because most customers are still motivated to buy in person. ✓
- The majority of internet marketers lack customer service and have poor navigation ✓ which makes it difficult for customers to find what they are looking for. ✓
- There is the risk of security on the internet, ✓ many customers will not want to use their credit cards to make a purchase. ✓
- There is a lot of competition to sell products ✓ and unless customers find what they are looking for quickly, they will move on to another site. ✓
- Any other relevant answer related to the disadvantages of electronic marketing on businesses.

Max. (4)**4.8 Meaning of quality control**

- A system that ensures the desired quality is met ✓ by inspecting the final product to ensure that it meets the required standards. ✓
- Checking raw materials/employees/machinery/workmanship/ production ✓ to ensure that high quality standards are maintained. ✓
- Includes setting targets/measuring performance ✓ and taking corrective measures. ✓
- Any other relevant answer related to the concept of quality control.

Max. (4)**4.9 Precautionary measures that businesses should take when machinery is used during the production process**

- All machinery and equipment must be correctly installed and safe to use. ✓✓
- Workers must be properly trained on how to use machinery and must be informed about the risks when using the machinery. ✓✓
- Regular safety checks must be carried out and machinery should be maintained and serviced regularly. ✓✓
- Workers need to wear protective clothing and gear such as overalls, hard hats and safety helmets, ear plugs, masks, heavy-duty safety boots, welding goggles and gloves when working with machinery and equipment. ✓✓
- Develop a culture of safety in the workplace ✓✓
- Familiarise employees with safety procedures ✓✓
- Any other relevant answer related to the precautionary measures that businesses should take when machinery is used during the production process.

**Max. (4)
[40]**

BREAKDOWN OF MARKS

QUESTION 4	MARKS
4.1	4
4.2	6
4.3	4
4.4	6
4.5	3
4.6.1	4
4.6.2	1
4.7	4
4.8	4
4.9	4
TOTAL	40

TOTAL SECTION B: 80

SECTION C

Mark the **FIRST** question only.

QUESTION 5: BUSINESS ENVIRONMENTS**5.1 Introduction**

- Businesses are exposed to challenges in all three business environments. ✓
- Businesses need to identify, forecast and adapt to challenges in the business environments. ✓
- Adapting to challenges in the macro environment is difficult, but is of great benefit to the business. ✓
- Lobbying refers to the process of trying to influence legislation or parliamentary decision-making. ✓
- Power relationships is the setting up of relationships with other businesses that can have a beneficial effect on the future of a business. ✓
- Any other relevant introduction related to adapting to challenges in the macro environment, lobbying and power relationships. (Any 2 x 1) (2)

5.2 Ways businesses can adapt to challenges of the macro environment**Information management** ✓✓

- Information must be found/recorded/stored/easily retrieved ✓ and effectively used. ✓
- Businesses need to implement an effective information management system ✓ which is accessible and useful to all staff. ✓
- Information must be managed efficiently and a system must be put in place ✓ so that the relevant staff can easily access it. ✓
- Any other relevant answer related to information management as a way to adapt to challenges of the business environments.

Way (2)
Explanation (2)
Sub-max. (4)

Strategic responses ✓✓

- Management needs to design strategic responses to various challenges ✓ by analysing all information, identifying stakeholders involved. ✓
- Get a clear picture ✓ of each stakeholder's viewpoints and requirements. ✓
- Businesses should have a strategic plan ✓ to respond to changes in the business environment. ✓
- Any other relevant answer related to strategic responses as a way to adapt to challenges of the business environments.

Way (2)
Explanation (2)
Sub-max. (4)

Mergers, takeovers, acquisitions and alliances √√

- Businesses can acquire the shares √ of another company. √
- Businesses can choose to purchase/merge with another business √ as a way to have a larger market share. √
- They can undertake a new venture with another company, √ which can be a safer way than expanding the existing business. √
- Any other relevant answer related to mergers, takeovers, acquisitions and alliances as a way to adapt to challenges of the business environments.

Way (2)
Explanation (2)
Sub-max. (4)

Organisation design and flexibility √√

- Businesses need to be flexible in their organisational design and strategies √ so that they can compete in a changing market. √
- Organisation design is a process to integrate people/information/technology of an organisation √ so as to improve the profitability of the business. √
- Any other relevant answer related to organisational design and flexibility as a way to adapt to challenges of the business environments.

Way (2)
Explanation (2)
Sub-max. (4)

Direct influence of the environment and social responsibility √√

- Businesses need to be flexible by getting involved in research and development √ so that if resources run out or if environmental legislation changes the business can adapt and continue to operate. √
- Social responsibility refers to the obligations a business has √ to protect and improve the interests of all its stakeholders. √
- Through social responsibility a business can influence its business environments √ and address challenges linked to socio-economic issues in its social environment. √
- Businesses must be more aware and involved in social responsibility projects and programmes √ that can benefit the community. √
- Take part in projects that uplift the community √ in which the business operates. √
- Businesses use CSI projects √ as a marketing tool for their business. √
- Any other relevant answer related to direct influence of the environment and social responsibility as a way to adapt to challenges of the business environments.

Way (2)
Explanation (2)
Sub-max. (4)

NOTE: Mark the first FOUR (4) only.

Max. (16)

5.3 Types of lobbying

Hedging against inflation √√

- The business uses hedging by buying bonds, shares, property or buying precious metals like gold √ to protect capital from the effects of inflation. √
- Businesses invest surplus fund √ so that its value grows at a faster rate than inflation. √
- Businesses use hedging to protect their financial investments √ by spreading the risk. √
- Any other relevant answer related to hedging against inflation.

Type (2)
Explanation (2)
Sub-max. (4)

Bargaining sessions between management and unions √√

- These sessions enable employees to negotiate with employers as a group √ to protect employees' rights. √
- Bargaining sessions prevent labour strikes and provide critical information √ to people in power. √
- The purpose of bargaining sessions is to find a win-win situation √ for all parties. √
- Any other relevant answer related to bargaining session between management and unions.

Type (2)
Explanation (2)
Sub-max. (4)

Influencing supervisory body/regulators √√

- Businesses take an active role √ in professional bodies. √
- Through their membership, advocacy and submissions, √ they may be able to influence changes to existing regulations. √
- Business managers are involved in debates and discussions √ that shape public policies. √
- Any other relevant answer related to influencing supervisory body/regulators.

Type (2)
Explanation (2)
Sub-max. (4)

NOTE: Mark the first THREE (3) only.

Max. (12)

5.4 Ways to form power relationships

- Build around BBBEE ✓ and empowerment of employees. ✓
- Ability of a person's power to influence ✓ other's thoughts, actions or choices. ✓
- Every party to a relationship possesses a degree of power, ✓ i.e. power to strike ✓/demand payment ✓/order material etc. ✓
- Strategic alliances/Agreement ✓ between businesses lead to mutual benefits. ✓
- Strategic allies do not want to lose ✓ mutual benefits. ✓
- Strategic allies consider suggestions ✓ made by businesses in the alliance. ✓
- Persuasion of large investors ✓ has power to influence other businesses. ✓
- Secure goodwill of investors ✓ and listen to suggestions of investors. ✓
- Influence on company representatives ✓ through agent or intermediary. ✓
- Intermediary influences customers by handing out free samples ✓ and by recommendation of certain products by specialists/investors. ✓
- Any other relevant answer related on ways businesses form power relations.

Max. (10)**5.5 Ways businesses can have a direct influence on the environment**

- Businesses can influence their own environment by introducing new products/opening new branches/signing long term contracts with suppliers/initiating negotiations with trade unions. ✓✓
- Businesses need to protect the natural environment by using renewable sources of power/initiate power-saving methods/implement ways to save water/use non-toxic cleaning material/consider organically grown products. ✓✓
- Businesses should adapt their ways to reduce the effects of climate change. ✓✓
- Businesses should initiate their own CSR project to protect the natural resources used by the business. ✓✓
- Businesses should get involved in/support a CSR project that protects the environment. ✓✓
- Businesses should do business with organisations that are environmentally aware and are doing their part to slow the pace of environmental change. ✓✓
- Any other relevant answer related to the ways businesses can have a direct influence on the environment.

Max. (8)

5.6 Conclusion

- Business cannot control the macro environment and therefore need to adapt to the challenges of the macro environment. ✓✓
- Businesses that are able to adapt to the challenges of the macro environment will have the edge over other businesses. ✓✓
- Adapting to challenges in the macro environment can benefit the business if it is prepared for economic changes, prepared for changes in the availability of resources, is able to take advantage of the global market and operates responsibly and ethically. ✓✓
- Businesses should establish suitable and effective representatives for the lobbying process to be successful. ✓✓
- Businesses can gain some control of the macro environment by establishing power relationships with powerful or influential people. ✓✓
- Any other relevant conclusion related to adapting to challenges in the macro environment, lobbying and power relationships. (Any 1 x 2)

(2)
[40]

QUESTION 5: BREAKDOWN OF MARKS

DETAILS	MAXIMUM	TOTAL
Introduction	2	Max. 32
Ways businesses can adapt to challenges of the macro environment	16	
Types of lobbying	12	
Ways to form power relationships	10	
Ways businesses can have a direct influence on the environment	8	
Conclusion	2	
INSIGHT		
Layout	2	8
Analysis, interpretation	2	
Synthesis	2	
Originality/Examples	2	
TOTAL MARKS		40

*LASO – For each component:

Allocate 2 marks if all requirements are met.

Allocate 1 mark if only some of the requirements are met.

Allocate 0 marks where requirements are not met at all.

QUESTION 6: BUSINESS OPERATIONS

6.1 Introduction

- Recruitment enables businesses to employ people whose skills and qualifications are in line with the requirements of the job. ✓
- The most suitable employees would be the one with the right qualifications/skills/abilities/experience. ✓
- It is important that the HRM follows correct/fair procedures in selecting and interviewing. ✓
- Shortlisted applicants should be interviewed in order to evaluate their suitability for the job. ✓
- Employers and employees should adhere to the terms and conditions of the employment contract. ✓
- Any other relevant introduction related to recruitment, selection, interview and employment contract. (Any 2 x 1)

(2)

6.2 Differences between internal and external recruitment

INTERNAL RECRUITMENT	EXTERNAL RECRUITMENT
<ul style="list-style-type: none"> - Refers to the use of internal sources ✓ to advertise vacancies inside the business. ✓ - Any other relevant answer related to internal recruitment. 	<ul style="list-style-type: none"> - Refers to the use of external sources ✓ to advertise vacancies outside the business. ✓ - Any other relevant answer related to external recruitment
Sub-max. (2)	Sub-max. (2)
EXAMPLES	EXAMPLES
<ul style="list-style-type: none"> - Internal e-mails/Intranet/web sites 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 example of internal recruitment. 	<ul style="list-style-type: none"> - Printed media [newspapers] ✓ - Electronic media [radio / TV] ✓ - Social media ✓ - Recruitment agencies ✓ - Billboards ✓ - Any other relevant example of external recruitment.
Sub-max. (1)	Sub-max. (1)

Max. (6)

6.3 Selection procedure**6.3.1 Receive documentation** ✓

- Applicants submit application forms, curriculum vitae and certified copies of personal documents, ✓ e.g. ID, proof of qualifications, ✓ etc.
- Sort the applications received ✓ according to the criteria for the job. ✓
- Any other relevant answer related to receiving documentation during the selection process. Sub-max. (3)

6.3.2 Evaluate CVs and create a shortlist/Screen applicant ✓

- Make a list of all applicants ✓ who qualify for a job ✓/Candidates who obviously meet the requirements are separated ✓ from those who do not. ✓
- Applicants are evaluated ✓ against pre-set criteria. ✓
- Applicants are ranked ✓ from the most suitable to less suitable candidates. ✓
- Candidates with the highest score ✓ are placed on a shortlist in ranked order. ✓
- The shortlist ✓ should contain between 3 and 5 candidates. ✓
- Any other relevant answer related to evaluating CVs and creating a shortlist during the selection process. Sub-max. (3)

6.3.3 Check information in the CVs/Contact references ✓

- The candidates' qualifications/employment history ✓ are checked and confirmed. ✓
- Referees are contacted ✓ to verify/testify to the person's character/abilities/skills. ✓
- Check the criminal records ✓ and credit history of the applicant. ✓
- Any other relevant answer related to checking information in the CVs/contacting references during the selection process. Sub-max. (3)

6.3.4 Conduct preliminary interviews ✓

- Preliminary interviews are conducted ✓ if many good applicants were received. ✓
- The main purpose is to sift out applicants who qualify for the job ✓ but who might not be suitable for a business environment. ✓
- Any other relevant answer related to conducting preliminary interviews during the selection process. Sub-max. (3)

6.3.5 **Assess/Test candidates** ✓

- Various assessments may need to be completed ✓ before the best candidate is chosen. ✓
- Candidates who have applied for senior positions ✓ could be given personality/interest/aptitude tests. ✓
- Some businesses require candidates ✓ to take medical screening/skills tests. ✓
- Any other relevant answer related to assessing/testing candidates during the selection process. Sub-max. (3)

6.3.6 **Conduct interviews** ✓

- Candidates whose names appear on the shortlist ✓ are invited to a personal interview, usually on the premises of the business. ✓
- Interview is a formal meeting ✓ between employer and candidate. ✓
- The interviewing team has a list of pre-set questions ✓ to be able to compare the candidates on equal criteria. ✓
- The meeting allows the employer to collect information about the candidates ✓ and to evaluate them further. ✓
- Candidates also have a chance to assess their possible new workplace ✓ and obtain more information about the post and the business. ✓
- Business may hold more than one round of interviews, ✓ depending on the nature of the vacancy. ✓
- Any other relevant answer related to conducting interviews during the selection process. Sub-max. (3)

6.3.7 **Offer employment/Letter of appointment** ✓

- A written offer is made ✓ to the selected candidate. ✓
 - The selected candidate must accept the offer ✓ in writing. ✓
 - An employment contract will be negotiated and signed ✓ by the new employee and employer. ✓
 - Unsuccessful candidates may be informed ✓ unless stated otherwise in the job advertisement. ✓
 - Any other relevant answer related to offering employment/letter of appointment during the selection process. Sub max (3)
- Max. (16)**

NOTE: Procedure may be in any order.

6.4 Role of the interviewer during the interview

- Allocate the same amount of time to each candidate. ✓✓
- Introduce members of the interviewing panel to each candidate/interviewee. ✓✓
- Make the interviewee feel at ease. ✓✓
- Explain the purpose of the interview to the panel and the interviewee. ✓✓
- Record interviewees' responses for future reference. ✓✓
- Do not misinform/mislead the interviewee. ✓✓
- Avoid discriminatory/controversial types of questions, e.g. asking a female candidate about family planning/having children. ✓✓
- Provide an opportunity for the interviewee to ask questions. ✓✓
- Close the interview by thanking the interviewee for attending the interview. ✓✓
- Any other relevant answer related to the role of the interviewer during the interview.

Max. (12)**6.5 Aspects that must be included in the employment contract of the selected candidate**

- Personal details of the employee. ✓✓
- Details of the business/employer, e.g. name/address, ✓✓ etc.
- Job title/Position. ✓✓
- Job description, e.g. duties/conditions of work. ✓✓
- Job specification e.g. formal qualifications. willingness to travel. ✓✓
- 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 must be included in the employment contract of the selected candidate.

Max. (12)

6.6 Conclusion

- Employees are the most important resource in any business and its success is strongly influenced by a good recruitment process and interview. √√
- A well prepared and organised interview process will result in identifying and appointing the most suitable and deserving candidate. √√
- The employment contract should be in accordance with the Basic Conditions of Employment. √√
- Any other relevant conclusion related to recruitment, selection, interview and employment contract. (Any 1 x 2)

(2)
[40]

QUESTION 6: BREAKDOWN OF MARK ALLOCATION

DETAILS	MAXIMUM	TOTAL
Introduction	2	Max 32
Differences between internal and external recruitment	6	
Selection procedure	16	
Role of the interviewer during the interview	12	
Aspects that must be included in the employment contract of the selected candidate	12	
Conclusion	2	
INSIGHT		
Layout	2	8
Analysis/Interpretation	2	
Synthesis	2	
Originality/Examples	2	
TOTAL MARKS		40

*LASO – for each component:

Allocate 2 marks if all requirements are met.

Allocate 1 mark if only some of the requirements are met.

Allocate 0 marks where requirements are not met at all.

TOTAL SECTION C: 40
GRAND TOTAL: 150