



Province of the
EASTERN CAPE
EDUCATION

**NATIONAL
SENIOR CERTIFICATE**

GRADE 11

NOVEMBER 2019

**BUSINESS STUDIES P2
MARKING GUIDELINE**

MARKS: 150

This marking guide consists of 26 pages.

NOTES TO MARKERS**PREAMBLE**

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

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

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

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

3. Take note of other relevant answers provided by candidates and allocate marks accordingly. (In cases where the answer is unclear or indicates some understanding, part-marks should be awarded, for example, one mark instead of the maximum of two marks.)
4. The word 'Submax.' is used to facilitate the allocation of marks within a question or sub-question.
5. The purpose of circling marks (guided by 'max.' in the breakdown of marks) on the right-hand side is to ensure consistency and accuracy in the marking of scripts as well as for calculation and moderation purposes.
6. Subtotals to questions must be written in the right-hand margin. Circle the subtotals as indicated by the allocation of marks. This must be guided by 'max.' in the marking guideline. Only the total for each question should appear in the left-hand margin next to the appropriate question number.
7. In an indirect question, the theory as well as the response must be relevant and related to the question.

8. Correct numbering of responses to questions is recommended in SECTIONS A and B will be severely penalised. However, if the numbering is incorrect, follow the sequence of the candidates' responses. Candidates will be penalised if the latter is not clear.
9. No additional credit must be given for repetition of facts. Indicate with an R.
10. The differentiation between 'evaluate' and 'critically evaluate' can be explained as follows:
 - 10.1 When 'evaluate' is used, candidates are expected to respond in either a positive/negative manner or take a neutral (positive and negative) stance, e.g. **Positive:** *'COIDA eliminates time and costs spent ✓ on lengthy civil court proceedings.'* ✓
 - 10.2 When 'critically evaluate' is used, candidates are expected to respond in either a positive/negative manner or take a neutral (positive and negative) stance. In this instance, candidates are also expected to support their responses with more depth, e.g. *'COIDA eliminates time and costs spent ✓ on lengthy civil court proceedings, ✓ because the employer will not be liable for compensation to the employee for injuries sustained during working hours as long as it can be proved that the business was not negligent.'* ✓

NOTE: 1. The above could apply to 'analyse' as well.
2. Note the placing of the tick (✓) in the allocation of marks.

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

Cognitive verbs, such as:

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

13. SECTION B

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

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

13.2 If two facts are written in one sentence, award the candidate FULL credit. Point 13.1 above still applies.

13.3 If candidates are required to provide their own examples/views, brainstorm this to come up with alternative answers.

13.4 Use of the cognitive verbs and allocation of marks:

13.4.1 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.

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

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

14. SECTION C

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

Introduction	Maximum: 32
Content	
Conclusion	
Insight	8
TOTAL	40

14.2 Insight consists of the following components:

Layout/ Structure	Is there an introduction, body, proper paragraphs and a conclusion?	2
Analysis and interpretation	Is the candidate able to break down 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.**

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

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

- 14.7 When awarding marks for facts, take note of the sub-maxima indicated, especially if candidates do not make use of the same subheadings. Remember headings and 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.)
- 14.8 If the candidate identifies/interprets the question INCORRECTLY, then he/she may still obtain marks for layout.
- 14.9 If a different approach is used by candidates, ensure that the answers are assessed according to the mark allocation/subheadings as indicated in the memorandum.
- 14.10 14.10.1 Award TWO marks for complete sentences. Award ONE mark for phrases, incomplete sentences and vague answers.
- 14.10.2 With effect from November 2015, the TWO marks will not necessarily appear at the end of each completed sentence. The ticks (√) will be separated and indicated next to each fact, e.g. 'Product development is a growth strategy/where business aim to introduce new products√ into existing markets.' √
This will be informed by the nature and context of the question, as well as the cognitive verb used.
- 14.11 With effect from November 2017, the maximum of TWO (2) marks for facts shown as headings in the memo, 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 D ✓✓
 1.1.4 A ✓✓
 1.1.5 B ✓✓
- (5 x 2) **(10)**

- 1.2 1.2.1 non-profit ✓✓
 1.2.2 royalties ✓✓
 1.2.3 stress ✓✓
 1.2.4 citizens ✓✓
 1.2.5 civil ✓✓
- (5 x 2) **(10)**

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

TOTAL SECTION A: 30

BREAKDOWN OF MARKS

QUESTION 1	MARKS
1.1	10
1.2	10
1.3	10
TOTAL	30

SECTION B

Mark the first TWO answers only.

QUESTION 2: BUSINESS VENTURES**2.1. Aspects to be considered when starting a business**

- Culture of the organisation ✓
- Ensure the code of conduct is in place ✓
- Provision for on-going training ✓
- Possible environmental changes ✓
- Possible risk factors ✓
- Planning and minimising the environmental impact on the business ✓
- Action plan to satisfy the needs of customers ✓
- Cutting of costs on unnecessary waste and expenditure ✓
- The sources of raw materials/suppliers ✓
- The sources of funding that the business would use ✓
- The form of ownership that will be used by the business ✓
- The registration of the business ✓
- The location/business premises to be used ✓
- Consumer services ✓
- Possibility of business growth ✓
- Possibility of saving costs ✓
- Any other relevant answer related to the aspects that must be considered when starting a business.

NOTE: Mark the first THREE (3) only.

(3 x 1) (3)

2.2 Factors when composing a flyer

- Write a title that will attract the reader's attention. ✓✓
- Use graphics to attract attention. ✓✓
- Focus on the benefits of the products or services. ✓✓
- Identify points clearly. ✓✓
- Keep it simple with white space. ✓✓
- Use text boxes if space allows. ✓✓
- Do not use too many words. ✓✓
- Let someone proofread the contents. ✓✓
- Use bright paper and black text if the budget does not allow for colour printing. ✓✓
- Offer a discount on the product or service. ✓✓
- Any other relevant answer related to factors that must be considered when composing a flyer.

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

Max. (4)

2.3 Scenario**Business avenue**

2.3.1 Leasing ✓✓ (2)

Motivation

Businesses enter into an agreement with ZP and pay on a monthly basis for the use of property for a specified period. ✓ (1)

NOTE: Do not award marks for motivation if the business avenue is incorrectly identified.

Max. (3)

2.3.2 Disadvantages of leasing

- At the end of the leasing period, the lessee does not become the owner of the asset ✓ though the sum of payment is being done over the certain period. ✓
- Lease payments are treated as expenses ✓ rather than as equity payments towards an asset. ✓
- Paying lease payments towards a property, ✓ the business cannot benefit from any appreciation in the value of the property. ✓
- Lease expenses reduce the net income, ✓ it means limited returns/reduced returns for an equity shareholder/profit maximisation sometimes is not achieved. ✓
- It might be difficult for a business to raise/access further loans ✓ because leasing is treated as debt. ✓
- Lease agreement is a complex process ✓ and requires thorough documentation and proper examination of an asset being leased. ✓
- Depending on an agreement lessee remains responsible for the maintenance ✓ and proper operation of the asset being leased. ✓
- No added tax advantage ✓ that can be derived from leasing expenses. ✓
- The lessee is bound by a contract ✓ even when a business may not need the items. ✓
- Any other relevant answer related to the disadvantages of leasing.

Max. (4)

2.4 **Difference between partnership and personal liability company**

PARTNERSHIP	PERSONAL LIABILITY COMPANY
- No specific requirements ✓ in terms of the name. ✓	- The name must end ✓ with the word, Inc. ✓
- It is formed by two ✓ or more partners. ✓	- Formed by one ✓ or more shareholders. ✓
- Owned ✓ by partners. ✓	- Owned ✓ by shareholders. ✓
- Partners contribute ✓ capital/skills/assets. ✓	- Shares issued ✓ to the founders/promoters. ✓
- Partners share profits ✓ according to the partnership agreement. ✓	- Profits paid in dividends, ✓ according to number of shares owned. ✓
- Formed by legal agreement between partners ✓ and usually a partnership agreement/partnership article is signed. ✓	- File Memorandum of Incorporation (MOI) with the Companies ✓ and Intellectual Property Commission (CIPC). ✓
- Partners are usually involved in the management ✓ of the business. ✓	- The business is managed by a board of directors ✓ who may be professionals in their fields. ✓ - At least one director. ✓
- Partners have unlimited liability ✓/Partners are jointly and severally liable for the debts of the business. ✓	- Shareholders have limited liability. ✓ - The PLC and its directors, past and present, are jointly liable for any debts and liabilities incurred. ✓
- No continuity ✓/If one partner dies or retires, the remaining partners need to draw up a new agreement. ✓	- Continuity ✓ – if one shareholder dies/retires, the company will still continue to exist. ✓
- Partners pay tax ✓ in their personal capacity. ✓	- Subjected to double taxation ✓/Companies and shareholders are taxed separately. ✓
- Any other relevant answer related to a partnership.	- Any other relevant answer related to a personal liability company.
Sub-max. (4)	Sub-max. (4)

NOTE: 1. The answer does not have to be in a tabular format, but the differences must be clear.

2. Award a maximum of FOUR (4) marks if differences are not clear/ Mark either partnerships or personal liability company only.

Max. (8)

2.5 Meaning of planning tools**2.5.1 Timelines**

- A visual presentation ✓ of chronological information. ✓
- A way of displaying ✓ a list of events in date order. ✓
- A simple tool that lists all the activities that need to be done ✓ and the date order in which they will be completed. ✓
- Any other relevant answer related to timelines as a planning tool.

Max. (2)**2.5.2 Project planning**

- A detailed description of all the activities ✓ that needs to be completed to execute a project successfully. ✓
- Consists of the actual plan, ✓ the scheduling of the task ✓ and risk management to protect the business from financial disaster. ✓
- Any other relevant answer related to project planning as a planning tool.

Max. (2)**2.6. 2.6.1 Qualities of an entrepreneur**

- Ambitious ✓
- Hardworking ✓
- Positive outlook ✓
- Perseverance ✓

NOTE: Mark the FOUR (4) qualities only.**(4 x 1) (4)****2.6.2 Key success factors**

- Profitability ✓
- Sustainability ✓

NOTE: Mark the first TWO (2) key success factors only.**(2 x 1) (2)****2.7 Factors to consider when designing a presentation**

- Know your audience. ✓✓
- Use simple language. ✓✓
- Clear purpose/objective of presentation. ✓✓
- Include visual aids. ✓✓
- Proofread the report to ensure it is error free. ✓✓
- Use bright colours to increase visibility. ✓✓
- Structure information in a logical sequence. ✓✓
- Use a legible font and font size. ✓✓
- Select a suitable background. ✓✓
- Add special effects e.g. sound/animation. ✓✓
- Any other relevant answer related to the factors that the presenter must consider when designing a presentation.

**Max. (8)
[40]**

QUESTION 2	MARKS
2.1	3
2.2	4
2.3.1	3
2.3.2	4
2.4	8
2.5	4
2.6.1	4
2.6.2	2
2.7	8
TOTAL	40

QUESTION 3: BUSINESS ROLES

3.1 Steps in problem-solving

- Identify the problem. ✓
- Define the problem. ✓
- Identify alternative solutions for the problem. ✓
- Evaluate alternative solutions. ✓
- Choose the best solution. ✓
- Formulate/Develop an action plan/strategy. ✓
- Implement the action plan/strategy. ✓
- Monitor the implementation of the action plan. ✓
- Evaluate the implemented solutions. ✓
- Any other relevant answer related to the steps in problem-solving.

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

(4 x 1) **(4)**

3.2 Rights and responsibilities of citizens

RIGHTS	RESPONSIBILITIES
Education ✓	- Adhere to rules and policies. ✓ - Attend school regularly, learn and work hard. ✓
Safety ✓	- Not endangering lives of others. ✓
Own property ✓	- To enjoy and use the property. ✓
Human dignity ✓	- Be kind, compassionate and sensitive to others. ✓ - Treat people with respect and dignity. ✓
Equality ✓	- Do not discriminate on the basis of race/gender/religion, etc. ✓ - Treat every person equally and fairly. ✓
Life ✓	- Protect and defend the lives of others. ✓
Freedom and security ✓	- Do not hurt/bully/intimidate others. ✓ - Solve any conflict in a peaceful manner. ✓
Freedom of thought ✓	- Respect the religions/beliefs/opinions of others. ✓
- Any other relevant answer related to the rights and responsibilities of citizen.	
Sub-max. (2)	Sub-max. (2)

- NOTE:**
1. The answer need not to be in a tabular form.
 2. Allocate ONE mark for a right and ONE mark for its responsibility.

Max. (4)

3.3 Scenario

Crisis situations from the scenario

- 3.3.1
- Their food becomes rotten ✓
 - not having electricity. ✓
 - They are closed during load shedding because of health and safety concerns. ✓

NOTE: Mark the first TWO (2) crisis situation only.

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

3.3.2 **Definition of crisis**

- It is a time of intense difficulty, ✓ trouble or danger. ✓
- An event that can within a short period of time harm the business' key people, ✓ its property, finances and reputation. ✓
- Any other relevant answer related to defining the term crisis.

Max. (2)

3.3.3 Ways in which TMB can deal with business crises in the workplace

- TMB/Businesses should respond appropriately and quickly to lessen the effects of the crisis situation. √√
- Prevent/try to stop the crisis from happening. √√
- Assess/If the crisis happens, face up to it and quickly find out what has happened without over-reacting. √√
- TMB/Businesses must plan/identify and prioritise the actions required. √√
- Evaluate the damage/situation. √√
- Inform/Provide accurate and correct information. √√
- Support/Guide others through the situation by providing training and support. √√
- Resolve any conflict of interest. √√
- Be sensitive to the people concerned. √√
- Regain control/Manage the situation in a calm manner until the crisis is over. √√
- Obtain expert advice if the crisis falls outside the business' scope of expertise. √√
- Any other relevant answer related to ways TMB/businesses can deal with business-related crisis in the workplace.

Max. (6)

3.4 Functions of workplace forum on business.

- Prevent unilateral decision made by employers√ on issues affecting the employees. √
- Encourages workers' participation √ in decision-making. √
- Workplace forum has the right to be consulted by employer on:
 - Restructuring of work methods √
 - Restructuring of workers √
 - Retrenching of workers √
 - Mergers and transfer of ownership √
 - Job grading √
 - Criteria for merits and bonuses √
 - Health and safety measures √
 - Measures to establish an affirmative action programme √
 - Partial or total closure of the business √
- To promote the interests of all employees √ in the workplace. √
- To promote efficiency in the workplace √ through co-operation. √
- To be consulted by an employer √ and to reach consensus about working conditions. √
- Any other relevant answer related to the functions of the workplace forums on businesses.

Max. (6)

3.5 Stages of team development

- 3.5.1 Performing √√ (2)
- 3.5.2 Forming √√ (2)
- 3.5.3 Storming √√ (2)

3.6 Strategies businesses can use to deal with affirmative action

- Make the appropriate appointments ✓ to help previously disadvantaged groups to achieve equality. ✓
- Business should change the proportion ✓ of previously disadvantaged people at all levels. ✓
- Business provides in-house training ✓ or sends employees on skill development courses. ✓
- Support the development process through accelerated coaching ✓ and mentoring. ✓
- Clear goalsetting ✓ and communication to ensure adaptation to affirmative action. ✓
- Business should ensure better understanding of affirmative action by employees ✓ with the use of an awareness/understanding session/campaign. ✓
- Business should not panic ✓ but regain control over the situation. ✓
- Business should take time ✓ to adjust to affirmative action. ✓
- Business should obtain information about affirmative action ✓ and obtain expert advice to apply affirmative action. ✓
- Any other relevant answer related to strategies businesses can use to deal with affirmative action.

Max. (4)**3.7 Ways in which businesses can play a role in the social and economic development of communities**

- Offering training to community members. ✓✓
- Involvement in community upliftment programmes. ✓✓
- Offering counsellors to counsel HIV and Aids patients and affected families to help them cope emotionally. ✓✓
- Involvement in feeding schemes to distribute food donated by businesses. ✓✓
- Active role in social welfare projects in the community. ✓✓
- Help to solve environmental problems. ✓✓
- Funding education by providing scholarships and bursaries. ✓✓
- Encouraging employee volunteering. ✓✓
- Educational development of staff. ✓✓
- Funding local literacy programme. ✓✓
- Any other relevant answer related to ways in which businesses can play a role in the social and economic development of communities.

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

BREAKDOWN OF MARKS

QUESTION3	MARKS
3.1	4
3.2	4
3.3.1	2
3.3.2	2
3.3.3	6
3.4	6
3.5	6
3.6	4
3.7	6
TOTAL	40

QUESTION 4: MISCELLANEOUS TOPICS

BUSINESS VENTURES

4.1 Factors that influence the choice of funding

- Nature of finance ✓
- Amount of capital needed ✓
- Risk ✓
- Cost of finance ✓
- Period of finance ✓
- Tax consideration
- Any other relevant answer related to the factors that influence the choice of funding.

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

(3 x 1) (3)

4.2 4.2.1 Gantt Chart – T&C Attorneys

ACTIVITY	WEEK			PERSON RESPONSIBLE
	1	2	3	
Registration ✓	✓			Tengo ✓
Rent a building ✓		✓		Cash ✓
Recruitment ✓			✓	Tengo ✓
Sub-max. (3)	Sub-max. (3)			Sub-max. (3)

NOTE: 1. Gantt chart must be in a tabular format.

2. The person responsible must be linked to the activity.

Max. (9)

4.3 Steps in report writing

- Analyse the problem, prepare a written problem statement to clarify the task. √√
- Anticipate the audience and issues, it could be distributed to people whom it was not intended for. √√
- Prepare a workplan, start early and allow time for brainstorming and preliminary research. √√
- Do research in order to gather data do not depend on the internet only. √√
- Organise, analyse, interpret and illustrate the data, consider the purpose √√
- Put together the first draft of the report, print the first draft and read it sometime later. √√
- Revise, proofread and evaluate, ask a colleague to read the report. √√
- Any other relevant answer related to the steps in report-writing.

NOTE: Accept in any order.

Max. (6)

BUSINESS ROLES

4.4 Causes of conflict in the workplace

- Lack of proper communication between leaders and members √
- Differences in backgrounds/cultures/values/beliefs/language √
- Limited business resources √
- Different goals/objectives for groups/individuals √
- Personality differences between group/individuals √
- Different opinions √
- Unfair workload √
- Ill-managed stress √
- Unrealistic expectations √
- Poor organisation/leadership/administrative procedures and systems √
- Confusion about scheduling/deadlines √
- Ignoring rules/procedures √
- Misconduct/Unacceptable behaviour √
- High/Intense competition/Competitiveness √
- Poor communication √
- Unclear responsibilities √
- Distracted by personal objectives √
- Constant changes in the workplace √
- Unfair treatment of workers/Favouritism by management/discrimination √
- Lack of trust amongst workers √
- Any other relevant answer related to the possible causes of conflict in the workplace.

NOTE: Mark the first FOUR (4) causes of conflict only.

(4 x 1) (4)

4.5 Problem-solving technique

4.5.1 Force-field analysis √√

4.5.2 Delphi technique √√

(2 x 2) (4)

4.6 Advantages of creative thinking in the workplace

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

Max. (8)**4.7 Reasons businesses become involved in social programmes**

- To comply with BBBEE requirements. √√
- Lack of qualified workers by providing skills and training. √√
- Reduce socio-economic issues like HIV/Aids, unemployment and education and training. √√
- Business gain competitive advantage, resulting in good publicity. √√
- Business get tax advantage or rebates. √√
- Increase social welfare and economic development of communities. √√
- Quality of life of community is improved. √√
- Any other relevant answer related to reasons why businesses have to become involved in social programmes.

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

BREAKDOWN OF MARKS

QUESTION 4	MARKS
4.1	3
4.2.1	9
4.3	6
4.4	4
4.5	4
4.6	8
4.7	6
TOTAL	40

TOTAL SECTION B: 80

SECTION C

Mark only ONE answer in this section.

QUESTION 5: BUSINESS VENTURES (FORMS OF OWNERSHIP)**5.1 Introduction**

- The companies are governed by the Companies Act which is incorporated in terms of the Memorandum of Incorporation. ✓
- Prospectus is a written invitation to convince the public to buy shares. ✓
- The name of the company must be registered before it can be incorporated. ✓
- Although companies have a more complicated procedure to follow, however, incorporators enjoy more benefits than other forms of ownership. ✓
- Any other relevant introduction related to the aspects included in their prospectus/legal requirements of the name of the company/benefits of establishment company over other forms of ownership/contents included in the MOI.

(Any 2 x 1) (2)

5.2 Aspects to be included in the prospectus

- Company overview, including the vision, mission and goals of a business. ✓✓
- Product or service portfolio. ✓✓
- Market analysis and strategy. ✓
- Management team. ✓✓
- The risk and potential of the business. ✓✓
- Available financial and share information. ✓✓
- Any other relevant answer related to aspects that must be included in their prospectus.

Max. (8)

5.3 Legal requirement of the name of a company

- The name of a company must be original, ✓ and must not be misleading. ✓
- A company's name must appear on all company documents ✓ e.g. on letterheads.
- Reserving a name for a company is the first step to register a company, ✓ but it is not compulsory. ✓
- Names can be reserved for a period of 6 months ✓ by the CIPC. ✓
- The name must not be similar/same ✓ as any other company, unless it is part of the group. ✓
- The name must not imply/suggest/mislead a person ✓ to believe that the company is part of another person/business/the state. ✓
- The name must not be offensive/promote violence/hatred ✓ and cause any harm. ✓

- The name must not be shortened ✓ and translated ✓
- The name of a public company ✓ must end with LTD ✓

- Any other relevant answer related to the legal requirements of the name of the company.

Max. (14)

5.4 Benefit of establishing a company over other forms of ownership

- A company has its own legal status ✓ and is protected unlike partnerships. ✓
- A company has continuity ✓ of existence. ✓
- Shareholders' private assets are protected, ✓ as they have limited liability. ✓
- Companies have legal constraints ✓ and more accountability than partnerships. ✓
- A company may have more investors ✓ to fund the setting up of the business. ✓
- Shareholders are able to buy ✓ and sell shares freely in a public company. ✓
- Shareholders share in the profits of the company ✓ through dividends. ✓
- The company is managed by a qualified ✓ and competent board of directors. ✓
- A company is less likely to use consultants' ✓ as it has a larger pool of skills and expertise. ✓
- Companies have a better ✓ cash flow. ✓
- Directors do not have to take out personal loans ✓ to grow the business. ✓
- Company shares can be ✓ transferred/bought/sold. ✓
- Companies have tax benefits ✓ that other enterprises do not have. ✓
- Any other relevant answer related to the benefits of establishing a company over other forms of ownership.

Max. (16)

5.5 Contents of MOI

- Nature of the company outlines the type of the business, the name of the business, the names, signatures, ID. numbers of each incorporator. √√
- Securities of the company, the type and the amount of shares issued. √√
- The rights, rules, resolutions and representation of shareholders and meetings. √√
- Composition, authority and financial matters of the board of directors. √√
- Incorporators' control and rules of the company. √√
- Any other relevant answer related the contents that must be included in the MOI.

Max. (8)

5.6 Conclusion

- A company becomes a juristic person from the date and time that its incorporation is registered and effected by signature of the MOI. √√
- The process of company registration is more complicated with legal formalities as compared to the partnership. √√
- Companies are able to raise capital more than the partnership. √√
- Any other relevant conclusion related to the aspect included in the prospectus/the legal requirement of the name of the company/establishment procedure/benefits of establishment company over other forms of ownership/contents of MOI.

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

BREAKDOWN OF MARK ALLOCATION

DETAILS	MAXIMUM	TOTAL
Introduction	2	Max. 32
Aspects of prospectus	8	
Legal requirements of the name of a company	14	
Benefits of establishment a company over other forms of ownership	16	
Contents of MOI	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 ROLES (PROFESSIONALISM AND ETHICS)**6.1 Introduction**

- Professionalism and ethics means that the highest legal and moral standards are upheld when dealing with stakeholders. ✓
- Businesses that adopt professional, responsible and ethical business practices will remain profitable/sustainable over a long period of time. ✓
- Business ethics refers to the rules and principles which influence the best business practice. ✓
- Many institutions in South Africa have their own code of conduct and commitment to ethical and professional behaviour. ✓
- Any other relevant introduction related to professionalism and ethics/benefits of ethical business venture/ways in which professional, responsible, ethical and effective business practice should be conducted.

(Any 2 x 1) (2)**6.2 Differences between professionalism and ethics**

PROFESSIONALISM	ETHICS
- Set of standards ✓ of expected behaviour. ✓	- Conforms to a set of values ✓ that are morally acceptable. ✓
- Forms part of a Code of Conduct ✓ to guide employees to act professionally. ✓	- Forms part of the employees' ✓ code of conduct to guide employees to act ethically. ✓
- Focuses on upholding the reputation ✓ of a business/profession. ✓	- Focuses on developing a moral compass ✓ to use in decision-making. ✓
- Includes guidelines ✓ on employees' appearance/communication/attitude/responsibility, etc. ✓	- Involves following the principles of right or wrong ✓ in business activities/practices/dealings. ✓
- Used for the good ✓ of the employees/individuals. ✓	- Acceptable ✓ to society/group/ community. ✓
- Any other relevant answer related to professionalism in a business.	- Any other relevant answer related to ethics in a business.
Sub-max. (8)	Sub-max. (8)

- NOTE:**
1. The answer does not have to be in tabular format.
 2. The distinction does not have to link but must be clear.
 3. Award a maximum of EIGHT (8) marks if the distinction is not clear/Mark either a professionalism or ethics.

Max. (16)

6.3 Principles of professionalism

- Employees should respect themselves ✓ and rights of others e.g. respect other languages/cultures. ✓
- Respect the image of the business/your profession ✓ e.g. adhere to the dress code of the business/profession. ✓
- Act with integrity/honesty/reliability ✓ e.g. keep to working hours' even if no other workers are around/do not use the business resources for personal gain. ✓
- Be committed to quality ✓ and apply skills and knowledge to the benefit of the business/society at large. ✓
- Adhere to confidentiality measures ✓ by not disclosing sensitive information about customers/business. ✓
- Remain objective, act fairly and justly to all ✓ without being biased or showing favouritism. ✓
- Continually improve/develop skills and knowledge ✓ e.g. attending refresher courses and seminars. ✓
- Share knowledge by investing time and expertise in junior staff members ✓ e.g. uplifting/empowering others. ✓
- Any other relevant answer related to the principles of professionalism.

Max. (12)

6.4 Benefits of ethical business ventures

- Build customer loyalty ✓ – strong customer base reduces marketing cost to acquire new customers. ✓
- Attracts more investors ✓ thereby increases its profitability. ✓
- Create a more positive image for the business ✓ and attracting more customers. ✓
- Retain good employees by compensating fairly for their work ✓ and dedication. ✓
- Employees develop positive relationships between their co-workers ✓ and managers, thus increase productivity. ✓
- Complying with environmental regulations or labour laws ✓ and avoid penalties, including legal fees and fines or sanctions by governmental agencies. ✓
- Any other relevant answer related to the benefits of ethical business venture.

Max. (8)

6.5 Ways in which professional, responsible and effective practices should be conducted

- Businesses should treat all employees equally. ✓✓
- Plan properly and put preventative measures in place. ✓✓
- Pay fair wages/salaries which are in line with the minimum requirements of the BCEA/Remunerate employees for working overtime/during public holidays. ✓✓
- Engage in environmental awareness programmes/Refrain from polluting the environment, e.g. by legally disposing of toxic waste. ✓✓
- Refrain from starting a venture using other businesses' ideas that are protected by law. ✓✓
- Business decisions and actions must be clear/transparent to all stakeholders. ✓✓
- Businesses should be accountable/responsible for their decisions and actions/patent rights. ✓✓
- Hiring honest/trustworthy accountants/financial officers with good credentials. ✓✓
- Regular/Timeous payment of taxes. ✓✓
- Draw up a code of ethics/conduct. ✓✓
- Ongoing development and training for all employees. ✓✓
- Performance management systems/Appraisals should be in place. ✓✓
- Adequate internal controls/monitoring/evaluation. ✓✓
- Any other relevant answer related to ways in which professional, responsible, ethical and effective business practices should be conducted.

Max. (10)**6.6 Conclusion**

- A business code on ethics and conduct should improve relationships and eliminate unethical business practices. ✓✓
- Employees who do not adhere to a code of ethics and conduct should be disciplined. ✓✓
- Businesses can make use of good corporate governance to address issues that challenge ethical and professional behaviour. ✓✓
- Any other relevant conclusion related to professionalism and ethics/benefits of ethical business venture/ways in which professional, responsible, ethical and effective business practice should be conducted.

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

BREAKDOWN OF MARK ALLOCATION

DETAILS	MAXIMUM	TOTAL
Introduction	2	Max. 32
Difference between professionalism and ethics	16	
Principles of professionalism	12	
Benefit of ethical business venture	8	
Ways in which professional, responsible, ethical and effective business practice can be conducted.	10	
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