



**higher education
& training**

Department:
Higher Education and Training
REPUBLIC OF SOUTH AFRICA

MARKING GUIDELINE

NATIONAL CERTIFICATE

**ENTREPRENEURSHIP AND BUSINESS MANAGEMENT N5
(SECOND PAPER)**

14 NOVEMBER 2019

This marking guideline consists of 9 pages.

SECTION B**QUESTION 2**

2.1 2.1.1

TOM BLACK SALARY PACKAGE

Basic salary	35 000✓
Commission (3% of R780 000) percentage	23 400✓
Plus fringe benefits:	
House allowance	2 500✓
Car allowance	5 000✓
Meal subsidy	1 250✓
Medical aid	3 500✓
Pension fund	4 500✓
Gross Salary	75 150✓
Less tax – 28% of R75 150)	27 118✓
Net salary	48 032✓

(10)

2.1.2 Benefit not paid out

Medical aid	R3 500✓
Pension Fund	R4 500✓
	<u>R8 000✓✓</u>

(4)

2.2 Exploitative authoritative style

- Responsibility and power are in the hands of the senior management.
- No trust and confidence in their subordinates
- Decisions are imposed on subordinates.
- Subordinates do not feel free to discuss things about their jobs with authorities.
- Very little teamwork and communication
- Motivation is based on treats. (Any 2 × 2)

Benevolent authoritative style

- Responsibility lies at the management level and not on the lower level.
- Management has confidence and trust in their subordinates.
- Master–servant relationships
- Subordinates do not feel free to discuss things about their jobs with superiors.
- Very little teamwork or communication
- Motivation is based on a system of rewards. (Any 2 × 2)

Consultative authoritative style

- Responsibility is spread widely throughout the organisational hierarchy.
- The superior has substantial but not complete confidence in the subordinates.
- Superior and subordinates are involved in some forms of (work) job-related discussions.
- There is a fair amount of teamwork.
- There is both vertical and horizontal communication.
- Motivation is based on rewards and involvement in the job. (Any 2 × 2)

Participative authoritative style

- Responsibility is widely spread throughout the organisational hierarchy.
- High level of confidence in the subordinates
- High level of team work
- High level of communication and participation
- Motivation is based on productivity (Any 2 × 2)
(8 × 2) (16)

- 2.3 2.3.1
- Create an atmosphere that allows a person to contribute one idea only.
 - Interrupt such a person and ask for a summary.
 - Thank the person and request him/her to hear from other members of the group. (Any 2 × 2)
- 2.3.2
- Deal with conflict immediately and resolve it.
 - Direct the question to the person and expect a positive response.
 - Confront the degrader positively. (Any 2 × 2)
- 2.3.3
- All ideas and contributions should be welcome.
 - Re-enforce this notion in private.
 - Confront the degrader positively. (Any 2 × 2)
- 2.3.4
- Talk to the person privately.
 - Encourage the person to share his/her idea with others in the group.
 - Direct questions to the particular person when you know he/she has experience in or ideas on the subject. (Any 2 × 2)
- 2.3.5
- Advise him/her to stop what he or she is doing.
 - Request them to share their conversation with the group.
 - Stop the meeting. (Any 2 × 2)
(5 × 2 × 2) (20)
- [50]**

QUESTION 3

3.1 Yes, I support management's action.

- It is against the policy of any business to stay away from work without valid and authorised reasons.
- It has become a pattern and is consistent.
- It may have a negative effect on the business and other employees.
- It is in line with the Labour Relations Act on fair dismissal.
- Warning and counselling (Any 4 × 2)

OR

No, I disagree with the action of management.

- It will be a loss of income to the person, hence to the family.
- It is a personal matter to go drinking with his/her money.
- The business will lose valuable skills and experience.
- It may also affect the morale of other employees. (4 × 2) (8)

3.2 3.2.1 • Makes provision for safety of employees who are working with equipment, chemicals and machinery.
• Offers protection or physical safety of employees and promotion of occupational hygiene. (2 × 2)

3.2.2 • Determines the minimum working hours.
• Working conditions
• Stipulate annual leave, maternity leave, sick leave, minimum wages. (Any 2 × 2)

3.2.3 • It improves the process of collective bargaining.
• Its advances democracy in the workplace.
• It builds relationship between employers and employees.
• It is an agreement on how employees and employers should deal and engage with each other in the workplace. (Any 2 × 2)

3.2.4 • It provides an income for workers who lost their jobs through retrenchment.
• Ensures that both employers and employees contribute 1% of the salary to the fund.
• Fund only pays out to unemployed employees who was contributing to the fund. (Any 2 × 2)
(4 × 2 × 2) (16)

3.3	3.3.1	<p>Record keeping✓</p> <ul style="list-style-type: none"> • Record keeping could be expensive.✓ • System (computer) to handle this is costly. ✓ • Labour costs • Stationery and postage <p>Tied-up capital✓</p> <ul style="list-style-type: none"> • Part of capital is tied up.✓ • Loss of interest✓ • Creation of additional business is lost. <p>Bad debts✓</p> <ul style="list-style-type: none"> • Loss of income✓ • Legal fees can be substantial.✓ <p>Lost interest✓</p> <ul style="list-style-type: none"> • No interest on outstanding amount/money✓ • The business will pay more interest if business was financed with credit.✓ <p>Follow-up cost✓</p> <ul style="list-style-type: none"> • Telephone costs✓ • Tracing costs✓ • Legal costs • Opportunity costs 	(5 × 3)	(15)
	3.3.2	<p>Internal sources of recruitment</p> <ul style="list-style-type: none"> • Company newsletter • Notice board • Internal memo • Personnel records <p>External sources of recruitment</p> <ul style="list-style-type: none"> • Employment agencies • Headhunting • Walk-in by prospective employees • Referrals • Professional bodies • Trade union • Advertisements in the media 	(Any 2 × 1)	(5)
			(Any 3 × 1) (2 + 3)	(5)

- 3.3.3
- Ensure effective performance:
Mr Bash must define what he expect from his workers.
 - Measure the current performance:
Performance must be measured against set standards to be able to detect deviation.
 - Inform his workers:
When errors, mistakes or deviations are detected, the workers should be properly informed and be allowed to explain.
 - Select a remedial action:
A decision has to be taken on how best to rectify and prevent further situations.
 - Re-valuate the worker's performance:
After remedial action has been taken, he must evaluate the worker's performance.
 - Continue/Discontinue:
Re-evaluation will reveal whether additional corrective measures have to be taken or whether the problem has been solved and the remedial action can be stopped. (6 × 1)
- (6)
[50]

QUESTION 4

- 4.1 4.1.1
- One should always remain positive about his or her ability.
 - Be open to new ideas.
 - Be creative and take initiative.
 - Take the risk of doing new things, such as studying.
 - Don't blame someone else for the situation. (Any 3 × 1)
- 4.1.2
- One needs to develop a personal mission statement.
 - Set a personal goal.
 - Develop workable objectives.
- 4.1.3
- Put first things first. ✓
 - Attend to important ✓ and urgent ✓ matters.
- 4.1.4
- Reach out to others.
 - Build up friendly relationships.
 - Develop a good working attitude towards all.
 - Create opportunities for others. (Any 3 × 1)
- 4.1.5
- Build a team.
 - Interact with other people.
 - Encourage others to adopt a win/win approach. (5 × 3)
- (15)

- 4.2
- People who encourage the group to determine their goal and plan the agenda
 - Those who relate the group's activities to the goals
 - Those who help the group to focus on real problems
 - Draw from their experience for the growth of the business
 - Encourage full participation
 - Allow fruitful debates and challenges of ideas
 - Listen and respect the opinions of group members
 - Encourage members to share resources with each other
- (Any 5 × 2) (10)
- 4.3
- 4.3.1
- Physical✓
- Stay healthy✓✓ – by doing regular exercise.
 - Eat balanced diet.✓
- Mentally✓
- Study✓✓ – read magazines and journals.
 - Consult others in the industry.✓
- Spiritually✓
- Believe in some higher power.✓✓
 - Have a religion.✓
 - Attend any form or type of spiritual gathering and meeting.
- Socially/emotionally✓
- Meet and socialise with other entrepreneurs and learn from their experiences.✓✓
 - Belong to a family or group.✓
- (4 × 4) (16)
- 4.3.2
- By giving customers quick and efficient service
 - By making them feel welcome and appreciated
 - By understanding and appreciating them as valuable customers
 - By giving them quality and affordable products
- (4 × 2) (8)
- 4.3.3
- True
- (1)
[50]

QUESTION 5

- 5.1 5.1.1
- Increase in customers' income will increase his sales.
 - Changes in customers' taste will improve his sales. It will yield more profit for the business.
 - Satisfied customers will promote his business.
- 5.1.2
- Decrease in interest rate will mean more profit for the business.
 - Expansion may be possible as loan repayment might be lower.
 - More return on investment (Any 2 × 2)
- 5.1.3
- Help to cut down on overhead expenses
 - Ensure that his suppliers' prices are competitive
 - Help to gain economies of scale
 - Improve his business quality
 - Improve customer service
 - Lead to competitive advantage (Any 2 × 2)
- 5.1.4
- Government projects can improve his customer base.
 - Government intervention in creating business opportunities.
 - Government policies that favour business will improve his business.
 - Government tender may improve his cash flow. (Any 2 × 2)
- 5.1.5
- Favourable international business conditions will promote his business.
 - Positive global influence will positively affect his business.
 - More countries will import his goods or services.
 - It may create more job opportunities. (Any 2 × 2)
(5 × 2 × 2) (20)
- 5.2 5.2.1
- Organise book fare for his customers.
 - Donate books to customers.
 - Sell educational and informative books
 - Set up a library
 - Create awareness of culture of reading
 - Sponsors schools' competition
 - Select credible authors
 - Offer affordable prices
 - Create jobs (Any 5 × 2) (10)

- 5.2.2
- Reward great work either individually or in groups – cash or in kind.
 - Create a welcoming, friendly and comfortable working environment.
 - Invest in staff training; create a culture of training, formal or informal.
 - Speak regularly with your staff.
 - Surprise staff and provide incentives, personalised gifts, day off – anything to get them excited.
 - Lead by example – committed to the goals of the business; good mood.
 - Develop great relationships in the work place – take time to get to know your staff.
 - Empower them – give them more say in how they do their jobs.
 - Ask for input and get suggestions on how to improve their performance.
 - Offer opportunity for advancement – develop skills. (Any 7 × 2) (14)
- 5.2.3
- Price – affordable and reasonable prices
 - Reputability – good and outstanding reputation
 - Credit – offering credit facilities
 - Distance – close enough location
 - Quality – good, reliable and available good products/services (Any 3 × 2) (6)
- [50]**
- TOTAL SECTION: 150**
GRAND TOTAL: 200