



Province of the
EASTERN CAPE
EDUCATION



**NATIONAL
SENIOR CERTIFICATE**

GRADE 12

SEPTEMBER 2022

**BUSINESS STUDIES P1
MARKING GUIDELINE**

MARKS: 150

This marking guideline consists of 33 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 guideline
 - Comes from another credible source
 - Original
 - A different approach is used

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

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

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

Cognitive verbs, such as:

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

14. SECTION B

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

- NOTE:**
1. This applies only to questions where the number of facts is specified.
 2. The above also applies to responses in SECTION C (where applicable)

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 finalise alternative answers.

14.4 Use of the cognitive verbs and allocation of marks:

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

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

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

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

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

15. SECTION C

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

Introduction	Maximum: 32
Content	
Conclusion	
Insight	8
TOTAL	40

15.2 Insight consists of the following components:

Layout/Structure	Is there an introduction, paragraphs and a conclusion?	2
Analysis and interpretation	Is the candidate able to break down the question into headings/subheadings/interpret it correctly to show understanding of what is being asked? Marks to be allocated using this guide: All headings addressed: 1 (One 'A') Interpretation (16 to 32 marks): 1 (One 'A')	2
Synthesis	Are there relevant decisions/facts/responses made based on the questions? Marks to be allocated using this guide: Option 1: Only relevant facts: 2 marks (No '-S') Where a candidate answers 50% or more (two to four sub-questions) of the question with only relevant facts; no '-S' appears in the left margin. Award the maximum of TWO (2) marks for synthesis. Option 2: Some relevant facts: 1 mark (One '-S') Where a candidate answers less than 50% (only one sub-question) of the question with only/some relevant facts; one '-S' appears in the left margin. Award a maximum of ONE (1) mark for synthesis. Option 3: Some relevant facts: 1 mark (One '-S') Where a candidate writes FOUR questions, but one/two/three sub-question of the question with no relevant facts; one '-S' appears in the left margin. Award a maximum of ONE (1) mark for synthesis. Option 4: No relevant facts: 0 marks (Two '-S') Where a candidate answers less than 50% (only one sub-question) of the question with no relevant facts; two '-S' appear in the left margin. Award a ZERO mark for synthesis.	2
Originality	Is there evidence of one or two examples, not older than two (2) years that are based on recent information, current trends and developments?	2
TOTAL FOR INSIGHT:		8
TOTAL MARKS FOR FACTS:		32
TOTAL MARKS FOR ESSAY (8 + 32):		40

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

- 15.3 Indicate insight in the left-hand margin with a symbol e.g. ('L, A, -S and/or O').
- 15.4 The breakdown of marks is indicated at the end of the suggested answer/ marking guideline to each question.
- 15.5 Mark all relevant facts until the 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 subheadings are encouraged and contribute to insight (structuring/logical flow/sequencing) and indicate clarity of thought. (See MARK BREAKDOWN at the end of each question.)
- 15.8 If the candidate identifies/interprets the question INCORRECTLY, then he/she may still obtain marks for layout.
- 15.9 If a different approach is used by candidates, ensure that the answers are assessed according to the mark allocation/subheadings as indicated in the marking guideline.
- 15.10 15.10.1 Award TWO marks for complete sentences. Award ONE mark for phrases, incomplete sentences and vague answers.
- 15.10.2 With effect from November 2015, the TWO marks will not necessarily appear at the end of each completed sentence. The ticks (√) will be separated and indicated next to each fact, e.g. 'Product development is a growth strategy, √ where businesses aim to introduce new products into existing markets.' √
- This will be informed by the nature and context of the question, as well as the cognitive verb used.
- 15.11 With effect from November 2017, the maximum of TWO (2) marks for facts shown as headings in the marking guidelines, will not necessarily apply to each question. This would also depend on the nature of the question.

SECTION A**QUESTION 1**

- 1.1 1.1.1 B ✓✓
1.1.2 A ✓✓
1.1.3 D ✓✓
1.1.4 C ✓✓
1.1.5 B ✓✓

(5 x 2) (10)

- 1.2 1.2.1 privacy ✓✓
1.2.2 secondary ✓✓
1.2.3 description ✓✓
1.2.4 resignation ✓✓
1.2.5 assurance ✓✓

(5 x 2) (10)

- 1.3 1.3.1 F ✓✓
1.3.2 J ✓✓
1.3.3 H ✓✓
1.3.4 G ✓✓
1.3.5 B ✓✓

(5 x 2) (10)

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

QUESTION 1	MARKS
1.1	10
1.2	10
1.3	10
TOTAL	30

SECTION B

Mark the **FIRST TWO** answers only.

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

- Market penetration ✓
- Market development ✓
- Product development ✓

NOTE: Mark the first TWO (2) only.

(2 x 1) (2)

2.2 Rights of employers in terms of the Labour Relations Act/LRA

- Employers may form employer organisations. ✓✓
- Form a bargaining council for collective bargaining purposes. ✓✓
- Employers have the right to lockout employees who engage in unprotected/illegal strike/labour action. ✓✓
- Dismiss employees who are engaged in an unprotected strike/misconduct such as intimidation/violence during a strike action. ✓✓
- Right not to pay an employee who has taken part in a protected strike for services/work they did not do during the strike. ✓✓
- Any other relevant answer related to the rights of employers in terms of the Labour Relations Act.

Max. (4)

2.3 Diversification strategies

2.3.1 Concentric diversification ✓✓

(2)

2.3.2 Other types of diversification strategies**Horizontal diversification** ✓✓

- The business adds new products or services that are unrelated to existing products, but which may appeal to existing customers. ✓
- Occurs when a business acquires or merges with a business that is at the same production stage, but it may offer a different product. ✓
- Any other relevant answer related to horizontal as a diversification strategy.

Strategy (2)
Explanation (1)
Sub-max. (3)

Conglomerate diversification ✓✓

- The business adds new products or services that are unrelated to existing products which may appeal to new groups of customers. ✓
- Conglomerate diversification means that a business grows into new products, services and markets. ✓
- Occurs when a business wants to increase its product range and target markets. ✓

- Any other relevant answer related to conglomerate as a diversification strategy.

NOTE: Mark the first TWO (2) only.

Strategy (2)
Explanation (1)
Sub-max. (3)

Max. (6)

2.4 Advantages of Broad-Based Black Economic Empowerment Act for businesses

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

Max. (6)

2.5 Provisions of the BCEA from the scenario

PROVISIONS	MOTIVATIONS
1. Overtime ✓✓	Employees at MM are only permitted to work an additional three hours per day beyond their normal working hours. ✓
2. Child and forced labour ✓✓	MM also ensures that children over the age of 15 do not do work that is harmful to their health. ✓
Sub-max. (4)	Sub-max. (2)

- NOTE:**
1. Mark the first TWO (2) only.
 2. The answer does not have to be in tabular format.
 3. Award marks for the provisions of the BCEA even if the motivations were incomplete.
 4. Do not award marks for the motivations if the provisions of the BCEA were incorrectly identified.
 5. Accept responses in any order.

Max. (6)

2.6 Challenges posed by the PESTLE factors

2.6.1 Legal

- Certain acts may have a direct impact on a business ✓ such as the CPA/BCEA. ✓
- Legal requirements for operating certain types of businesses ✓ is time-consuming. ✓
- High legal costs ✓ involved in obtaining a licence/trademark/patent may prevent some establishments. ✓
- Legalities of business contracts ✓ may limit business operations. ✓
- Any other relevant answer related to how the legal factor as a PESTLE element pose challenges to businesses.

Max. (4)

2.6.2 Environmental

- Chemicals/Ingredients in business' products ✓ may be harmful to customers. ✓
- Measures to dispose of business waste ✓ may be expensive. ✓
- Packaging of some products ✓ may not be environmentally friendly/ may not be recyclable. ✓
- Any other relevant answer related to how the environmental factor as a PESTLE element pose challenges to businesses.

Max. (4)

2.7 Ways in which business could comply with the National Credit Act

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

Max. (6)
[40]

BREAKDOWN OF MARKS

QUESTION 2	MARKS
2.1	2
2.2	4
2.3.1	2
2.3.2	6
2.4	6
2.5	6
2.6.1	4
2.6.2	4
2.7	6
TOTAL	40

QUESTION 3: BUSINESS OPERATIONS**3.1 Aspects that should be included in an induction programme**

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

NOTE: Mark the first FOUR (4) only.

(4 x 1) (4)

3.2 Legal requirements of an employment contract

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

NOTE: Mark the first TWO (2) only.

(2 x 2) (4)

3.3 Recruitment procedure

3.3.1 Steps of the recruitment procedure from the scenario

- The human resources manager prepared a job analysis to identify the recruitment needs of the business. ✓
- The vacancy was internally advertised via internal email. ✓

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

(2 x 1) (2)

3.3.2 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. ✓
- Pose the same set of questions ✓ to all candidates/interviewees. ✓
- Record interviewees' responses ✓ for future reference. ✓
- Do not misinform/mislead ✓ the interviewee. ✓
- Avoid discriminatory/controversial ✓ types of questions. ✓
- 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 interviewer during the interview.

Max. (6)

3.4 Benefits of induction for businesses

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

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

Max. (4)

3.5 Quality indicators of the marketing function

- Winning customers by satisfying their needs/wants and building positive relationships. ✓✓
- Adhering to ethical advertising practices when promoting products/ services. ✓✓
- Identifying a competitive advantage to focus/improve on marketing strengths. ✓✓
- Differentiating products in order to attract more customers. ✓✓
- Constantly reviewing value issues. ✓✓
- Communicating effectively with customers to get feedback about their experience of products sold/services rendered. ✓✓
- Co-ordinating distribution with production and advertising strategies. ✓✓
- Using pricing techniques to ensure a competitive advantage. ✓✓
- Determine gaps between customer expectations and actual experiences, so that problems/unhappiness may be diagnosed and addressed. ✓✓
- Making adjustments/changes to products/services based on feedback from customers/results of market research. ✓✓
- Using aggressive advertising campaigns to sustain/increase the market share. ✓✓
- Any other relevant answer related to the quality indicators of the marketing function.

Max. (4)

3.6 Total quality management elements from the scenario

TQM ELEMENTS	MOTIVATIONS
1. Total client/customer satisfaction ✓✓	ACL always request their customers to give feedback on the quality of their products. ✓
2. Adequate financing and capacity ✓✓	ACL can afford to pay market researchers to gather information. ✓
Sub-max. (4)	Sub-max. (2)

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

Max. (6)

3.7 Benefits of a good quality management system

- Effective customer services are rendered, ✓ resulting in increased customer satisfaction. ✓
- Time and resources ✓ are used efficiently. ✓
- Productivity increases ✓ through proper time management/using high quality resources. ✓
- Products/Services are constantly improved ✓ resulting in increased levels of customer satisfaction. ✓
- Vision/Mission/Business goals ✓ may be achieved. ✓
- A business has a competitive advantage ✓ over its competitors. ✓
- Regular training will continuously improve ✓ the quality of employees' skills/knowledge. ✓
- Employers and employees will have a healthy working relationship ✓ resulting in happy/productive workers. ✓
- Increased market share/more customers ✓ improve profitability. ✓
- Improves business image ✓ as there are less defects/returns. ✓
- Any other relevant answer related to benefits of a good quality management system.

Max. (6)

3.8 Role of quality circles as part of continuous improvement to processes and systems

- Solve problems related to quality and implement improvements. ✓✓
- Investigate problems and suggest solutions to management. ✓✓
- Ensure that there are no duplication of activities/tasks in the workplace. ✓✓
- Make suggestions for improving systems and processes in the workplace. ✓✓
- Improve the quality of products/services/productivity through regular reviews of quality processes. ✓✓
- Monitor/Reinforce strategies to improve the smooth running of business operations. ✓✓
- Increase employees' morale and motivation. ✓✓

- Quality circles discuss ways of improving the quality of work/workmanship. √√
- Contribute towards the improvement and development of the organisation. √√
- Reduce costs of redundancy/wasteful efforts in the long run. √√
- Increase the demand for products/services of the business. √√
- Create harmony and high performance in the workplace. √√
- Build a healthy workplace relationship between the employer and employee. √√
- Improve employees' loyalty/commitment to the organisational goals. √√
- Improve employees' communication at all levels of the business. √√
- Develop a positive attitude/sense of involvement in decision making processes of the services offered. √√
- Any other relevant answer related to the role of quality circles as part of continuous improvement to processes and systems.

Max. (4)
[40]

BREAKDOWN OF MARKS

QUESTION 3	MARKS
3.1	4
3.2	4
3.3.1	2
3.3.2	6
3.4	4
3.5	4
3.6	6
3.7	6
3.8	4
TOTAL	40

QUESTION 4: MISCELLANEOUS TOPICS**BUSINESS ENVIRONMENTS****4.1 Meaning of learnerships**

- Agreement between a learner/trainee and an employer/a training provider ✓ to use the workplace as an active learning environment. ✓
- Theoretical/Practical training opportunities ✓ that can lead to a recognised occupational qualification. ✓
- Structured learning programme ✓ completed during work hours for a specified period of time. ✓
- May include employment for a specified period ✓ after learnership is completed. ✓
- Includes a training course with learning material ✓ as well as practical work experience. ✓
- Any other relevant answer related to the meaning of learnership.

Max. (2)**4.2 Challenges and business environments from the scenario**

CHALLENGES (4.2.1)	BUSINESS ENVIRONMENTS (4.2.2)
1. The suppliers of HC do not always deliver materials on time. ✓	Market ✓
2. The recent increase in the fuel price is affecting their sales. ✓	Macro ✓
3. The management of HC lacks the necessary skills to run the business successfully. ✓	Micro ✓
Max. (3)	Max. (3)

- NOTE:**
1. Mark the first THREE (3) challenges only.
 2. If the business environment is not linked to the challenge, mark the challenge only.
 3. Award marks for the business environments even if the quoted challenges were incomplete.
 4. Accept responses in any order.

Max. (6)

4.3 Strategic management process

OPTION 1

- Have a clear vision/mission statement/measurable/realistic objective ✓ in place. ✓
- Identify opportunities/weaknesses/strengths/threats ✓ by conducting environmental scanning/situational analysis. ✓
- Tools available for environmental scanning ✓ may include a SWOT analysis/Porter's Five Forces model/PESTLE analysis/industrial analysis tools. ✓
- Formulate alternative strategies ✓ to respond to the challenges. ✓
- Develop (an) action plan(s), ✓ including the tasks to be done/deadlines to be met/ resources to be procured. ✓
- Implement selected strategies ✓ by communicating it to all stakeholders/ organising business resources/motivating staff. ✓
- Continuously evaluate/monitor/measure strategies ✓ in order to take corrective action. ✓
- Any other relevant answer related to the strategic management process.

OR

OPTION 2

- Review/Analyse/Re-examine ✓ their vision/mission statement. ✓
- Conduct an environmental analysis ✓ using models such as SWOT/PESTLE/Porter's Five Forces. ✓
- Formulate a strategy, ✓ such as a defensive/retrenchment strategy. ✓
- Implement a strategy, ✓ using a template such as an action plan. ✓
- Control/Evaluate/Monitor the implemented strategy ✓ to identify gaps/deviations in implementation. ✓
- Take corrective action ✓ to ensure goals/objectives are met. ✓
- Any other relevant answer related to the strategic management process.

Max. (6)

4.4 Impact of the Compensation for Occupational Injuries and Diseases Amendment Act on businesses

Positives/Advantages

- Promotes safety ✓ in the workplace. ✓
- Employees do not contribute ✓ towards this fund. ✓
- Claiming processes ✓ are relatively simple. ✓
- Eliminates time and costs spent ✓ on lengthy civil court proceedings. ✓
- Any compensation to an employee/the family ✓ is exempt from income tax. ✓
- Employers are protected from financial burden should an accident occur in the workplace ✓ provided that the employer was not negligent. ✓
- Makes businesses more socially responsible ✓ as they cannot just employ workers at random in dangerous working conditions. ✓
- Workers are treated with dignity and respect ✓ as businesses view them as valuable assets and not just as workers. ✓
- Covers all employees at the workplace ✓ if both parties meet all the necessary safety provisions in the Act. ✓
- Creates a framework ✓ for acceptable employment practices/safety regulations. ✓
- Supply administrative guidelines/mechanisms ✓ for dealing with/processing claims. ✓
- Employees are compensated financially for any injury/disability ✓ resulting from performing their duties at their workplace. ✓
- In the event of the death of an employee as a result of a work-related accident/ disease, ✓ his/her dependent(s) will receive financial support. ✓
- Employees receive medical assistance ✓ provided there is no other medical assistance option. ✓/Cannot claim medical assistance from the fund ✓ and medical aid. ✓
- Medical expenses/Other types of compensation are paid to employees and/or their families ✓ depending on the type/severity of the injuries. ✓
- Employers have to pay a monthly amount to the Compensation Fund ✓ depending on the number of employees/the level of risk they are exposed to. ✓
- Any other relevant answer related to the positive impact/ advantages of the Compensation for Occupational Injuries and Diseases Amendment Act on businesses.

AND/OR

Negatives/Disadvantages

- Claiming processes/procedures ✓ can be time consuming for businesses. ✓
- Military workers ✓ are not covered. ✓
- Workers who are temporarily/permanently employed in foreign countries ✓ are not covered. ✓
- Employers may be forced to pay heavy penalties ✓ if they are found guilty of negligence/not enforcing safety measures. ✓
- Implementation processes/procedures required by the Act ✓ may be expensive. ✓
- Procedures required by this Act may be costly ✓ as paperwork places an extra administrative burden on businesses. ✓
- Employers have to register all their workers/make annual contributions to COIDA, ✓ which may result in cash flow problems. ✓
- Any other relevant answer related to the negative impact/disadvantages of the Compensation for Occupational Injuries and Diseases Amendment Act on businesses.

Max. (6)**BUSINESS OPERATIONS****4.5 Sources of external recruitment**

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

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

4.6 Selection procedure as a human resource activity**OPTION 1**

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

OR

OPTION 2

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

NOTE: The procedure may be in any order.

Max. (6)

4.7 Quality indicators of the purchasing function**4.7.1 Business function from the scenario**

Purchasing function ✓✓

(2)

4.7.2 Other quality indicators of the purchasing function

- Businesses should buy raw materials/products in bulk ✓ at lower prices. ✓
- Select reliable suppliers that render the best quality raw materials/capital goods ✓ at reasonable prices. ✓
- Effective co-ordination between purchasing and production departments ✓ so that purchasing staff understand the requirements of the production process. ✓
- Required quantities should be delivered ✓ at the right time and place. ✓
- Implement/Maintain stock control systems ✓ to ensure the security of stock. ✓
- Maintain optimum stock levels ✓ to avoid overstocking/reduce out-dated stock. ✓
- Monitor and report on minimum stock levels ✓ to avoid stock-outs. ✓
- Effective use of storage space ✓ and maintain product quality while in storage. ✓
- Involve suppliers ✓ in strategic planning/product design/material selection/quality control process. ✓
- Ensure that there is no break in production ✓ due to stock shortages. ✓
- Establish relationships with suppliers ✓ so that they are in alignment with the business's vision/mission/values. ✓
- Have a thorough understanding ✓ of supply chain management. ✓
- Any other relevant answer related to other quality indicators of the purchasing function.

NOTE: Do not award marks for responses quoted in QUESTION 4.7.1.

Max. (4)

4.8 Impact of total quality management (TQM) if poorly implemented by businesses

- Setting unrealistic deadlines that may not be achieved. √√
- Employees may not be adequately trained resulting in poor quality products. √√
- Decline in productivity, because of stoppages. √√
- Businesses may not be able to make necessary changes of products/services to satisfy the needs of customers. √√
- Businesses' reputation/image may suffer because of poor quality/defective goods. √√
- Customers will have many alternatives to choose from and the impact could be devastating to businesses. √√
- Investors might withdraw investment, if there is a decline in profits. √√
- Decline in sales√ as more goods are returned by unhappy customers. √√
- High staff turnover, because of poor skills development. √√
- Undocumented/Uncontrolled quality control processes/systems could result in errors/deviations from pre-set quality standards. √√
- Any other relevant answer related to the impact of TQM if poorly implemented by businesses.

Max. (4)
[40]

BREAKDOWN OF MARKS

QUESTION 4	MARKS
4.1	2
4.2.1	3
4.2.2	3
4.3	6
4.4	6
4.5	4
4.6	6
4.7.1	2
4.7.2	4
4.8	4
TOTAL	40

TOTAL SECTION B: 80

SECTION C

Mark the **FIRST** question only.

QUESTION 5: BUSINESS ENVIRONMENTS (LEGISLATION)**5.1 Introduction**

- The CPA was introduced to redress the economic inequalities of the past. ✓
- The consumer rights stipulated in the CPA also provide protection to businesses as they are also consumers. ✓
- The stipulations in the CPA ensure that businesses respect consumer rights by complying with the CPA. ✓
- Penalties/consequences for non-compliance encourage businesses to comply with this Act. ✓
- Any other relevant introduction related to the purpose of the CPA/consumer rights as stipulated in the CPA/impact of the CPA/penalties for non-compliance with the CPA.

(Any 2 x 1) (2)

5.2 Purpose of the Consumer Protection Act

- Promotes responsible consumer behaviour. ✓✓
- Establishes national standards to protect consumers. ✓✓
- The act establishes a National Consumer Commission (NCC). ✓✓
- Establishes national standards to protect consumers. ✓✓
- Promotes and protects the economic interests of consumers by providing access to information. ✓✓
- Promotes fair/accessible and sustainable places for people to sell their products. ✓✓
- Promotes consistent laws relating to consumer transaction and agreement. ✓✓
- Promotes the rights and full participation of historically disadvantaged individuals as consumers. ✓✓
- Promotes consumer safety by protecting them from hazardous products/services. ✓✓
- Provides guidelines for better consumer information and to prohibit unfair business practices. ✓✓
- Ensures that consumers have access to information they need to make informed choices. ✓✓
- Ensures that consumers are not misled/deceived by suppliers of goods/services. ✓✓
- Empowers consumers to take legal action if their rights are not upheld. ✓✓
- Strengthens a culture of consumer rights and responsibilities. ✓✓
- Protects consumers against contracts that include unfair terms which limit the liability of suppliers. ✓✓
- Protects consumers against dishonest businesses such as fly-by-night franchisors. ✓✓
- Allows for consumers and businesses to resolve disputes fairly/effectively. ✓✓
- Any other relevant answer related to the purpose of the Consumer Protection Act.

Max. (12)

5.3 Consumer rights as stipulated in the CPA

5.3.1 Right to choose

- Consumers have the right to:
 - o choose ✓ suppliers and/or goods. ✓
 - o shop around ✓ for the best prices. ✓
 - o return goods ✓ that are unsafe/defective for a full refund. ✓
 - o reject goods ✓ that are not the same as the sample marketed. ✓
 - o cancel/renew ✓ fixed term agreements. ✓
 - o request written quotations ✓ and cost estimates. ✓
 - o Any other relevant answer related to the right to choose as stipulated in the CPA.

Sub-max. (6)

5.3.2 Right to information about products and agreements/Right to disclosure and information

- Contracts and agreements should be in plain language ✓ and easy to understand. ✓
- Businesses should display prices ✓ which are fully inclusive disclosing all costs. ✓
- Businesses should label products ✓ and trade descriptions correctly. ✓
- Consumers may request the unit ✓ and bulk price of the same product. ✓
- If two prices for the same product are displayed, ✓ consumers should pay the lower price. ✓
- All information related to the country of origin, ✓ expiry dates/ingredients of the products should be disclosed. ✓
- Any other relevant answer related to the right to information about products and agreements/right to disclosure and information as stipulated in the CPA.

Sub-max. (6)

5.3.3 Right to equality in the consumer marketplace

- Businesses should not limit access ✓ to goods and services. ✓
- Businesses may not vary ✓ the quality of their goods to different consumers. ✓
- Businesses should not discriminate ✓ when marketing their products and services in different areas/places. ✓
- Businesses may not charge different prices ✓ for the same goods/services. ✓
- Any other relevant answer related to the right to equality in the consumer marketplace as stipulated in the CPA.

Sub-max. (6)

Max. (14)

5.4 Impact of CPA on businesses

Positives/Advantages

- Businesses may be safeguarded ✓ from dishonest competitors. ✓
- Businesses may be protected ✓ if they are regarded as consumers. ✓
- Prevents larger businesses ✓ from undermining smaller ones. ✓
- May gain consumer loyalty, ✓ if they comply with CPA. ✓
- Enables businesses to resolve disputes fairly ✓ through the National Consumer Commission/Consumer Court/Industrial ombudsmen. ✓
- Businesses may build a good image ✓ if they ensure that they do not violate consumer rights. ✓
- Any other relevant answer related to the positive impact/advantages of CPA on businesses.

AND/OR

Negatives/Disadvantages

- Confidential business information ✓ may become available to competitors. ✓
- Penalties for non-compliance ✓ may be very high. ✓
- Businesses may feel unnecessarily burdened ✓ by legal processes. ✓
- They have to disclose more information ✓ about their products and processes/services. ✓
- Processes and procedures required by CPA ✓ can be expensive and time consuming. ✓
- Consumers can take advantage of a business ✓ and return goods when it is not necessary to do so. ✓
- Staff need to be trained /Legal experts need to be consulted, ✓ which can increase costs. ✓
- Many business documents need to be simplified /revamped at extra cost ✓ as consumers have a right to receive contracts in simple/understandable language. ✓
- Administration costs increase as legal contracts ✓ need to be worded in plain language/pitched at the level of the consumer. ✓
- Businesses may need insurance against claims from consumers/ provisions in the Act ✓ increase risks for unforeseen claims and lawsuits. ✓
- Businesses have to replace/repair faulty items/refund money ✓ if the fault occurs within six months after purchase. ✓
- Supply chain management in stock levels will have to change, ✓ as defective goods have to be replaced within six months at the request of the consumer. ✓
- Information technology systems need to be improved ✓ as the retailer must keep more detailed records of interactions with consumers /be able to report to the National Consumer Commission. ✓
- Any other relevant answer related to the negative impact/ disadvantages of CPA on businesses.

Max. (14)

5.5 Penalties businesses may face for non-compliance with the CPA

- A contract may be rendered void or a fine or term of direct imprisonment may be imposed. ✓✓
- Businesses may face fines or imprisonment for a period not exceeding 10 years. ✓✓
- Government agencies may conduct audits, enact fines or even dissolve your business entirely. ✓✓
- Businesses will be forced to compensate consumers in line with the extent to which their rights have been violated. ✓✓
- Any other relevant answer related to the penalties businesses may face for non-compliance with the CPA.

Max. (6)**5.6 Conclusion**

- Consumers welcomed the introduction of the Consumer Protection Act as it created awareness and protection of consumer rights. ✓✓
- The consumer rights in the CPA applies to cash and credit transactions. ✓✓
- The CPA protects consumers against dishonest businesses and against contracts that include unfair terms. ✓✓
- Business should strive to comply with the CPA to prevent penalties and negative publicity. ✓✓
- Any other relevant conclusion related to the purpose of the CPA/consumer rights as stipulated in the CPA/impact of the CPA/penalties for non-compliance with the CPA.

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

QUESTION 5: BREAKDOWN OF MARKS

DETAILS	MAXIMUM	TOTAL
Introduction	2	Max. 32
Purpose of the Consumer Protection Act	12	
Consumer rights as stipulated in the CPA: ○ Right to choose ○ Right to information about products and agreements/Right to disclosure and information ○ Right to equality in the consumer marketplace	14	
Impact of the CPA on businesses	14	
Penalties businesses may face for non-compliance with the CPA.	6	
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 (QUALITY OF PERFORMANCE)**6.1 Introduction**

- The production manager should put systems in place to ensure that quality products are produced. ✓
- Quality management should not just be an inspection process, but become part of the culture of the business. ✓
- Quality performance ensures that the activities of all business functions must be properly managed to ensure that all departments adhere to the same quality standards. ✓
- Continuous skills development allows employees access to necessary skills required to achieve their targets. ✓
- Monitoring and evaluation of quality processes will ensure that corrective actions are taken when needed. ✓
- The effective implementation of TQM may give businesses a competitive advantage over other businesses. ✓
- Any other relevant introduction related to the quality indicators of production function/quality management and quality performance /impact of continuous skills development/monitoring and evaluation of quality processes/ways in which TQM can reduce the cost of quality.

(Any 2 x 1) (2)

6.2 Quality indicators of the production function

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

Max. (12)

6.3 Differences between quality management and quality performance

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

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

Max. (8)

6.4 Impact of continuous skills development and monitoring and evaluation of quality processes as TQM elements on large businesses

6.4.1 Continuous skills development/Education and training

Positives/Advantages

- Large businesses have a human resources department ✓ dedicated to skills training and development. ✓
- Human resources experts ensure that training programmes are relevant ✓ to increased customer satisfaction. ✓
- Ability to afford ✓ specialised/skilled employees. ✓
- Large businesses could conduct skills audits to establish the competency/education levels of staff performing work ✓ which could affect the quality of products/processes positively. ✓
- May be able to hire qualified trainers ✓ to train employees on a regular basis. ✓
- Any other relevant answer related to the positive impact/advantages of continuous skill development as a TQM element on large business.

AND/OR

Negatives/Disadvantages

- Poor communication systems in large businesses ✓ may prevent effective training from taking place. ✓
- Trained employees may leave for better jobs ✓ after they gained more skills. ✓
- De-motivates employees, ✓ if they do not receive recognition for training. ✓
- Employees who specialise in narrowly defined jobs ✓ may become frustrated/ demotivated. ✓
- Employees may not be aware of the level of competency they should meet ✓ in order to achieve their targets. ✓
- It may be difficult to monitor/evaluate ✓ the effectiveness of training. ✓
- Any other relevant answer related to the negative impact/disadvantages of continuous skill development as a TQM element on large business

Sub-max. (8)

6.4.2 Monitoring and evaluation of quality processes

Positives/Advantages

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

AND/OR

Negatives/ Disadvantages

- Large businesses are often divided and the departments work in silos, ✓ which makes it is difficult to get everyone to communicate. ✓
- It often takes longer to detect problems ✓ or respond to weaknesses. ✓
- It is not viable to check quality ✓ of all the products. ✓
- Any other relevant answer related to the negative impact/disadvantages of monitoring and evaluation processes as a TQM element on large businesses.

Sub-max. (8)

Max. (16)

6.4 Ways in which TQM can reduce the cost of quality

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

Max. (10)**6.5 Conclusion**

- The production function should produce goods and services according to set standards and specifications. ✓✓
- Quality management and quality performance is important to a business to be sustainable. ✓✓
- Continuous skills development and monitoring and evaluation of quality processes enables businesses to produce quality products which will meet the customer needs. ✓✓
- The reduction in the cost of quality allows businesses to reduce prices of products which will lead to an increase in profitability/market share. ✓✓
- Any other relevant conclusion related to the quality indicators of production function/quality management and quality performance/ impact of continuous skills development/monitoring and evaluation of quality processes/ways in which TQM can reduce the cost of quality.

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

QUESTION 6: BREAKDOWN OF MARK ALLOCATION

DETAILS	MAXIMUM	TOTAL
Introduction	2	Max. 32
Quality indicators of the production function	12	
Difference between quality management and quality performance	8	
Impact of TQM elements on large businesses: <ul style="list-style-type: none"> ○ Continuous skills development/Education and training ○ Monitoring and evaluation of quality processes 	16	
Ways in which TQM can reduce the cost of quality	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