



JUNE 2019
GL

PAPER 1
MEMORANDUM

SECTION A

QUESTION 1

1.1.1. C ✓✓
1.1.2. C ✓✓
1.1.3. D ✓✓
1.1.4. A ✓✓
1.1.5. B ✓✓

1.2.1. F ✓✓
1.2.2. D ✓✓
1.2.3. G ✓✓
1.2.4. A ✓✓
1.2.5. C ✓✓

1.3.1. Takeover ✓✓
1.3.2. Micro ✓✓
1.3.3. dumping ✓✓
1.3.4. Interdependent ✓✓
1.3.5. Trade Unions ✓✓

[30]

[TOTAL SECTION A: 30]

SECTION B

QUESTION 2:

QUESTION 2

2.1 Any TWO discussed

- Difficult employees ✓✓
- Lack of vision and mission ✓✓
- Lack of adequate management skills ✓✓
- Unions ✓✓
- Strikes and go slows ✓✓

(2 x 3) (6)

2.2 Increase unemployment ✓✓

People are making less or no money ✓✓

They have less money to spend and support other businesses ✓✓

Businesses will not do as well. ✓✓

Any other relevant answer

(2x2) (4)

2.3 Crime – people do not have money so could result in them stealing ✓✓

Poverty – they no longer make money therefore could become poor ✓✓

Any other relevant answer

(2)

2.4 Poverty cycle

- Large % of the people are poor. ✓✓
- Huge inequality in income levels ✓✓
- Very difficult to break circle of poverty ✓✓
- Because of large % of poverty, buying power of the people is less. ✓✓
- Business unable to thrive and grow. ✓✓
- Can't afford food or education. ✓✓
- Results in hunger and illiteracy. ✓✓
- Illiteracy leads to unskilled workforce. ✓✓
- Hunger leads to malnutrition and disease. ✓✓
- Workers need to be recruited and trained which becomes costly. ✓✓
- Workforce is depleted ✓✓
- Unemployment results in crime and economic decline. ✓✓

(14)

2.5.1 Reduction of sales ✓✓

Increased unemployment

Retrenchment of staff

(2)

2.5.2 Marketing ✓✓

Social

(2)

2.6 People who develop their skills can then find a job easier and be able to have an income. ✓✓ They will contribute to other businesses buy buying their goods and services ✓✓ rather than result in theft and hinder South Africa if they did not make an income ✓✓

Any other relevant answer

(6)

2.7 Labour Relations Act ✓✓

(2)

2.8 To advance economic development, social justice, labour peace and demonstration in the workplace ✓✓.

(2)

[40]

QUESTION 3

- 3.1.1 1 – Introduction ✓
2 – Growth ✓
3 – Maturity ✓
4 – Decline ✓ (4)

- 3.1.2 • Costs are reduced as more products are produced ✓✓
• Competition in market begins to increase ✓✓
• Demand for product increases as awareness increases ✓✓
• Sales increase ✓✓
• Prices decrease due to competition ✓✓
• Profits increase due to increased sales and reduced costs ✓✓ (4)

3.2 Components of marketing communication policy

- Sales promotion ✓
 - Advertising ✓
 - Publicity ✓
 - Personal selling ✓
- (4)

3.3 Contain: ✓ The packaging is needed to contain the item or product. ✓

Information: ✓ The packaging indicates the brand and trademark of the company and product and could have information about the product, including any harmful warnings or dosage requirements. ✓

Protection: ✓ Packaging protects many products from germs, breakage, moisture and spoilage. ✓

Transportation: ✓ Some packaging is designed to make the transportation easier or safer. ✓

Display: ✓ Some products are packaged especially to look attractive and to show value as a marketing tool. ✓

(6)

3.4

Differentiate between advertising and publicity

ADVERTISING	PUBLICITY
<ul style="list-style-type: none">• Paid for ✓ by the business. ✓• Has control ✓ over the messages. ✓• Only positive. ✓• Low level of credibility ✓ done by the business. ✓• Not presented as news ✓ consumers likely to ignore. ✓• Any other relevant answer related to advertising	<ul style="list-style-type: none">• Free of charge ✓ to the business. ✓• No control ✓ over the message. ✓• Can be positive or negative. ✓• High level of credibility ✓ done by a third party. ✓• Presented as news ✓ consumers likely to pay attention. ✓• Any other relevant answer related to publicity.

Sub max (2)

Sub max (2)

(4)

- 3.5 **Production Planning Advantages**
 Full use of all machines and labour ✓✓
 Improved Inventory Control ✓✓
 Increased Productivity ✓✓
 Increase Quality ✓✓

(4)

- 3.6.1 **Determines Routing (Any TWO)**
- Quality and type of raw materials ✓✓
 - Manufacturing process and sequence ✓✓
 - Specifications of the final product / size ✓✓
 - Cost analysis ✓✓

(4)

- 3.6.2 **Factors affecting scheduling (Any ONE)**
- Capacity or size of the business/factory ✓✓
 - Staff to carry out the tasks with the necessary skills ✓✓
 - Available machinery and materials ✓✓

(2)

- 3.7 **SABS tasks carried out**
- Sets and publishes national standards
 - Provides information on international standards and national standards
 - Tests and certifies products and services against the standards
 - Develops technical regulations and specifications and monitors them
 - Monitors and enforces legal regulations
 - Promotes design excellence
 - Provides training.

Max (4)

3.8 **Differences between piecemeal and time-related salary determination system.**

PIECEMEAL	TIME-RELATED
<ul style="list-style-type: none"> • Remunerated for a specific piece of work, ✓ regardless of hours worked/ time taken to produce items. ✓ • Calculation based on ✓ the piece of work/number of items produced. ✓ • Any other relevant answer related to piecemeal/piece rate/piece work remuneration. 	<ul style="list-style-type: none"> • Remunerated for the time/period worked, ✓ usually monthly or weekly. ✓ • Calculation based on ✓ an agreed hourly/daily/weekly/monthly rate. ✓ • Any other relevant answer related to time related remuneration.
Sub max (2)	Sub max (2)

(4)

[40]

QUESTION 4

4.1 Environment table

4.1.1 Management ✓✓

4.1.2 Poor management, leadership, control ✓✓

- 4.1.3 Put systems in place to ensure better productivity and control√√
- 4.1.4 Suppliers√√
- 4.1.5 Milk getting very expensive√√
- 4.1.6 Look for a milk substitute√√
- 4.1.7 Economic√√
- 4.1.8 Increase in petrol and transport costs√√
- 4.1.9 Investigate other transport possibilities√√
- (18)**

Note: These answers are suggested answers. Any other relevant answer that can be linked to the case study must be considered.

- 4.2 Basic Conditions of Employment Act√√ **(2)**
- 4.3 Developed in response to the demands for redress and equity √√
- Constitution gives people the right to fair practice which the act ensures √√ **(2)**
- 4.4 Commission for Conciliation, Mediation and Arbitration√√ **(2)**
- 4.5 Trade Union = an employee organisation controlled, run and paid for by its members that represents workers in their negotiations with management√√ **(2)**
- 4.6 Differentiate between strike, lock-out and go slow
- Strike = when workers organise themselves and refuse to work as a form of protest in order to get their demands met by the employer√√
 - Go slow = work is deliberately delayed as a form of protest√√
 - Lock out = employers keep workers from their place of work until certain terms of negotiation are agreed upon√√ **(3x2) (6)**
- 4.7 Functions of a Trade Union
- Negotiate for better remuneration√√
 - Negotiate for recognition by the employer
 - Represent the employee
 - Protect against discrimination and abuse
 - Protect against unfair labour practices and unfair dismissal
 - Take legal action on behalf of employee
 - **Any other relevant function** **(4x2) (8)**

[40]

SECTION C

QUESTION 5

Introduction

- There are three sectors involved in production and distribution, namely the primary, secondary and tertiary sectors. ✓
- They operate interdependently. ✓
- All three is necessary for the smooth functioning of trade. ✓

Any applicable introduction.

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

Primary sector

- Involves the extraction of products / raw materials from natural resources. ✓✓
- Examples: Agriculture, forestry, fishing and mining. ✓✓

(2 x 2) **(4)**

Secondary sector

- Involves the processing of raw materials extracted from the primary sector ✓✓
- It consists of the manufacturing and construction industries. ✓✓
- Goods manufactured in this sector are either finished or semi-finished ✓✓
- Example: Mondi manufactures paper from wood. ✓✓

(Any 2 x 2) **(4)**

Tertiary sector

- Consists of distributors as well as services ✓✓
- Facilitates the flow of goods and services from primary and secondary sectors to customers ✓✓
- Adds value to goods and services, by bringing them to customers and making them available in the right quantities and at the right time. ✓✓
- Examples: Traders, transport, communication, etc. ✓✓

(2X2) **(4)**

Interrelatedness/Links between the sectors

Primary Sector

- In the primary sector, there are farmers who need seed and food stock produced by other farmers. ✓✓
- The primary sector is also dependent on the secondary sector for manufactured goods such as machinery, equipment, etc. ✓✓
- The primary sector needs transport and financing provided by the tertiary sector. ✓✓

(2 x 2) **(4)**

Secondary Sector

- The secondary sector is dependent on the primary sector for the raw materials that are processed into more useful products, e.g. wool jackets. ✓✓
- The secondary sector also rely on the tertiary sector for the provision of a variety of services e.g. warehouses for the storage of goods ✓✓
- In the secondary sector, there are manufacturers of components that are used by other manufacturers' in their final products. ✓✓

(2 x 2) **(4)**

Tertiary Sector

- In the tertiary sector, retailers are dependent on wholesalers for the supply of their stocks. ✓✓
- The tertiary sector is also dependent on the secondary sector for manufactured goods such as office machines, office furniture, stationery, etc. ✓✓

- The various services of transport, communication, financing, insurance and advertising are provided to the primary and secondary sectors. √√

(2 x 2) (4)

Backward link

- Means that businesses in a sector buy products or services from another sector's business within the same sector. √√
- Example is foods bought by food manufacturers in the secondary sector from farmers or coal bought by steel producers from coal mines in the primary sector. √√
- Manufacturer of clothing buys zips and buttons from other manufacturers. √√

(3 x 2) (6)

Forward link

- A forward link means that businesses in a sector sell their products or services to another sector or to businesses within the same sector √√
- Example: Cotton sold by cotton farmers to spinning and weaving factories. √√
- Example of selling within a sector: Tyre manufacturers sell tyres to car manufacturers. √√

(3 x 2) (6)

Conclusion

- Sectors do not operate in isolation. √
- The economy of the country would not operate without this interrelatedness of the economic sectors. √
- The participants in the economy they make sure of the real and money flow to boost our economy. √

(Any applicable conclusion)

(Any 2 x 1) (2)

	Q6	SUBTOTAL	MAXIMUM
INTRODUCTION		2	
BODY			
SECTORS	12	28	
INTERRELATEDNESS	12		
FORWARD/BACKWARD	8		
DUMPING	8		
CONCLUSION		2	
LASO			
LAYOUT			2
ANALYSIS			2
SYNTHESIS			2
ORIGINALITY			2
TOTAL			40

QUESTION 6

Introduction

- Recruitment enables businesses to employ people whose skills and qualifications are in line with the requirements of the job. √

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

Differences between internal and external recruitment
INTERNAL RECRUITMENT EXTERNAL RECRUITMENT

INTERNAL RECRUITMENT	EXTRERNAL RECRUITMENT
Refers to the use of internal sources ✓ to advertise vacancies inside the business. ✓ - Any other relevant answer related to internal recruitment.	sources ✓ to advertise vacancies outside the business. ✓ - Any other relevant answer related to external recruitment
Submax 2	Submax 2
EXAMPLES	EXAMPLES
Internal e-mails/Intranet/web sites to staff ✓ - Word of mouth ✓ - Business newsletter/circulars ✓ - Internal/management referrals ✓ - Notice board of the business ✓ - Internal bulletins ✓ - Recommendation of current employees ✓ - Head hunting within the business/organisational database. ✓ - Any other relevant example of internal recruitment. -	Printed media [newspapers] ✓ - Electronic media [radio / TV] ✓ - Social media ✓ - Recruitment agencies ✓ - Billboards ✓ - Any other relevant example of external recruitment.
Submax 1	Submax 1

Max (6)

6.3 Selection procedure

6.3.1 Receive documentation ✓

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

Sub-max. (3)

6.3.2 Evaluate CVs and create a shortlist/Screen applicant ✓

- Make a list of all applicants ✓ who qualify for a job ✓/Candidates who obviously meet the requirements are separated ✓ from those who do not. ✓
- Applicants are evaluated ✓ against pre-set criteria. ✓
- Applicants are ranked ✓ from the most suitable to less suitable candidates. ✓

- Candidates with the highest score ✓ are placed on a shortlist in ranked order. ✓
- The shortlist ✓ should contain between 3 and 5 candidates. ✓
- Any other relevant answer related to evaluating CVs and creating a shortlist during the selection process.

Sub-max. (3)

6.3.3 Check information in the CVs/Contact references ✓

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

Sub-max. (3)

6.3.4 Conduct preliminary interviews ✓

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

Sub-max. (3)

6.3.5 Assess/Test candidates ✓

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

Sub-max. (3)

6.3.6 Conduct interviews ✓

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

Sub-max. (3)

6.3.7 Offer employment/Letter of appointment ✓

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

Sub max (3)

Max. (16)

6.4 Role of the interviewer during the interview

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

Max. (12)

6.5 Aspects that must be included in the employment contract of the selected candidate

- Personal details of the employee. ✓✓
- Details of the business/employer, e.g. name/address, ✓✓ etc.
- Job title/Position. ✓✓
- Job description, e.g. duties/conditions of work. ✓✓
- Job specification e.g. formal qualifications. willingness to travel. ✓✓
- Date of employment/commencement of employment. ✓✓
- Place where employee will spend most of his/her working time. ✓✓
- Hours of work, e.g. normal time/overtime. ✓✓
- Remuneration, e.g. weekly or monthly pay. ✓✓
- Benefits/Fringe benefits/Perks/Allowances. ✓✓
- Leave, e.g. sick/maternity/annual/adoption leave. ✓✓
- Employee deductions (compulsory/non-compulsory). ✓✓
- Period of contract/Details of termination. ✓✓
- Probation period. ✓✓
- Signatures of both the employer and employee. ✓✓
- List of documents that form part of the contract, e.g. appointment letter/code of conduct/ethics. ✓✓
- Disciplinary policy, e.g. rules and disciplinary procedure for unacceptable behaviour. ✓✓
- Any other relevant answer related to the aspects that must be included in the employment contract of the selected candidate.

Max. (12)

6.6 Conclusion

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

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

QUESTION 6: BREAKDOWN OF MARK ALLOCATION

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

TOTAL SECTION C: 40
GRAND TOTAL: 150