



basic education

Department:
Basic Education
REPUBLIC OF SOUTH AFRICA

SENIOR CERTIFICATE EXAMINATION

BUSINESS STUDIES

2015

MEMORANDUM

MARKS: 300

This memorandum consists of 49 pages.

NOTES TO MARKERS

1. For marking and moderation purposes, the following colours are recommended:

Marker:	Red
Senior Marker:	Green
Deputy Chief and Chief Marker:	Black/Brown/Pink
Internal Moderator:	Orange

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 memorandum 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 memorandum
 - comes from another source
 - original
 - a different approach is used

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

4. Take note of other relevant answers provided by candidates and allocate marks accordingly. (In cases where the answer is unclear or indicates some understanding, part-marks should be awarded, for example, one mark instead of the maximum of two marks.)
5. The word 'sub-max' is used to facilitate the allocation of marks within a question or sub-question.
6. The purpose of circling marks (guided by 'max' in the breakdown of marks) on the right-hand side is to ensure consistency and accuracy in the marking of scripts as well as for calculation purposes.
7. In an indirect question, the theory as well as the response must be relevant and related to the question.
8. Incorrect numbering of answers to questions or sub-questions will be severely penalised. For this paper it applies only to SECTION A and B.
9. No additional credit must be given for repetition of facts. Indicate with a R.
10. Subtotals to questions must be written in the right-hand margin. Circle the sub-totals as indicated by the allocation of marks. This must be guided by 'max' in memo. Only the total for each question should appear in the left-hand margin next to the appropriate question number.

11. Note that no marks will be awarded for indicating Yes (✓✓)/No (✓✓) in evaluation-type questions requiring substantiation or motivation. (Applicable to SECTIONS B and C)
12. The differentiation between 'evaluate' and 'critically evaluate' can be explained as follows:
- (a) 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.✓'*
- (b) 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:

- The above could also apply to describe, discuss, explain, distinguish, differentiate, compare, analyse, etc.
- This will depend on the nature, content and context of the question.
- **This may apply to Section B (2015) and Section C (2016).**

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 applies only 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 at the marking centre to finalise 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/explain/discuss' may be marked as follows:

- Fact 2 marks (or as indicated in the memorandum)
- Explanation 1 mark

The 'fact' and 'explanation' are given separately to facilitate mark allocation.

- 13.4.2 If the number of facts is not specified, the candidate must be informed by the nature of the question and the maximum mark allocated.
- 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 SECTION 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	Candidates' ability to break down the question/interpret it correctly to show understanding of what is being asked.	2
Synthesis	What parts to the question would you have included in the answer? Are there decisions made from a combination of relevant points? Marks to be allocated using this guide: No relevant facts: 0; Some relevant facts: 1; Only relevant facts: 2	2
Originality	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 MAXIMUM mark in a subsection has been attained. Write MAX after maximum marks have been obtained.
- 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 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.)
- 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 (a) Award TWO marks for complete sentences. Award ONE mark for phrases, incomplete sentences and vague answers.
- (b) With effect from May/June 2016, 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.'√

SECTION A**QUESTION 1**

- 1.1 1.1.1 B√√
 1.1.2 D√√
 1.1.3 A√√
 1.1.4 B√√
 1.1.5 C√√
 1.1.6 B√√
 1.1.7 C√√
 1.1.8 A√√
 1.1.9 C√√
 1.1.10.D√√ (10 x 2) **(20)**
- 1.2 1.2.1 Excess√√
 1.2.2 Human√√
 1.2.3 Staff development√√
 1.2.4 Lockouts√√
 1.2.5 Inclusivity√√ (5 x 2) **(10)**
- 1.3 1.3.1 H√√
 1.3.2 F√√
 1.3.3 E√√
 1.3.4 G√√
 1.3.5 C√√ (5 x 2) **(10)**

TOTAL SECTION A: 40**BREAKDOWN OF MARKS**

QUESTION 1	MARKS
1.1	20
1.2	10
1.3	10
TOTAL	40

SECTION B

Mark the FIRST THREE answers only.

QUESTION 2: BUSINESS ENVIRONMENT**2.1 Business sectors**

2.1.1 Tertiary sector ✓ (1)

2.1.2 Business environment

CHALLENGES	BUSINESS ENVIRONMENT
<ul style="list-style-type: none"> - Employees not trained in doing men's hair. ✓ - Nana's salon is not equipped to provide men's hair services. ✓ - Does not have sufficient capital to buy more equipment. ✓ <p style="text-align: right;">Sub max (1)</p>	<p>Micro ✓✓</p> <p style="text-align: right;">Sub max (2)</p>
<ul style="list-style-type: none"> - Nana must pay the full retail price for shampoo and equipment. ✓ <p style="text-align: right;">Sub max (1)</p>	<p>Market ✓✓</p> <p style="text-align: right;">Sub max (2)</p>
<ul style="list-style-type: none"> - The increase in violence at the taxi rank. ✓ <p style="text-align: right;">Sub max (1)</p>	<p>Macro ✓✓</p> <p style="text-align: right;">Sub max (2)</p>

NOTE: 1. Mark the first challenge for each environment only.
2. If the business environment is not linked to the challenge, mark the challenge only.

Max (9)

2.1.3 Extent of control

- Micro: Full control ✓
- Market: Limited/Little control/Limited influence ✓
- Macro: No control ✓

NOTE: Follow the order of the responses in 2.1.2, if the business environment is not clearly indicated here.

(3 x 1) (3)

2.2 Business environments

2.2.1 Market environment ✓ (1)

2.2.2 Porter's Five Forces

- Competitive rivalry ✓
- Power of buyers ✓
- Threat of new entry ✓
- Power of supplier ✓
- Threat of substitution ✓

(5 x 1) (5)

2.3 Advantages of the NCA for businesses

- The whole credit process is transparent√ e.g. both businesses and customers know their responsibilities.√
- Lower bad debts√ resulting in better cash flow.√
- Protects businesses√ against non-paying consumers.√
- Increases cash sales√ because businesses only grant credit to qualifying customers/more customers are buying in cash.√
- Stamps out reckless lending√ and prevents businesses from bankruptcy.√
- Businesses do thorough credit checks√ and receive up-to-date documentation from the consumer as proof that they can afford the repayment.√
- Leads to more customers√ through credit sales as they are now protected from abuse.√
- Any other relevant answer related to the advantages of the NCA for businesses.

Max (10)**2.4 Consumer rights**

- **Right to choose**√√
Consumers have the right to:
 - choose suppliers and/or goods.√
 - shop around for the best prices.√
 - reject goods that are unsafe/defective for a full refund.√
 - cancel/renew fixed term agreements.√
 - request written quotations and cost estimates.√
 - Any other relevant answer related to the consumer's right to choose as defined in the CPA.

Sub max (3)
- **Right to return goods/have goods replaced/claim a refund**√√
 - Goods that are unsafe/defective may be replaced by the supplier.√
 - Faulty items may be returned for a full refund.√
 - They may return faulty items if the fault occurs within six months after purchasing the item.√
 - Any other relevant answer related to the consumer's right to return goods/ have it replaced/claim a refund as defined in the CPA.

Sub max (3)
- **Right to complain**√√
 - Consumers may use various methods/channels to complain about poor quality goods/services.√
 - They can complain via customer care desks/consumer hotlines/ombudsman etc.√
 - Any other relevant answer related to the consumer's right to complain as defined in the CPA.

Sub max (3)

- **Right to privacy/confidentiality**√√
 - Consumers have the right to stop/restrict unwanted direct marketing.√
 - They can object to unwanted promotional e-mails and telesales.√
 - They have the right to stop/lodge complaints about sharing personal details.√
 - Any other relevant answer related to the consumer's right to privacy and confidentiality as defined in the CPA.

Sub max (3)

- **Right to fair/honest dealings**√√
 - Suppliers may not use physical force/harass customers.√
 - They may not give misleading/false information about the product/service/transaction.√
 - Businesses cannot promote pyramid/chain-letter schemes.√
 - Businesses may not overbook/oversell goods/services and then not honour the agreement.√
 - Any other relevant answer related to the consumer's right to fair and honest dealings as defined in the CPA.

Sub max (3)

- **Right to information about products/agreements/disclosure of information**√√
 - Contracts and agreements should be in plain language and easy to understand.√
 - Businesses should display prices fully inclusive of all costs.√
 - Consumers may request the unit and bulk price of the same product.√
 - Businesses should label products and trade descriptions correctly.√
 - Any other relevant answer related to the consumer's right to information as defined in the CPA.

Sub max (3)

- **Right to fair/responsible marketing/promotion**√√
 - Businesses should not mislead consumers on pricing/benefits/uses of goods.√
 - Consumers may cancel purchases made through direct marketing within five working days/cooling off-period.√
 - All information related to the country of origin/expiry dates/ingredients of the products should be disclosed.√
 - Any other relevant answer related to the consumer's right to fair/responsible marketing/promotion as defined in the CPA.

Sub max (3)

- **Right to fair value/good quality/safety**√√
 - Consumers may demand quality services/goods.√
 - They may receive an implied/written warranty.√
 - Any other relevant answer related to the consumer's right to fair value/quality as defined in the CPA.

Sub max (3)

- **Right to accountability from suppliers**√√
 - Consumers have the right to be protected in lay-by agreements.√
 - Businesses should honour credit vouchers/prepaid services.√
 - Any other relevant answer related to the consumer's right to accountability from suppliers as defined in the CPA.

Sub max (3)

- **Right to fair/just/reasonable terms/conditions**√√
 - Businesses should provide consumers with written notices of clauses that may limit consumer rights.√
 - Businesses may not market/sell goods at unfair prices.√
 - Any other relevant answer related to the consumer's right to fair terms and conditions as defined in the CPA.

Sub max (3)

- **Right to equality in the consumer market place**√√
 - Businesses should not limit access to goods/services.√
 - They may not vary the quality of their goods/services supplied to different types of consumers.√
 - Different prices for identical goods/services may not be charged.√
 - Businesses should not discriminate when marketing their products/services in different areas/places.√
 - Any other relevant answer related to consumer rights to equality in the consumer market place as defined in the CPA.

Sub max (3)

NOTE: Mark the first THREE (3) only.

Max (9)

2.5 Types of diversification strategies

- Concentric diversification√√
 - The business adds a new product or service that is related to existing products and which will appeal to new customers.√
 - Occurs when a business wants to increase its product range and markets.√
 - Any other relevant answer related to concentric diversification.

Sub max (3)

- 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 diversification.

Sub max (3)

- Conglomerate diversification√√
 - o The business adds new products or services that are unrelated to existing products which may appeal to new groups of customers.√
 - o Conglomerate diversification means that a business grows into new products, services and markets.√
 - o Any other relevant answer related to conglomerate diversification.

Sub max (3)

NOTE: Mark the first TWO (2) only.**Max (6)****2.6 Provisions of the BCEA****2.6.1 Analysis of BCEA****Non-compliance to BCEA:**

- Hours of work√
 - o Workers are working 9 hours√ a day for six days.√
- Meal intervals/Breaks√
 - o Workers are only allowed√ a 15 minutes break.√
- Sick leave √
 - o Workers are not paid√ when taking sick leave.√

Sub max (6)

Recommendations

- Workers should only work 9 hours√ per day in a 5 day work week.√/8 hours√ per day in a 6 day work week.√/Overtime√ should not exceed 10 hours per week.√
- They must have a break of 60 minutes after five hours of work.√ This can be reduced to 30 minutes by written agreement.√
- Workers can take up to six weeks paid sick leave√ during a 36-month cycle√/are only entitled to one day√ for every month worked during the first six months of their employment.√
- If an employee presents a non-fraudulent medical certificate√ the employer should pay him/her for the days he/she was sick.√
- Any other relevant recommendations related to working hours and sick leave based on the BCEA.

Sub max (6)

NOTE: The recommendations must be linked to M&U Outfitters Ltd's non-compliance to the BCEA.**Max (12)****2.6.2 Other provisions of the BCEA**

- Family responsibility/maternity/annual leave.√√
- Fringe benefits/Employee benefits/Perks.√√
- Remuneration/Salary/Severance packages or pay.√√
- Sunday/Public holiday.√√
- Prohibition of child labour.√√
- Termination of employment.√√
- Any other relevant answer related to the provision of the BCEA.

NOTE: 1. Mark the first TWO (2) only.**2. Do not accept hours of work(overtime)/meal intervals/breaks and sick leave.**Any (2 x 2) (4)
[60]

BREAKDOWN OF MARKS

QUESTION 2	MARKS
2.1.1	1
2.1.2	9
2.1.3	3
2.2.1	1
2.2.2	5
2.3	10
2.4	9
2.5	6
2.6.1	12
2.6.2	4
TOTAL	60

QUESTION 3: BUSINESS VENTURES**3.1 JSE**

3.1.1 Johannesburg Securities Exchange/Johannesburg Stock Exchange (JSE)/
JSE Ltd ✓ **(1)**

3.1.2 Functions of the JSE

- Gives opportunities to financial institutions such as insurance companies ✓ to invest their funds in shares. ✓
- Serves as a barometer/indicator ✓ of economic conditions in South Africa. ✓
- Keeps investors informed on share prices ✓ by publishing the share prices daily. ✓
- Acts as a link ✓ between investors and public companies. ✓
- Shares are valued ✓ and assessed by experts. ✓
- Small investors ✓ are invited to take part in the economy of the country through the buying/selling of shares. ✓
- Venture capital market ✓ is made possible. ✓
- Orderly market for securities ✓ serves as a disciplined market for securities. ✓
- Encourages ✓ new investments. ✓
- Mobilises the funds ✓ of insurance companies and other institutions. ✓
- Raises ✓ primary capital. ✓
- Regulates market ✓ for dealing with shares. ✓
- Plans, researches and advises ✓ on investment possibilities. ✓
- Ensures that the market ✓ operates in a transparent manner. ✓
- Provides protection ✓ for investors. ✓
- Encourages short-term ✓ investment. ✓
- Facilitates electronic trading ✓ of shares/STRATE. ✓
- Any other relevant answer related to the functions of the Johannesburg Securities Exchange (JSE).

Max (6)

3.2 Ways of investing in the JSE

- Buying unit trusts.√√
- Other registered financial service providers, e.g. brokers.√√
- Investing online.√√
- Any other relevant recommendations related to ways of investing in the JSE.

**NOTE: 1. Mark the first TWO (2) only.
2. Do not accept shares.**

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

3.3 Forms of ownership

3.3.1 Non-profit company/NPC√ **(1)**

3.3.2 Memorandum of Incorporation/MOI√ **(1)**

3.3.3 Success or failure factors of Dawn Events.

CRITERIA	SUCCESS	FAILURE
(a) Taxation	<ul style="list-style-type: none"> - Dawn Events may qualify for tax exemption√ if certain criteria are met.√ - They may receive certain tax benefits/rebates√ when actively involved in community projects.√ - Any other relevant answer related to the contribution of taxation to the success of Dawn Events. 	<ul style="list-style-type: none"> - Required to pay income tax√ if engaged in activities that are unrelated to their business purpose.√ - Must meet certain tax requirements to be exempted,√ e.g. operations must be exclusively for charitable, scientific or public safety purposes.√ - Any other relevant answer related to the contribution of taxation to the failure of Dawn Events.
Sub max (2)		
(b) Capacity	<ul style="list-style-type: none"> - Many donors may be willing to donate√ if Dawn Events are for a good cause/ beneficial to the community.√ - More shareholders may become involved/join the company√ as they contribute positively to society.√ - Any other relevant answer related to the contribution of capacity to the success of Dawn Events. 	<ul style="list-style-type: none"> - Limited capacity√ as funds may be difficult to raise.√ - Dawn Events may not attract investors√ due to its nature as a NPC as they are not profit driven.√ - Any other relevant answer related to the contribution of capacity to the failure of Dawn Events.
Sub max (2)		

(c) Management	<ul style="list-style-type: none"> - Dawn Events may be well managed✓ as it requires a minimum of three (3) directors.✓ - Appoint more directors to bring more skills/ideas/innovations/expertise✓ to the advantage of the company.✓ - The legally prescribed management structure✓ ensures a well-organised company.✓ - Any other relevant answer related to the contribution of management to the success of Dawn Events. 	<ul style="list-style-type: none"> - Large management structure✓ can delay decisions.✓ - Directors may mismanage company funds✓ as they may not have a direct interest in the company.✓ - Directors are liable✓ for any loss/damage/cost sustained by the company.✓ - Any other relevant answer related to the contribution of management to the failure of Dawn Events.
	Sub max (2)	

Max (6)

3.4 Insurance

3.4.1 R1 000 000✓ **(1)**

3.4.2 Underinsured.✓
The property and its household contents were insured for less (R1 200 000)✓ than the real/market value (R1 500 000).✓/Insured for R300 000 less✓ than the real/market value.✓ **(3)**

3.4.3 Average clause✓ **(1)**

3.4.4 Principles of insurance

- Security:✓✓
 - o Applies to long-term insurance where the insurer undertakes to pay out the agreed amount in the event of loss of life.✓
 - o A predetermined amount will be paid out when the insured reaches a predetermined age/or gets injured.✓
 - o When the event will take place/the time of the event is uncertain.✓
 - o Any other relevant answer related to security as a principle of insurance.

Sub max (3)

- Indemnity: ✓✓
 - o Applies to short-term insurance where the insurer restores the financial position of the insured to almost the same financial position as before.✓
 - o The event and the time of the event are both uncertain.✓
 - o Pay-outs from insurance companies will only occur if there is proof that the identified event took place.✓
 - o Any other relevant answer related to indemnity as a principle of insurance.

Sub max (3)

NOTE: The following requirements for insurance may also be accepted.

- Insurable interest√√
 - o Insured must prove that he/she stands to lose if the insured object is damaged/lost or ceases to exist.√
 - o An insurable interest must be expressed in financial terms.√
 - o Any other relevant answer related to insurable interest as a principle of insurance.

Sub max (3)

- Utmost good faith√√
 - o Insured has to be honest in the insurance contract/Details supplied by the insured when entering into the insurance contract must be accurate/true.√
 - o Both parties must disclose all relevant facts.√
 - o Insured must disclose everything that may affect the extent of the risk.√
 - o Any other relevant answer related to utmost good faith as a principle of insurance.

Sub max (3)

NOTE: Mark the first TWO (2) only.

Max (6)

3.5 Preparing for a presentation

- Decide on the purpose/intentions of the presentation.√√
- Establish the main points that the presenter is going to make/List the objectives.√√
- State aims in the introduction/opening statement of the presentation.√√
- Make sure that information is relevant and accurate.√√
- Make sure that you are fully conversant with the content and the objectives of the presentation.√√
- Consider the background/diversity/size/pre-knowledge of your audience to be able to choose the appropriate audio-visual aids.√√
- Plan the format of your presentation with a logical structure/format with an introduction, body and conclusion.√√
- Summarise the key facts in the conclusion to show how they relate to the objectives./Ensure that the conclusion addresses all aspects listed in the introduction.√√
- Create visual aids/graphics that will consolidate the information/facts to be conveyed to the audience.√√
- Enquire about the venue for the presentation, e.g. what equipment is available/appropriate.√√
- Consider the time frame for each aspect of the presentation, e.g. the time allowed for the introduction/body/conclusion.√√
- Rehearse so that you are confident and that you will use your time effectively.√√
- Prepare for the feedback session.√√
- Any other relevant answer related to the preparation of a successful presentation.

Any (2 x 2) (4)

NOTE: Mark the first TWO (2) only.

3.6 Presentation

3.6.1 Pie graph✓

(1)

3.6.2 Toyota✓

Reason:

- 35% being the highest percentage.✓✓
- Toyota's data covers the biggest portion of the graph.

NOTE: 1. The reason must be related to the information in the graph.
2. Do not accept 'popularity' as an answer.

Identify (1)

Reason (2)

Max (3)**3.6.3 Effectiveness of using graphs****Positives**

- Used when information✓ needs to be shown in parts.✓
- Graphs are invaluable visual summaries✓, as it enhances a better understanding of the presentation.✓
- People can easily identify trends with graphs,✓ because it clearly show which parts are bigger/relative to others.✓
- More visually appealing,✓ therefore important facts could be remembered better.✓
- Easier to read✓ and keeps the audience attentive.✓
- Useful visual ways to represent data✓ to easily see patterns/make comparisons.✓
- Communicates figures much clearer✓ than just being a set of numbers.✓
- Any other relevant positives for effectiveness of using graphs.

AND/OR**Negatives**

- Can be confusing✓ if they are not simple and clear.✓
- Time consuming✓ because it involves cumbersome calculations.✓
- Too many variables✓ may make it difficult to read.✓
- Audience can be distracted by graphs✓ and not concentrate on the presentation itself.✓
- Some graphs may only show the percentage✓, but they do not indicate the major trends.✓
- Any other relevant negatives for effectiveness of using graphs.

Max (6)

3.7 Investment calculations**3.7.1 BOBO's investment:**

$$\begin{aligned}\text{Return} &= \text{R}500\,000 - \text{R}400\,000 \checkmark \\ &= \text{R}100\,000 \checkmark\end{aligned}$$

$$\begin{aligned}\% \text{ Return} &= \frac{100\,000}{400\,000} \times \frac{100\%}{1} \checkmark \\ &= 25\% \checkmark\end{aligned}$$

(4)

- NOTE:**
- 1. Award maximum marks (4) if the answer is 25%, without showing calculations.**
 - 2. Award a maximum of TWO (2) marks for the understanding of the concept (1) and process/procedure (1), when the final answer is wrong.**

SAM's investment:

$$\begin{aligned}\text{Return} &= \text{R}400\,000 (20\,000 \times \text{R} 20) - \text{R}200\,000 \checkmark \\ &= \text{R}200\,000 \checkmark\end{aligned}$$

$$\begin{aligned}\% \text{ Return} &= \frac{200\,000}{200\,000} \times \frac{100\%}{1} \checkmark \\ &= 100\% \checkmark\end{aligned}$$

(4)

- NOTE:**
- 1. Award maximum marks (4) if the answer is 100%, without showing calculations.**
 - 2. Award a maximum of TWO (2) marks for the understanding of the concept (1) and process/procedure (1) when the final answer is wrong.**

Sam's investment in Gold Reef Shares earned the highest rate of return. $\checkmark\checkmark$ (2)

Calculations (8)
Sam's investment (2)
Max (10)

3.7.2 Risk factors

Bobo: (Property)

- Low risk over long term (5–20 years). \checkmark
- Risk may increase \checkmark during low economic growth in a country. \checkmark

Risk (1)
Explanation (2)
Sub max (3)

Sam: (Shares)

- High risk over short term (less than 1 year). \checkmark
- Medium to low risk \checkmark over medium (3 years) to long term (5 years+). \checkmark

Risk (1)
Explanation (2)
Sub max (3)

Max (6)**[60]**

BREAKDOWN OF MARKS	
QUESTION 3	MARKS
3.1.1	1
3.1.2	6
3.2	4
3.3.1	1
3.3.2	1
3.3.3	6
3.4.1	1
3.4.2	3
3.4.3	1
3.4.4	6
3.5	4
3.6.1	1
3.6.2	3
3.6.3	6
3.7.1	10
3.7.2	6
TOTAL	60

QUESTION 4: BUSINESS ROLES

4.1 King Code principles

4.1.1 Transparency/Integrated reporting/Disclosure√

(1)

4.1.2 Other King Code principles

- Effective, ethical leadership.√
- Sustainable business practices.√
- Good corporate citizenship.√
- Accountability.√
- Social responsibility.√
- Audit committees.√
- Governance of risk.√
- Governance of information technology.√
- Compliance with laws, rules, codes and standards.√
- Internal audits.√
- Governing stakeholders' relationships.√

**NOTE: 1. Do not award marks for Transparency/Integrated reporting/
Disclosure.**

2. Mark the first THREE (3) only.

Any (3 x 1) **(3)**

4.2 Ethics and Professional behaviour

- 4.2.1 - Vusi promised to appoint Jane in return for sexual favours.√
 - He uses business resources for his own personal gain.√

(2 x 1) (2)

4.2.2 Recommendations on appointing Jane in return for sexual favours

- Implement complaints and disciplinary procedures.√√
- Educate employers on sexual harassment matters.√√
- Formulate a policy regarding sexual harassment.√√
- Create a good working condition where all employees' rights and dignity are respected.√√
- Internal investigation should be made in order to determine the seriousness of the harassment.√√
- Serious cases/matters on sexual harassment should be reported to appropriate institutions such as the South African Police Services (SAPS).√√
- Ensure compliance with the law/business code of conduct.√√
- Any other relevant recommendation related to how the business can deal with the appointment of Jane in return for sexual favours.

Sub max (4)

Recommendations on use of business resources for personal gain

- Identify vulnerable areas.√√
- Combat fraud through internal control.√√
- Formulate a fraud prevention strategy.√√
- Limit the number of employees who have access to resources.√√
- Any other relevant recommendation related to how the business can deal with Vusi using business resources for personal gain.

Sub max (4)

Max (8)**4.2.3 Unethical and unprofessional business practices**

- Pricing of goods in rural areas√√
 - o Some businesses in the rural areas exploit their consumers by adding much more than necessary to their prices.√
 - o Some consumers in rural areas have little economic power and are vulnerable to exploitation.√
 - o Business may form monopolies in rural areas and increase their prices.√
 - o It may be common practice to pay higher prices for goods of inferior quality in rural areas.√
 - o Prices of goods in these areas are generally based on the personal characteristics of the consumer.√
 - o Any other relevant answer related to pricing of goods in rural areas as an unethical and unprofessional business practice.

Sub max (3)

- Unfair advertising√√
 - o Businesses can make unwise advertising choices when they are under pressure to increase their profits.√
 - o Unfair advertisements could be harmful to consumers.√
 - o Some advertisements may be regarded as discriminatory because they exclude/target some sections of the population.√
 - o Any other relevant answer related to unfair advertising as an unethical and unprofessional business practice.

Sub max (3)
- Abuse of work time√√
 - o Employees abuse work time by arriving late/leaving early and taking longer lunch breaks.√
 - o Employees use working hours for personal gain.√
 - o Any other relevant answer related to the abuse of work time as an unethical and unprofessional business practice.

Sub max (3)
- Tax evasion/Taxation√√
 - o The payment of tax reduces a business's profit margin forcing some businesses to evade tax.√
 - o Some businesses may falsify their financial records.√
 - o Many businesses and individuals do not declare all income earned to SARS.√
 - o Any other relevant answer related to tax evasion/taxation as an unethical and unprofessional business practice.

Sub max (3)

NOTE: 1. Mark the first TWO (2) only.
2. Accept any other relevant answer related to unethical and unprofessional business practices.

Max (6)

4.3 Differences between ethics and professionalism

ETHICS	PROFESSIONALISM
- Conforms to a set of values√ that are morally acceptable.√	- Set of standards√ of expected behaviour.√
- Applying a code of conduct√ set by a profession or business.√	- Forms part of a Code of Conduct√ to guide employees to act professionally.√
- Focuses on upholding the reputation√ of a business/profession.√	- Focuses on developing a moral compass√ to use in decision making.√
- Involves following the principles of right or wrong√ in business activities/practices/dealings.√	- Includes guidelines√ on employees' appearance/communication/attitude/responsibility, etc.√
- Any other relevant answer related to ethics in a business enterprise.	- Any other relevant answer related to professionalism in a business enterprise.
Sub max (4)	Sub max (4)

NOTE: 1. The comparison must be clear.
2. Examples must demonstrate the differences between ethics and professionalism.

Max (8)

4.4 Professional, ethical and effective business practices

- Businesses should treat√ all employees equally.√
- Plan properly√ and put preventative measures in place.√
- Pay fair wages/salaries√ which is in line with the minimum requirements of the BCEA.√
- Remunerate employees√ for working overtime and during public holidays.√
- Engage in environmental awareness√ programmes√/Refrain from polluting the environment,√ e.g. by not disposing or dumping toxic waste illegally.√
- 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.√
- Any other relevant answer related to how professional, ethical and effective business practices should be conducted.

Max (10)**4.5 Creative thinking**

- Emphasise the importance of creative thinking to ensure that all staff know that you want to hear their ideas.√√
- Encourage staff to come up with new ideas/opinions/solutions.√√
- Make time for brainstorming sessions to generate new ideas, e.g. regular workshops/generate more ideas/build on one another's ideas.√√
- Place suggestion boxes around the workplace and keep communication channels open for new ideas.√√
- Train staff in innovative techniques/creative problem solving skills/mind-mapping/lateral thinking.√√
- Encourage job swaps within the organisation/studying how other businesses are doing things.√√
- Encourage alternative ways of working/doing things.√√
- Respond enthusiastically to all ideas and never let anyone feel less important.√√
- Reward creativity by introducing reward schemes for teams/individuals who come up with creative ideas.√√
- Provide a conducive working environment free from distractions.√√
- Any other relevant recommendations related to ways in which businesses can promote creative thinking in the workplace.

NOTE: The emphasis is on 'ways', not necessarily advantages.**Max (8)**

4.6 **Nominal group and Delphi problem-solving techniques.**

NOMINAL GROUP TECHNIQUE	DELPHI TECHNIQUE
- Used in the business to get the inputs√ of all group members to solve problems.√	- Business gets the inputs of the experts√ to solve big problems.√
- Each individual silently brain-storms as many ideas as possible√ and writes them down.√	- Experts respond to questionnaires individually√ and return it to the organisation.√
- Each group member gives one of their solutions√ and group members are not allowed to criticise.√	- Response from the experts is summarised√ in a feedback report.√
- Used to avoid some dominant group members√ who might prevent others from participating.√	- Used to avoid conflict in the workplace√ where employees are all knowledgeable.√
- Any other relevant answer related to the Nominal group technique.	- Any other relevant answer related to the Delphi-technique.
Sub max (4)	Sub max (4)

- NOTE:**
1. If the distinction is not clear, award a maximum of 4 marks.
 2. Advantages/Disadvantages could be used to distinguish these problem solving techniques.
 3. The answer does not have to show the differences in tabular form.
 4. Accept paragraph style answers.

Max (8)4.7 **Link between triple bottom line and social responsibility****Profit/Economic**√

- Triple Bottom line means that businesses should not only focus on profit/charge high prices,√ but should also invest in CSI projects.√
- Businesses should not make a profit√ at the expense of its community.√
- Any other relevant answer related to the link between profit and social responsibility.

Sub max (2)

People/Social√

- Business operations should not have a negative impact on/exploit√ people/employees/customers.√
- Businesses should engage/invest in sustainable community programmes/projects√ that will benefit/uplift communities.√
- Improve the life style/quality of life√ of their human resources/employees.√
- Any other relevant answer related to the link between people and social responsibility.

Sub max (2)

Planet/Environment√

- Businesses should not exhaust resources/harm the environment√ for production purposes.√
- They may support energy-efficient/eco-friendly√ products/programmes.√
- Recycle/Re-use waste,√ e.g. packaging from recycled material.√
- Any other relevant answer related to the link between the planet/environment and social responsibility.

Sub max (2)

- Any other relevant answer related to the link between Triple Bottom line and social responsibility.

NOTE: The link should be clear in each of the three 'P's (people, planet and profit).

Max (6)
[60]

BREAKDOWN OF MARKS

QUESTION 4	MARKS
4.1.1	1
4.1.2	3
4.2.1	2
4.2.2	8
4.2.3	6
4.3	8
4.4	10
4.5.	8
4.6	8
4.7	6
TOTAL	60

QUESTION 5: BUSINESS OPERATIONS**5.1 Recruitment procedures**

- The human resource manager (HRM) should prepare/evaluate the job description√ in order to identify recruitment needs.√
- HRM should indicate the job specification/description/key performance areas√ to attract suitable candidates√/Prepare a job analysis√, which includes job specification/job description.√
- A decision whether to recruit internally should be made√ to identify suitable candidates from within the business.√
- If internal recruitment is unsuccessful√, external recruitment should be considered.√
- If the external recruitment is done, the relevant recruitment source should be selected√, e.g. recruitment agencies, tertiary institutions, newspapers, etc.√
- The advertisement should be prepared with the relevant information√, e.g. the name of the company, contact details, contact person, etc.√
- Place the advertisement in the selected media√ that will ensure that the best candidates apply.√
- Any other relevant answer related to the recruitment procedure.

NOTE: Accept procedure in any order.

Max (9)

5.2 Internal recruitment**5.2.1 Identification**

- Internal recruitment.√

Motivation

- Takes place when an employer promotes/employs a current employee of the organisation when there is a vacancy.√√
- Zama Clothing has advertised the vacancies on the staff notice board/internal e-mails/memos/circulars.√√
- Any other relevant motivation related to internal recruitment.

Identification (1)

Motivation (2)

Max (3)

5.2.2 Evaluation of internal recruitment**Positives**

- Cheaper/Quicker√ to fill the post.√
- Placement is easy√, as management knows the employees' skills/personality/experience/strengths.√
- Provides opportunities√ for career paths within the business.√
- The employee already has an understanding√ of how the business operates.√/ Induction/Training√ is not always necessary.√
- Reduces the chances of losing employees√, as future career prospects are available.√
- Detailed, reliable information√ can be obtained from the supervisors/ employee records.√
- Any other relevant answer related to the positives of internal recruitment.

AND/OR**Negatives**

- The promotion of an employee could cause resentment√ among other employees.√
- The number of applicants from which to choose is limited√ to existing staff only.√
- It is possible to promote certain employees√ who do not really have the required skills for the new job.√
- It may close the door√ to new ideas from outsiders.√
- The business has to spend more money on training/developing√ existing employees on the new position.√
- Employees who are not promoted√ may feel demotivated.√
- Any other relevant answer related to the negatives of internal recruitment.

Max (8)**5.3 Role of interviewer**

- Know the required skills/knowledge/qualifications/attributes of the vacancy/post√ to be able to match the candidate to it.√
- Be familiar with what the job entails/job description/job specification√ so that relevant questions may be formulated.√
- Prepare questions√ that you want to ask the candidates.√
- Prepare for possible responses from candidates√ to be able to assess the suitability of the candidate for the job.√
- Read the candidate's CV before the interview√ to ensure that his/her responses are consistent.√
- Arrange/book and prepare a venue√ suitable for the number of people that will attend the interview/free from noise/other distractions.√
- Inform the interview panel members and interviewees√ about the time and place of the interview.√
- Any other relevant answer related to the role of the chairperson before conducting an interview.

Max (8)**5.4 Employment contract****5.4.1 Definition**

- It is a legally binding/written√ agreement between the employer and the employee.√
- The employment contract states various terms and procedures√ etc. regarding his/her conditions of service and code of conduct.√
- Any other relevant definition/explanation of the employment contract.

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

5.4.2 Aspects of the employment contract

- Personal details of the employee.√√
- Details of the business/employer e.g. name/address, etc.√√
- Job title.√√
- Job description.√√
- Job specification.√√
- 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.√√
- Leave, e.g. sick/maternity/annual/adoption leave.√√
- Employee deductions (compulsory/non-compulsory).√√
- Period of contract/Details of termination.√√
- Probation period.√√
- 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 of the employment contract.

NOTE: Award a maximum of TWO (2) marks for examples that illustrate the same fact.

Max (10)

5.4.3 Termination of a contract

- Employee resigns voluntarily.√√
- Employer terminates/dismisses the employee due to misconduct.√√
- Employer has no work for the employee any longer/business is closing down.√√
- Employee reaches the retirement age as stipulated in the contract.√√
- If the employee dies.√√
- By mutual agreement between the employer and employee.√√
- Any other relevant answer related to the reasons for terminating an employment contract.

NOTE: 1. Mark the first TWO (2) only.

2. Award a maximum of TWO (2) marks for examples that illustrate the same fact.

Any (2 x 2) (4)

5.5 Advantages of a good quality management system

- Effective customer services will be rendered√, resulting in increased customer satisfaction.√
- Time and resources√ are used efficiently.√
- Productivity increase through proper time management√ and using high quality resources.√
- Products and services√ are constantly improved.√
- Vision and mission/Business goals√ may be achieved.√
- The business may achieve a competitive advantage√ over its competitors.√

- Continuous training√ will continuously improve the quality of employees' skills and knowledge.√
- Employers and employees will have a healthy working relationship√ which generally results in happy workers.√
- Increased market share/profitability√ may result in business growth/expansion.√
- Any other relevant answer related to the advantages of a good quality control system.

Max (8)**5.6 Impact of continuous skills development on large businesses****Positives**

- Large businesses have a Human Resources department√ dedicated to skills training and development.√
- Human resource experts ensure that training programmes are relevant√ to increase customer satisfaction.√
- Quality performance of the business√ improves continuously.√
- Large businesses can make use of the quality circles√ to identify ways to improve quality.√
- Ability to afford√ specialised/skilled employees.√
- Any other relevant answer related to the positive impact of continuous skills development on large businesses.

AND/OR**Negatives**

- Poor communication systems may prevent√ effective training from taking place.√
- Trained employees may leave for better jobs√ after they have gained more skills.√
- Demotivates employees√, if they do not receive recognition for training.√
- Employees tend to specialise in a narrowly defined job√ that can be frustrating and demotivating.√
- Any other relevant answer related to the negative impact of continuous skills development on large businesses.

Max (8)
[40]**BREAKDOWN OF MARKS**

QUESTION 5	MARKS
5.1	9
5.2.1	3
5.2.2	8
5.3	8
5.4.1	2
5.4.2	10
5.4.3	4
5.5	8
5.6	8
TOTAL	60

QUESTION 6: MISCELLANEOUS TOPICS**6.1.1 SWOT analysis**

STRENGTHS	WEAKNESSES
<ul style="list-style-type: none"> - Located in a middle class residential area.√ - Most people can afford quality products.√ - Free deliveries within a radius of 10 km.√ <p style="text-align: right;">Sub max (2)</p>	<ul style="list-style-type: none"> - Does not have large storage facilities.√ - Lack of sufficient capital.√ - Some employees are not experienced in handling fruit and vegetables.√ - Supply of out-of-season fruit and vegetables is slow/Supply is not constant throughout the year/Stock-out conditions may occur.√ <p style="text-align: right;">Sub max (2)</p>
OPPORTUNITY	THREATS
<ul style="list-style-type: none"> - Growing demand for fruit juices from health-conscious customers.√ - As customers' salaries increase, they can afford higher prices/ Demand for more expensive fruit and vegetables.√ <p style="text-align: right;">Sub max (2)</p>	<ul style="list-style-type: none"> - Slow supply of some fruit and vegetables.√ - Competitors import fruit and vegetables from other countries at lower prices.√ - Forced to comply with the requirements of the BCEA/Pay minimum wages regardless of employee's performance.√ <p style="text-align: right;">Sub max (2)</p>

NOTE: Do not allocate marks twice for the same strength/opportunity and weakness/threat, where applicable.

Max (8)**6.1.2 Strategies to overcome weaknesses**

- Build large storage facilities.√√
- Borrow money from sources, such as financial institutions.√√
- Issue more shares/debentures.√√
- Train employees in the handling of fruits and vegetables.√√
- Plan for out of stock conditions/maintain constant supply of fruit and vegetables.√√
- Any other relevant recommendation related to strategies that will address the identified weaknesses.

NOTE: 1. Mark the first TWO (2) only.
2. The strategy must address the correct weaknesses as identified in Question 6.1.1.
3. Business strategies must be linked to the correct weaknesses as identified in Question 6.1.1

Any (2 x 2) (4)

6.2 Programmes to deal with socio-economic issues**6.2.1 HIV/Aids**

- Counselling programmes/train counsellors to provide counselling to infected and affected persons/employees.√√
- Roll out anti-retroviral (ARV) treatment programmes(ART).√√
- Encourage employees to form HIV/Aids support groups.√√
- Conduct workshops on HIV/Aids programmes/campaigns.√√
- Any other relevant suggestions relating to CSI programmes on HIV/Aids.

Max (4)**6.2.2 Unemployment**

- Provide skills development programmes through learnerships.√√
- Offer bursaries to the community to improve the level of education.√√
- Create jobs for members of the community.√√
- Provide entrepreneurial programmes that can promote self-employment.√√
- Support existing small businesses to create more employment opportunities.√√
- Any other relevant suggestions relating to CSI programmes on unemployment.

Max (4)**6.3 RSA Retail bonds****6.3.1 Distinguish between RSA Retail Savings Bonds and Unit trusts**

RSA RETAIL SAVINGS BONDS	UNIT TRUSTS
<ul style="list-style-type: none"> - Two different types of bonds are available√, i.e. fixed rate savings bonds and inflation-linked retail savings bond.√ - It is easily obtainable√ on the RSA Retail Savings Bond website/directly from the National Treasury/from any branch of the post office/Pick 'n Pay.√ - Minimum of R1000√ can be invested.√ - Early withdrawals may be made after 12 months√, subject to a penalty.√ - Interest is earned half yearly√ on 31 March and 30 September.√ - Interest earned is paid out√ into the bond holder's bank account√/Investors can choose to re-invest interest√ in a new investment.√ - Any other relevant answer related to RSA Retail Savings Bonds 	<ul style="list-style-type: none"> - It consists of a number of different shares/securities/other types of investments√ put together by a fund manager.√ - Funds are pooled by fund/portfolio managers√ to buy shares on the JSE in a variety of sectors.√ - A minimum amount√ is not always specified.√ - It can easily be converted into cash√ without penalties.√ - Interest and/or dividends are re-invested√ for the period of the investment.√ - Dividends and/or interest earned are re-invested√ to ensure higher growth.√ - Any other relevant answer related to unit trusts.
Sub max (2)	Sub max (2)

- NOTE:**
1. The distinction must be clear.
 2. The distinction does not necessarily have to be in tabular form.
 3. Award a maximum of 2 marks if the distinction is not clear.
 4. Accept paragraph style answers.

Max (4)

6.3.2 Advantages of RSA Retail Bonds

- Easy to buy✓ at Pick 'n Pay outlets/Post Offices/online at RSA Retail Bonds website and directly from the National Treasury.✓
- No administration/registration costs✓, which minimises the cost of the investment.✓
- No fees or commissions are payable✓, which may increase the return on the investment.✓
- Interest rate can be more than what banks generally offer✓, making it a competitive investment opportunity.✓
- The longer the investment✓, the higher the rate of return.✓
- The return offered by retail bonds are generally good✓ as they take into account the effects of inflation.✓
- Investment secured/Risk low✓ because it is guaranteed by the government.✓
- Investors can choose to reinvest their interest✓ at the same rate as the initial investment.✓
- Interest is received twice a year at a fixed rate✓ in March and September.✓
- Any other relevant answer related to the advantages of RSA Retail Bonds.

Max (8)**6.4 Role of personal attitude in successful leadership**

- Positive attitude✓ releases leadership potential✓
- A leader's good/bad attitude✓ can influence the success/failure of the business.✓
- Leaders must know their strengths and weaknesses✓ to apply their leadership style effectively.✓
- Great leaders understand that the right attitude✓ will set the right atmosphere.✓
- Leaders' attitude can influence employees'/teams' thoughts✓ and behaviour.✓
- Leaders should model the behaviour✓ that they want to see in team members.✓
- Leaders must know/understand their teams✓ to be able to allocate tasks/roles effectively.✓
- Enthusiasm✓ produces confidence in a leader.✓
- A positive attitude is critical for good leadership✓ because good leaders will stay with the task regardless of difficulties/challenges.✓
- Successful employees and leaders have a constant desire to work✓ and achieve personal and professional success.✓
- Leaders with a positive attitude know that there is always more to learn✓ and space to grow.✓
- Any other relevant answer related to the role of personal attitude in successful leadership.

Max (8)**6.5 Stages of team development**6.5.1 Performing✓ **(1)**6.5.2 Storming✓ **(1)**

6.6 Team criteria for successful performance

6.6.1 Interpersonal attitudes and behaviour

- Strong bond√ based on trust and loyalty.√
- Positive attitude and passion√ to achieve team objectives.√
- Flexibility√ to perform various roles within the team.√
- Support team members√ by acknowledging each other's good work.√
- Clear objectives√ and agreed goals.√
- Any other relevant answer related to interpersonal attitudes and behaviour as criteria for assessing successful team performance.

Max (6)

6.6.2 Shared values

- Share the same understanding of attitudes/ethics/culture/behaviour√ that the team and business may use to achieve their objectives.√
- Actively involved in deciding on the shared values√ necessary for their success.√
- Constantly assess the shared values√ to keep them aligned with the team's objectives and culture of the business.√
- Should perform tasks with integrity/pursuing responsibilities/meeting team deadlines√ with the necessary commitment to team goals.√
- Support√ and trust for one another as team members.√
- Any other relevant answer related to shared values as criteria which can be used to assess successful team performance.

Max (6)

6.7 Impact of fringe benefits in the workplace

Positives

- Attractive fringe benefit packages may result in higher employee retention/reduces employee turnover√, e.g. car/cell phone allowance/funeral benefits/issuing shares to the employees.√
- It increases employee satisfaction√ resulting in higher productivity.√
- Improves productivity√ resulting in higher profitability.√
- Any other relevant motivation related to the positive impact of fringe benefits in the workplace.

AND/OR

Negatives

- Fringe benefits are additional costs for businesses√, e.g. travel allowances.√
- Decreases business profits√, e.g. high incentive/package costs.√
- It can create conflict if allocated unfairly√, e.g. favouritism/nepotism.√
- Any other relevant motivation related to the negative impact of fringe benefits in the workplace.

NOTE: Examples could be integrated in the motivation.

Max (6)
[60]

BREAKDOWN OF MARKS

QUESTION 6	MARKS
6.1.1	8
6.1.2	4
6.2.1	4
6.2.2	4
6.3.1	4
6.3.2	8
6.4	8
6.5.1	1
6.5.2	1
6.6.1	6
6.6.2	6
6.7	6
TOTAL	60

TOTAL SECTION B: 180

SECTION C**NOTE: Mark only the first TWO (2) questions.****QUESTION 7: BUSINESS ENVIRONMENTS (LEGISLATIONS)****7.1 Introduction**

- The Skills Development Act, 1998 (Act 97 of 1998) (SDA) was developed in response to the demand for redress and equity.√
- The SDA is the integral part of the National Skills Development Strategy that aims to link learning to the demands of the world of work and enables employers/employees to become more productive and competitive.√
- Learnerships are theoretical and practical training opportunities that can lead to a recognised occupational qualification.√
- Any other relevant introduction related to the implementation of/compliance to the SDA/SETAs.

Max (2)**7.2 Purposes of the SDA**

- Develops the skills of people in South Africa in order to improve productivity.√√
- Invests in education and training of workers.√√
- Encourages businesses to improve the skills of their workers.√√
- Improves the chances of getting a job for previously disadvantaged people.√√
- Redresses imbalances of the past through education and training.√√
- Provides for the implementation of strategies on a national, sector and workplace basis.√√
- Provides funds for skills development through the levy-grant scheme and a National Skills Fund.√√
- Encourages workers to participate in learning programmes.√√
- Any other relevant answer related to the purpose of the SDA.

Max (12)**7.3 Impact of the Skill Development Act on businesses and employees****Businesses:****Positives**

- Increases the number of skilled employees in areas where these skills are scarce.√√
- Improves productivity in the workplace.√√
- Increases global competitiveness.√√
- Increases investment in education and training in the labour market.√√
- Improves the return on investment in education and training.√√
- Any other relevant answer related to the positive impact of the SDA on businesses.

AND/OR**Negatives**

- The SDA process is prescriptive and requires a large amount of paperwork and administration. This can cost time and money.√√
- Skill Development Levy could be an extra burden to financially struggling businesses.√√
- It may be monitored and controlled by government departments that do not have education and training as their key priorities.√√

- The SETAs may not be well organised and many courses offered by companies may not have unit standards that relate to the course content.√√
- Many service providers that offer training services are not SAQA accredited.√√
- Many businesses may not support this government initiative.√√
- Implementation of the SDA can be difficult to monitor and control.√√
- Employees are expected to attend learnerships during work hours which could affect the production process/productivity.√√
- Costly for businesses to employ a person to implement, manage and control learnerships.√√
- The time and money spent on improving employee skills is wasted if they leave the business.√√
- Any other relevant answer related to the negative impact of the SDA on businesses.

Sub max (8)

Employees:**Positives**

- Higher skilled employees have a better standard of living.√√
- Improves work prospects and labour mobility.√√
- Increases self-esteem when learnerships are completed.√√
- Promotes self-employment and entrepreneurship.√√
- More employment opportunities for new entrants who find it difficult to be employed.√√
- Encourages on-going skills development and learning.√√
- Employees have the opportunity to acquire new skills/qualifications/work experience.√√
- Improves the quality of life of employees resulting in higher job satisfaction/morale.
- Any other relevant answer related to the positive impact of the SDA on employees.

AND/OR**Negatives**

- Some employees may not be interested in skills development and may perceive skills development programmes as a waste of time.√√
- Employees are expected to acquire practical work experience and attend education/training programmes, which may increase their stress levels/work load.√√
- Skills programmes may not always address training needs of employees, so it may discourage them from attending other training programmes.√√
- Employees may not be credited by SETA when attending certain work shops.
- Accumulation of credits may not be transferable/recognised by the relevant stakeholders.√√
- Any other relevant answer related to the negative impact of the SDA on employees.

Sub max (8)

Max (12)

7.4 Roles of SETAs

- Develops skills plans in line with the National Skills Development Strategy.√√
- Approves workplace skills plans and annual training reports.√√
- Pays out grants to companies complying with the requirements of the Skills Development Act.√√
- Promotes and establishes learnerships.√√
- Registers learnerships and learning programmes.√√
- Provides training material/programmes for skills development facilitators.√√
- Provides accreditation for skills development facilitators.√√
- Oversees training in different sectors of the South African economy.√√
- Draws up skills development plans for their specific economic sectors.√√
- Allocates grants to employers, education and training providers and employees.√√
- Promotes learnerships and learning programmes by identifying suitable workplaces for practical work experience.√√
- Collects levies and pays out grants as required.√√
- Any other relevant answer related to the roles of SETAs.

Max (10)**7.5 National Skills Development Strategy and Human Resources Development strategy****7.5.1 National Skills Development Strategy**

- Provides for the participation of government, organised business and labour.√√
- Encourages good quality training in the workplace to ensure on-going development of skills.√√
- Indicates how Sector Education and Training Authorities (SETAs) should use the money allocated from the Skills Development Levy (SDL).√√
- Improves social development through economic development.√√
- Increases access to programmes that train people.√√
- Encourages and supports small businesses, community-training groups, NGOs and worker-initiated training initiatives.√√
- Increases the skills of the public sector to improve service delivery.√√
- Builds career and vocational guidance and training centres.√√
- Establishes and promotes closer links between employers, training institutions and the SETAs.√√
- Any other relevant answer related to the National Skills Development Strategy.

Sub max (4)

7.5.2 Human Resources Development Strategy

- Addresses skills shortages in the South African workforce.√√
- Develops short term and long term workforce skills.√√
- Promotes social development and social justice and helps to alleviate poverty.√√
- Aims at achieving faster growth, higher employment and reduced levels of poverty.√√
- Improves the supply of skills.√√
- Increases employee participation in lifelong learning.√√
- Supports employment growth through innovation and research.√√
- Any other relevant answer related to Human Resources Development Strategy.

Sub max (4)

Max (8)

7.6 Compliance with the Act

- Employers who collect PAYE should register with SETAs.√√
- One per cent of an employer's payroll has to be paid over to the SETA.√√
- Businesses should register with SARS in the area in which their business is classified (in terms of the SETA).√√
- Employers should submit a workplace skills plan and provide evidence that it was implemented.√√
- Any other relevant recommendations related to compliance with SDA.

NOTE: Mark the first TWO (2).

Max (4)

7.7 Conclusion

- The SDA plays an important role in ensuring that the workforce is skilled and contributes to productivity and the economic growth of the country.√√
- The SDA enables businesses to improve the skills of their employees and this increases employee morale/reduces staff turnover.√√
- Any other relevant conclusion related to the implementation of/compliance to the SDA.

Max (2)
[40]

QUESTION 7: BREAKDOWN OF MARK ALLOCATION

Details	Maximum	Total
Introduction	2	Max 32
Purpose of SDA	12	
Impact of SDA on businesses	12	
Role of SETAs	10	
National Skills Development Strategy and Human Resources Development Strategy	8	
Compliance with SDA	4	
Conclusion	2	
INSIGHT		8
Layout	2	
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 some requirements are met.

Allocate 0 marks where requirement are not met at all.

QUESTION 8: BUSINESS VENTURES (LEADERSHIP STYLES/THEORIES)**8.1 INTRODUCTION**

- Good leaders are also good managers, as both can inspire/energise people and bring about change.√
- Leaders and managers can create opportunities and motivate people to be productive which lead to successful businesses.√
- Many managers are also good leaders with excellent management skills.√
- Some managers are task driven which may result in conflict if employees' interests are neglected.√
- Managers who ignore their leadership role will not be able to motivate people to get the job done successfully.√
- Leadership theories guide leaders on how to address/manage certain situations.√
- Any other relevant introduction related to management and leadership styles/theories.

Max (2)**8.2 Comparison between leadership and management.**

LEADERSHIP	MANAGEMENT
- Influences human behaviour.√√	- Guides human behaviour.√√
- Communicates by means of interaction/behaviour/vision/values/charisma.√√	- Communicates through management functions, e.g. line function√√
- Innovates new ideas to increase productivity.√√	- Administers plans/programs/tasks to reach targets.√√
- Inspires staff to trust and support each another.√√	- Controls systems and procedures to get the job done.√√
- Focuses on what and why.√√	- Focuses on how and when.√√
- Does the right thing.√√	- Does things right.√√
- Focuses on the horizon/long term.√√	- Focuses on the bottom line/short/medium/long term.√√
- Leaders are born with natural/ instinctive leadership skills.√√	- A person becomes a manager because of the position in which he/she is appointed.√√
- Guides/Leads people to become active participants.√√	- Manages the process of getting things done by exercising responsibility.√√
- Leaders have power/influence because of his/her knowledge/skills/intelligence.√√	- Managers have power because of the position of authority into which they are appointed.√√
- Always trying to find more efficient ways of completing tasks.√√	- Enforce rules on subordinates/Ensure that tasks are completed.√√
- Motivational/Inspirational in their approach.√√	- Instructional in their approach.√√
- People orientated.√√	- Task orientated.√√
- Lead by example/trust/respect.√√	- Manage by planning/organising/leading/control.√√
- Any other relevant answer related to leadership.	- Any other relevant answer related to management.
Sub max (4)	Sub max (4)

NOTE: 1. The comparison must be clear.**2. If the comparison is not clear, then award a maximum of FOUR (4).****Max (8)**

8.3 Leadership styles:**8.3.1 Autocratic****Positives**

- Quick decisions can be taken without consulting/considering followers/employees.√√
- Work gets done in time/on schedule.√√
- Line of command/communication is clear as it is top-down/followers know exactly what to do.√√
- Direct supervision and strict control ensure high quality products/service.√√
- Provides strong leadership which makes new employees feel confident and safe.√√
- Works well in large companies where consultation with every employee is impractical.√√
- Clear guidance can be given to low-skilled/inexperienced/new staff.√√
- Useful in a crisis/urgent situation, e.g. after an accident/meeting tight deadlines.√√
- Any other relevant answer related to a positive evaluation of an autocratic leadership style.

AND/OR**Negatives**

- Leaders and followers may become divided and may not agree on ways to solve problems.√√
- Workers can be demotivated as their opinions/ideas are not considered.√√
- De-motivated workers impact negatively on productivity.√√
- New/Creative/Cost reducing ideas may not be used/implemented/never be considered.√√
- Followers may feel that they are not valued resulting in high absenteeism and high employee turnover.√√
- Experienced and highly skilled workers will resist an autocratic leadership style because it results in less growth, participation and creativity.√√
- Any other relevant answer related to a negative evaluation of an autocratic leadership style.

Sub max (8)

8.3.2 Democratic**Positives**

- Leaders allow followers/employees to participate in the decision-making process.√√
- Staff gives a variety of ideas/inputs/feedback/view points, before final decisions are made by leaders/managers.√√
- Variety of ideas can lead to innovation/result in an increase in productivity.√√
- Clear/Two way communication ensures group commitment to final decision(s).√√
- Authority is delegated which can motivate/inspire workers to be more productive.√√
- Complex decisions can be made with inputs from specialists/skilled workers.√√
- Workers feel empowered as they are involved in the decision-making process.√√
- Any other relevant answer related to a positive evaluation of a democratic leadership style.

AND/OR**Negatives**

- Incorrect decisions may be made if staff is inexperienced/not fully informed.√√
- Decision making may be time consuming because stakeholders have to be consulted.√√
- Employees may feel discouraged if their opinions/inputs are not considered.√√
- Leaders can rely too much on the input of the followers and fail to make a final decision.√√
- Not effective in times of crisis/when quick decisions need to be made.√√
- Some employees only pretend to participate in decision making and their feedback may not always be accurate.√√
- Any other relevant answer related to a negative evaluation of a democratic leadership style.

Sub max (8)

8.3.3 Laissez-Faire style**Positives**

- Workers/Followers are allowed to make decisions on their own policies/methods.√√
- Subordinates have maximum freedom and can work independently.√√
- Leader motivates workers by trusting them to do things themselves/on their own.√√
- Authority is delegated, which can be motivating/empowering to competent workers/increase productivity.√√
- Subordinates are experts and know what they want/can take responsibility for their actions.√√
- Suitable for coaching/mentoring to motivate employees to achieve more/better things.√√
- It can be empowering for competent followers as they are completely trusted to do their job.√√
- Individual team members may improve/develop leadership skills.√√
- Any other relevant answer related to a positive evaluation of a laissez-faire leadership style.

AND/OR**Negatives**

- Lack of clear direction/leadership may be demotivating to employees.√√
- Employees can be held responsible for their own work which may lead to underperformance.√√
- Could lead to conflict when some team members act as leaders and dictate to other team members.√√
- Workers are expected to solve their own conflict situations.√√
- Productivity may be compromised with a lack of tight control over workers not meeting deadlines.√√
- Productivity might be low, if employees lack the necessary knowledge or skills.√√
- Any other relevant answer related to a negative evaluation of laissez-faire leadership style.

Sub max (8)

Max (24)

8.4 Leadership theories:

8.4.1 Situational theory

- Different leadership characteristics are needed for different situations.√√
- The task/situation dictates the leadership style that should be applied, so leaders are adaptable/flexible/self-assured.√√
- Relationships between leaders and employees are based on mutual trust/respect/loyalty/ integrity/honesty.√√
- Leaders have the ability to 'read' the situation and get the most suitable people in the right positions to complete tasks successfully.√√
- It enables leaders to use different leadership styles to accomplish their goals.√√
- Leaders analyse group members/objectives/time constraints, then adopt a suitable/relevant leadership style.√√
- May lead to conflict when leaders use different leadership styles when managing employees in different situations.√√
- Its success depends on the kind of relationship that exist between the leader and followers/subordinates/employees.√√
- Any other relevant answer related to an explanation of the situational leadership theory.

Sub max (4)

8.4.2 Transformational theory

- The passion/vision/personality of leaders inspire followers to change their expectations/perceptions/motivations to work towards a common goal.√√
- Strategic thinking leaders develop a long term vision for the organisation and sell it to subordinates/employees.√√
- Leaders have the trust/respect/admiration of their followers/subordinates.√√
- Leaders promote intellectual stimulation/creative thinking/problem solving which result in the growth/development/success of the business.√√
- Followers are coached/mentored/emotionally supported so that they can share their ideas freely.√√
- Leaders will encourage followers to explore/try new things/opportunities.√√
- Leaders lead by example and make workers interested in their work.√√
- Leaders have strong, charismatic personalities and are very good at motivating staff to achieve results.√√
- Enable employees to take greater ownership for their work and to know their strengths and weaknesses.√√
- Any other relevant answer related to an explanation of the transformational theory.

Sub max (4)

Max (8)

8.5 Application of theories

8.5.1 Situational theory

- Application of the theory depends on the particular situation/circumstance that prevails within the organisation.√√
- Used when it matches the needs of followers, e.g. inexperienced employees/followers require a different form of leadership than more experienced employees/followers.√√
- Applied to address a crisis/conflict in the workplace.√√
- Any other relevant answer related to the application of the situational leadership theory in the workplace.

Sub max (2)

8.5.2 Transformational Theory

- May be applied when followers/employees have a low morale/are demotivated/are underperforming.√√
- Applied during the strategic planning process, where vision/mission/objectives have to be developed/changed.√√
- When a business is restructuring and exploring new ways of doing things.√√
- Any other relevant answer related to the application of the transformational leadership theory in the workplace.

Sub max (2)

Max (4)

8.6 CONCLUSION

- A leader who is positive/enthusiastic/energetic will inspire his followers to improve/empower/uplift themselves and achieve their own personal goals.√√
- Managers can also be successful leaders if they not only focus on the task at hand, but also the people/workers who will execute the task.√√
- Leaders who understand various leadership styles and theories may be able to lead effectively and handle any situation.√√
- Any other relevant conclusion related to leadership styles/theories of management and leadership that will ensure the success of any business.

Max (2)

[40]

QUESTION 8: BREAKDOWN OF MARK ALLOCATION

Details	Maximum	Total
Introduction	2	Max 32
Leadership vs. Management	8	
Leadership styles	(3 x 8) 24	
Leadership theories	(2 x 4) 8	
Application of theory	4	
Conclusion	2	
INSIGHT		
Layout		2
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 some requirements are met.

Allocate 0 marks where requirements are not met at all.

QUESTION 9: BUSINESS ROLES (CSR)**9.1 INTRODUCTION**

- Corporate social responsibility (CSR) is the way a business conducts itself, ethically and morally, regarding their use of human resources, physical resources and their funds.√
- CSR improves the lifestyle and quality of life of their human resources and caring for the environment by ensuring that they have the most efficient and sustainable resources.√
- Corporate social responsibility is about making profit in a responsible way, e.g. taking into account the impact of the business's operations on the environment.√
- Businesses are corporate citizens and therefore have a responsibility towards society.√
- CSI is a component of CSR, where social responsibility is the intention and social investment is the action.√
- Businesses should consider the importance of the wellbeing of the community in relation to profitability and productivity.√
- Any other relevant introduction related to CSR and CSI.

Max (2)

9.2 Nature of CSR

- CSR programmes are internal programmes that businesses use to comply with laws and ethics.√√
- Key areas of concern are protecting the environment, the wellbeing of employees from the community and civil society in general.√√
- Businesses seek to promote public interest and do away with harmful practices without the need for any formal legislation.√√
- Business operations address Triple Bottom line through CSR programmes by considering its impact on people, profit and planet.√√
- CSR aims at creating a safe working environment for employees.√√
- CSR programmes and activities the business undertakes have to contribute positively to the community in which the business operates.√√
- CSR may take the form of a monetary donation to support local organisations.√√
- Any other relevant answer related to the nature of the CSR.

Max (10)**9.3 Benefits of CSR for businesses**

- May attract experienced employees/increase the pool of skilled labour which could increase productivity.√√
- The community feels more positive towards the business that looks after employees and conducts itself in a responsible way.√√
- A business may have a competitive advantage, resulting in good publicity and an improved reputation.√√
- Promotes customer loyalty resulting in increased sales and profit.√√
- Businesses can use CSR programmes as a marketing strategy to promote their products.√√
- The business enjoys the goodwill and support of communities/attracts consumers.√√
- CSR programmes promote teamwork within businesses.√√
- CSR helps to attract investors.√√
- Gives businesses tax advantages such as tax reduction/rebates.√√
- Assists in solving socio-economic issues like poverty.√√
- If the corporate sector gets voluntarily involved in CSR, it is less likely that government will enforce the issue through legislation.√√
- Employees feel like they are making a difference in working for the business.√√
- It helps to retain staff/lower staff turnover as employees' health and safety are considered.√√
- Improves the health of its employees through focussed CSR programmes.√√
- Businesses become more community-based by working closely with the community to roll out skills development projects.√√
- Any other relevant answer related to the benefits of CSR for businesses.

Max (12)

9.4 Challenges of CSR for the community

- Businesses are not always equipped to address social problems.√√
- Communities can avoid taking responsibility for themselves, because they depend/rely on a business's CSR initiatives/Hand-out programmes discourage locals from taking their own initiatives by making them dependent on CSI-programmes.√√
- Distribution of scarce resources to selected beneficiaries in the community may cause problems such as discrimination.√√
- Some businesses only participate in CSR initiatives to raise profit and do not really care for the community in which they operate.√√
- Businesses cannot meet the longer term needs of the society/Business cannot deliver sustainable CSR programmes.√√
- The benefits of the programmes may not filter to the intended persons within the community.√√
- Spending money on CSR means the business has to recover expenses through higher prices which have a negative impact on the economy.√√
- Businesses tend to focus on CSR programmes that do not directly benefit the community.√√
- Less money is available for community projects during unfavourable economic conditions.√√
- Consumers are not easily convinced that a business is acting in the best interest of the community and the environment.√√
- A business often appears to benefit more from the CSR expenditure than the perceived benefits to the communities.√√
- Any other relevant answer related to the challenges of CSR for the community.

Max (12)**9.5 Recommendations on advancing the wellbeing of communities.**

- Phola B&B should improve the general quality of life of the workforce, their families and the community, e.g. pay fair wages/develop skills in the community/ invest in education etc.√√
- Ensure that the product they supply do not harm consumers.√√
- Refrain from engaging in illegal or harmful practices such as employing children under the legal age/selling illegal substances, etc.√√
- Start a nutritional programme so that employees can enjoy one meal per day to keep them in a healthy condition.√√
- Make ethically correct business decisions, e.g. not engage in unfair/misleading advertising etc.√√
- Sponsor housing/Offer free accommodation for their employees.√√
- Give time to staff to get involved in projects they choose/Allow staff to use some of the working hours to participate in the projects of their choice.√√
- Participate in community projects involving HIV/AIDS, education, counselling and other useful causes.√√
- Donate money to a community project/Run a project to uplift the community.√√

- Encourage people to stay fit and healthy by getting them involved in health activities to minimise substance abuse.√√
- Provide transport for their employees who work unusually long hours.√√
- Any other relevant recommendations related to ways in which Phola B&B can contribute time and efforts to advance the wellbeing of others.

Max (12)**9.6 Conclusion**

- Corporate social responsibility is an obligation required by law and benefits both business and society.√√
- CSR programmes and CSI projects allow businesses to influence people's lives in many ways.√√
- Businesses use CSR programmes and CSI projects to comply with laws and ethics.√√
- Any other relevant conclusion on CSR and the wellbeing of the community.

**Max (2)
[40]****QUESTION 9: BREAKDOWN OF MARK ALLOCATION**

Details	Maximum	Total
Introduction	2	Max 32
Nature of CSR	10	
Benefits to business	12	
Challenges for the community	12	
Recommendation	12	
Conclusion	2	
INSIGHT		
Layout		2
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 some requirements are met.

Allocate 0 marks where requirement are not met at all.

QUESTION 10: BUSINESS OPERATIONS (QUALITY OF PERFORMANCE)**10.1 Introduction**

- Top management is ultimately responsible for quality of performance.√
- Senior executives need to be able to guide and direct all business functions to improve its quality of performance.√
- Everyone employed in a business has a role to play in realising the goal of quality performance.√
- Continuous improvement to processes and systems will ensure quality products and services.√
- Any other relevant introduction related to quality of performance within business/Total Quality Management (TQM).

Max (2)**10.2 Contribution of the quality of performance to the success of Rainbow Construction****10.2.1 Production function**

- Provide high quality services/well built houses/buildings/roads constructed according to specifications.√√
- The production/operating processes of a business/Rainbow Construction 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.√√
- Rainbow Construction should clearly communicate the roles and responsibilities to the production workforce.√√
- Products must meet customers' requirements by being safe, reliable and durable.√√
- Rainbow Construction 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 building products are consistently being produced.√√
- Rainbow Construction should utilise machines and equipment optimally.√√
- Accurately calculate the production costs.√√
- Any other relevant answer related to how quality of performance in the production function can contribute to the success of Rainbow Construction.

Sub max (10)

10.2.2 Marketing function

- Acquire a greater market share through good customer service.√√
- Win customers loyalty by satisfying their needs/wants and building positive relationships.√√
- Adhere to ethical advertising practices when promoting products and services.√√
- Identify competitive edge and conduct regular market research.√√
- Differentiate products to increase the target market and profitability.√√
- Constantly review value issues.√√
- Communicate effectively with customers to get feedback from customers about their experiences of the products and services sold.√√
- Ensure that the production and advertising strategies are aligned.√√
- Use pricing techniques to ensure a competitive advantage.√√
- Measure the gaps between customer expectations and their actual experiences so that problems regarding quality of products can be diagnosed and addressed.√√
- Make adjustments and changes to products and services based on feedback received from customers.√√
- Use aggressive advertising campaigns to sustain the market share.√√
- Any other relevant answer related to how quality of performance in the marketing function can contribute to the success of Rainbow Construction.

Sub max (10)

10.2.3 Purchasing function

- Ensure that purchases are of the right quality, price and quantities and are available at the right time and place.√√
- Identify suitable suppliers who will be able to source and deliver quality goods and services.√√
- Maintain and implement an effective stock control system.√√
- Ensure that suppliers are paid on time.√√
- Involve suppliers in strategic planning, product design, material selection and the quality control process.√√
- Ensure that there is no break in production due to stock shortages.√√
- Minimise cash flow problems due to overstocking.√√
- Build relationships with suppliers so that they are in alignment with Rainbow Construction's vision, mission and values.√√
- Have a thorough understanding of supply chain management.√√
- Any other relevant answer related to how quality of performance in the purchasing function can contribute to the success of Rainbow Construction.

Sub max (10)

10.2.4 General management function

- Develop, implement and monitor effective strategic plans.√√
- Efficient organisation and allocation of Rainbow Construction's resources to allow for the successful achievement of long-term and short-term plans.√√
- Ensure that structured standards and norms are in place so that control mechanisms can be implemented.√√
- Learn about and understand changes in the business environment on an on-going basis.√√

- Set direction and establish priorities for their business.√√
- Communicate shared vision, mission and values effectively.√√
- Be prepared to set an example of the behaviour they expect from employees in terms of ethics as well as productivity.√√
- Ensure that employees have the resources needed to do their work (effective allocation of resources).√√
- Be proactive and always seek to improve comparative advantage over competitors.√√
- Any other relevant answer related to how the quality of performance in the general management function can contribute to the success of Rainbow Construction.

Sub max (10)

Max (36)**10.3 Continuous improvement to systems and processes**

- Processes and systems are the flow of activities implemented to create or deliver products/services to customers.√√
- Rainbow Construction Ltd should identify an opportunity or problem area/plan for change.√√
- Introduce the idea of a corporate culture change.√√
- Plan the method and approach so that the business can build good quality houses/roads.√√
- Give details and specific instructions.√√
- Encourage team work and delegate responsibilities.√√
- Implement change/processes and methods on the required/expected scale.√√
- Use data to analyse the results of change and determine whether it made a difference/Check whether the processes are working effectively.√√
- Determine if the change was successful and continuously implement it on a wider scale.√√
- Monitor and revise the process to ensure that quality houses are built and roads are constructed.√√
- Rainbow Construction's processes should be easy to understand/Customers should not waste their time with long and/or complicated procedures.√√
- Employees need to understand the building and construction systems in order to render effective services to customers.√√
- Any other relevant answer related to how continuous improvement to systems and processes may improve the quality of Rainbow Construction's houses and roads.

NOTE: Rainbow Construction could be interpreted as either a small and/or a large business.

Max (10)

10.4 Conclusion

- The quality of performance of business functions plays an important role in ensuring that customers are satisfied.√√
- Rainbow construction will be successful if they maintain quality of performance in all their business functions/operations.√√
- Continuous improvement to processes and systems ensures that businesses keep abreast with current business development.√√
- Any other relevant conclusion related to the quality of performance within the above-mentioned business functions.

Max (2)
[40]

QUESTION 10: BREAKDOWN OF MARK ALLOCATION

Details	Maximum	Total
Introduction	2	Max 32
Business functions	36	
Continuous improvement to systems and processes	10	
Conclusion	2	
INSIGHT		
Layout		2
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 some requirements are met.

Allocate 0 marks where requirements are not met at all.

TOTAL SECTION C: 80
GRAND TOTAL: 300