



# education

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Department:  
Education  
**REPUBLIC OF SOUTH AFRICA**

**NATIONAL  
SENIOR CERTIFICATE**

**GRADE 12**

**BUSINESS STUDIES**

**FEBRUARY/MARCH 2009**

**MEMORANDUM**

**MARKS: 300**

**This memorandum consists of 35 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
Internal Moderator	Orange

2. The numbering of Assessment Standards is in accordance with the principle of progression from Grades 10 to 12, e.g. the first Assessment Standard is 12.1.2.
3. Candidates' responses must be in full sentences for SECTIONS B and C. This would depend on the nature of the question.
4. 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
  - Is correct and original
  - Relates to another applicable LO or AS
5. Take careful note of other relevant answers provided by candidates and allocate marks accordingly.

**6. SECTION B**

- 6.1 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'.
- 6.2 If two facts are written in one sentence, award the candidate FULL credit.
- 6.3 If candidates are required to provide their own examples/views, brainstorm this at the marking centre to finalise alternative answers.
- 6.4 All questions that require candidates to 'explain'/'discuss'/'describe' will be marked as follows:
- Heading (2 marks)
  - Explanation (1 mark) or as indicated in the memorandum
- 6.5 All questions that require candidates to 'name'/'list'/'mention', etc. the answers of the candidates can be in phrases and not necessarily in full sentences.

**7. SECTION C**

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

Introduction	<b>3</b>	
Content	<b>27</b>	<b>Maximum: 32</b>
Conclusion	<b>2</b>	
Insight	<b>8</b>	
<b>Total marks</b>	<b>40</b>	

7.2 Insight consists of the following components:

Structure/Layout (Is there an introduction, body using paragraphs and conclusion?/Is there a logical flow/link in the discussion? Has the learner being able to illustrate the concepts with examples?)	<b>2</b>
Analysis and interpretation (candidate's ability to break down the question to show understanding of what is being asked)	<b>2</b>
Synthesis (What parts to the question would you have included in the answer? Are there relevant points included?)	<b>2</b>
Originality, examples, recency of information, current trends and developments	<b>2</b>
<b>TOTAL FOR INSIGHT</b>	<b>8</b>

7.3 Indicate insight in the left-hand margin with a symbol, e.g. (LASO).

7.4 The components of insight are indicated at the end of the suggested answer for each question. NOTE: The components may vary for each question.

7.5 Mark all relevant facts until the MAXIMUM mark in a sub-section has been attained. Write MAX after maximum marks have been obtained.

7.6 At the end of each essay indicate the allocation of marks for facts and marks for insight as follows:

(S - Structure and/or A – Analysis, S – Synthesis, O – Originality) as in the table below.

<b>CONTENT</b>	<b>MARKS</b>
Facts	<b>32</b>
S	<b>2</b>
A	<b>2</b>
S	<b>2</b>
O	<b>2</b>
<b>TOTAL MARKS</b>	<b>40</b>

**NOTE:** The mark allocation for insight may vary for each essay.

- 7.7 When awarding marks for facts, take note of the sub-maxima indicated, especially if candidates do not make use of the same sub-headings. Remember, headings and sub-headings are encouraged and contribute to insight (structuring/logical flow/sequencing) and indicate clarity of thought. (See BREAKDOWN of marks at the end of each question.)
- 7.8 If the candidate identifies/interprets the question **INCORRECTLY**, then he/she still obtains marks for insight.
- 7.9 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.
8. Take particular note of the repetition of facts. Indicate with an R.
9. Subtotals to questions must be written in the right margin. Only the total for each question should appear in the left margin next to the appropriate question.
10. Allocate TWO marks for complete sentences. Allocate ONE mark for phrases, incomplete sentences and vague answers.

**SECTION A****QUESTION 1**

1.1	1.1.1	C		
	1.1.2	A		
	1.1.3	D		
	1.1.4	B		
	1.1.5	A		
	1.1.6	A		
	1.1.7	C		
	1.1.8	D		
	1.1.9	D		
	1.1.10	A	(10 x 2)	(20)
1.2	1.2.1	Affirmative action		
	1.2.2	Performance appraisal		
	1.2.3	Inclusivity		
	1.2.4	Creativity		
	1.2.5	SABS	(5 x 2)	(10)
1.3	1.3.1	True		
	1.3.2	False		
	1.3.3	True		
	1.3.4	True		
	1.3.5	False	(5 x 2)	(10)
<b>TOTAL SECTION A:</b>			<b>40</b>	

**SECTION B:****QUESTION 2**

**2.1.1 As the financial consultant of ALL OVER SHUTTLE SERVICES, identify THREE challenges that your business is facing and classify them according to the three business environments. (LO1AS2)**

- Increased rate to R3 p/km. ✓ - micro ✓
- Increased running cost. ✓ - micro ✓
- The existence of Sweet Go Travellers (competitors). ✓ - market ✓
- Loss of Department of Education as client. ✓ - market ✓
- Increase of the interest rate by 1%. ✓ - macro ✓
- Increase in fuel price by 21 cents. ✓ - macro ✓
- Any other relevant answer relating to the challenges in these environments.

**Mark allocation:**  
**Challenge 1 mark**  
**Classification 1 mark**  
**(ANY (3 x 2) (6))**

**2.1.2 Identify the business sector in which ALL OVER SHUTTLE SERVICES operates. Justify the extent to which it can control the three business environments in this sector. Use practical ways or strategies to support your answer. (LO1AS5)**

**Identification of sector:**

- Tertiary sector ✓✓

**Identification of the environment:****Micro environment ✓****Control**

- The business has total control over this environment ✓✓

**Strategy**

- It can implement changes to the operations of its business by reducing the number of vehicles. ✓✓
- Cut down running costs. ✓✓
- Reduce unnecessary use of company vehicles. ✓✓
- Buy more fuel efficient vehicles. ✓✓
- Any other relevant answer regarding the control/strategies to business environment. ✓✓

**Max 2****Identification of the environment**

- **Market environment ✓**

**Control**

The business has some or little control over this environment. ✓✓

**Strategy**

- The business can review the rate per kilometre. √√
- Specials for corporate bookings/volume orders etc. √√
- Wide advertisement of efficiency of shuttle services √√
- Any other relevant answer regarding the control/strategies to business environment. √√

**Max 2****Identification of the environment**

- **Macro environment** √

**Control**

- The business has no control over this environment. √√

**Strategy**

- Lobbying with other bodies so that the Reserve Bank decreases the repo rate. √√
- Engaging other stakeholders to strengthen the need for reduction of petrol prices √√
- Obtaining subsidies from the government. √√
- Any other relevant answer regarding the control/strategies to business environment. √√

**Max 2**

Allocation of marks:

Identification of sector	2
Identification of the environment	3 x 1 = 3
Control	3 x 2 = 6
Strategy	3 x 2 = <u>6</u>
	17
<b>Max</b>	<b>14</b>

**2.2 State THREE factors/points that you will consider when developing a strategy for any business of your choice so that challenges in the macro business environment can be overcome. (LO1 AS2)**

- Have a clear vision/mission, etc. √√
- Focus on the long-term goals of the business as a whole. √√
- Design a SWOT analysis to re-evaluate the current position of the business. √√
- Establish what should remain the same or what should change to adapt to external factors. √√
- Deploy the resources and skills of the business to take care of the threats or opportunities in its environment. √√
- Design a strategic plan of long-term goals over a certain time span (e.g. 3 – 5 years). √√
- Identification of responsible departments to establish internal and external focuses. √√
- Any other relevant responses relating to the effective planning in relation to the macro environment. √√

**(ANY (3 x 2) (6))**

**2.3.1 Discuss the main purpose of the following Acts:****2.3.1 The Labour Relations Act (Act 66 of 1995) (LO1AS4)**

- It caters for collective bargaining and collective agreements by providing workplace forums, √√ e.g. agreement on salary increases. √
- It caters for labour disputes through conciliation, arbitration, adjudication or industrial action, √√ e.g. settling of pay disputes. √
- It caters for trade unions and employers' organisations, √√ e.g. a regulatory framework within which they operate. √
- Responsible for the establishment of the Commission for Conciliation, Mediation and Arbitration - CCMA, √√ e.g. should negotiations on labour issues be deadlocked then parties can engage themselves with the CCMA. √
- Any other relevant purpose relating to the LRA.

Any 3 x 3 = 9

Mark allocation:

Fact 2

Explanation(examples) 1

**Max 8****2.3.2 The Employment Equity Act (Act 55 of 1998) ( LO1AS4)**

- Eliminate unfair discrimination and promote equal opportunity and fair treatment √√ e.g. gender balance. √
- Promote efficiency in the workforce to promote economic development, √√ e.g. provision for training. √
- To attain a diverse workforce, broadly representative of the people of South Africa, √√ e.g. proportional representation of different ethnic groups/reflecting rainbow nation. √
- Give effect to the obligations of the country as a member of the International Labour Organisation, √√ e.g. in keeping with world trends so as to eliminate discrimination of different kinds. √
- Any other relevant function relating to Employment Equity Act

Any 3 x 3 = 9

Mark allocation:

Fact 2

Explanation(examples) 1

**Max 8****2.4.1 Explain the concept *unethical advertising*. Use the information in the case study to illustrate your answer. (LO3AS3)**

- Businesses make use of unfair, deceptive or unethical advertising to lead customers to believe that they will get more value for their money than they actually do. √√
  - Any other relevant explanation of the concept of unethical advertising.
- Information in case study to illustrate the answer:**
- Enterprises engage in illegal, underhand or dirty tricks. √√
  - Enterprises engage in bait pricing i.e. *bait and switch* tactics. √√
  - Advertising at very low prices without sufficient stock. √√

Mark allocation:

Concept 2

Illustration (2 x 2) 4**Max 6**

**2.4.2 Unethical advertising is one of the challenges of ethical and professional behaviour in the business environment. Identify THREE other issues that affect the ethical and professional behaviour of business practice. ( LO3AS3)**

- Sexual harassment in the workplace √√
- Fraud and corruption √√
- Abusing working time √√
- Tax evasion √√
- Any other relevant answer on issues of ethical and professional behaviour.

**NOTE: Give zero for unethical advertising as it is given.**

**(ANY (3 x 2) (6)**

**2.5 State any THREE objectives of the Skills Development Act (Act 97 of 1998. (LO4 AS3 and LO1 AS4)**

- The productivity of the workers are improved as a result of skills developed in their field of work. √√
- The workers need to be trained on an ongoing basis because the work environment is dynamic, complex and continually changing. √√
- To improve the employment prospects of persons previously disadvantaged by unfair discrimination. √√
- Provide redress through education and training. √√
- Any other relevant answer relating to objectives of Skills Development Act.

**ANY (3 x 2) (6)**

**[60]**

**BREAKDOWN OF MARKS**

<b>QUESTION 2</b>	<b>MARKS</b>
<b>2.1.1</b>	<b>6</b>
<b>2.1.2</b>	<b>14</b>
<b>2.2</b>	<b>6</b>
<b>2.3.1</b>	<b>8</b>
<b>2.3.2</b>	<b>8</b>
<b>2.4.1</b>	<b>6</b>
<b>2.4.2</b>	<b>6</b>
<b>2.5</b>	<b>6</b>
<b>TOTAL</b>	<b>60</b>

**QUESTION 3**

**3.1 As the financial manager of ABC Gold Mining Company, you are requested by the executive director to do a presentation to shareholders at the annual general meeting on the financial performance of the company.**

**3.1.1 State THREE requirements that you will consider so that the presentation is good, clear and accurate. (LO2AS6)**

- Identify the method of presentation to be used, e.g. written information, electronic information, visual presentation, oral communication. ✓✓
- Consider the audience, in this case the shareholders, and prepare accordingly. ✓✓
- Consider the venue and the facilities available, e.g. electrical outlets, flipcharts, data projector etc. so that you can plan accordingly. ✓✓
- Be clear about the objectives of your presentation, e.g. the financial position of the company to be presented to shareholders, ✓✓
- Obtain all the information that is necessary and ensure that the figures you present are accurate, relevant and up to date. ✓✓
- You must also consider time and allow for questions and discussion. ✓✓
- You can also plan the format of your presentation which could include welcome/introduction, the body of the presentation and a conclusion. ✓✓
- Ensure that you are mentally prepared for the presentation by rehearsing to ensure that the presentation is highly successful. ✓✓
- Any other relevant answer relating to presentation of information. ✓✓

**ANY (3 x 2) (6)**

**3.1.2 The sales department has provided you with the three tables regarding the sales of gold over the past five years. The questions that follow are based on these tables. (LO2 AS 6)**

**(a) Identify the type of graph for TABLES 2 and 3.**

- Table 2 is a bar graph/histogram. ✓
- Table 3 is a pie chart. ✓

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

**(b) Which graph would be most suitable for the presentation?  
Motivate your answer.**

- Bar graph. ✓✓ **(2)**
- The bar graph graphically illustrates the increase and decrease of the sales of gold over the years. ✓✓
- The bar graph is easier to interpret and clearly illustrates that 2007 has the highest sales or 2004 as the lowest. ✓✓
- Works well when illustrating data series. ✓✓
- Any other relevant answer regarding the bar graph. ✓✓

Mark allocation:

Choice	2
Motivation	(2 x 2) 4
	<b>Max 6</b>

**OR**

- Pie chart ✓✓ (2)
  - Indicates the sales of gold over years in a single pie format. ✓✓
  - Each segment of the pie indicates data for a particular year. ✓✓
  - Any other relevant answer regarding the pie chart. ✓✓
- Mark allocation  
 Choice 2  
 Motivation (2 x 2) 4  
**Max 6**

**(c) State ONE trend that you can observe from the tables below.**

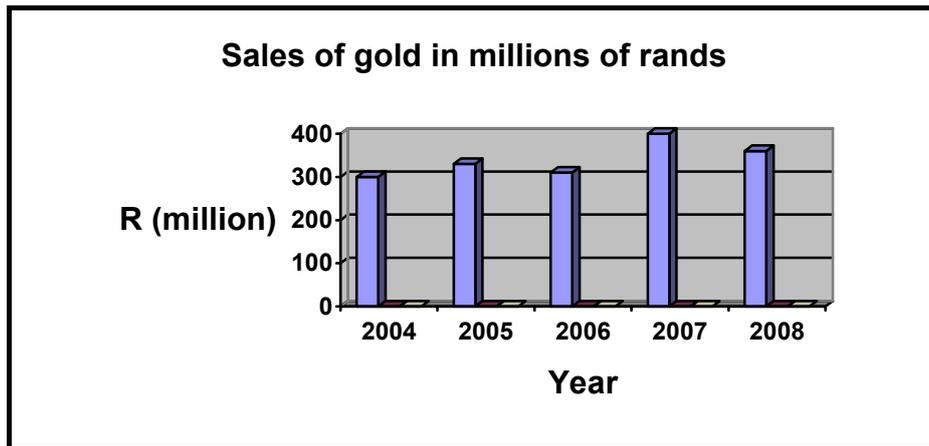
- Highest sales - 2007. ✓✓
- Lowest sales - 2004. ✓✓
- The sales decreased in 2008 by R 40 million. ✓✓
- Any other trend identified in the tables. **ANY (1 x 2) (2)**

**(d) Based on QUESTION 3.1.2(c) above, what recommendation can you make to the shareholders?**

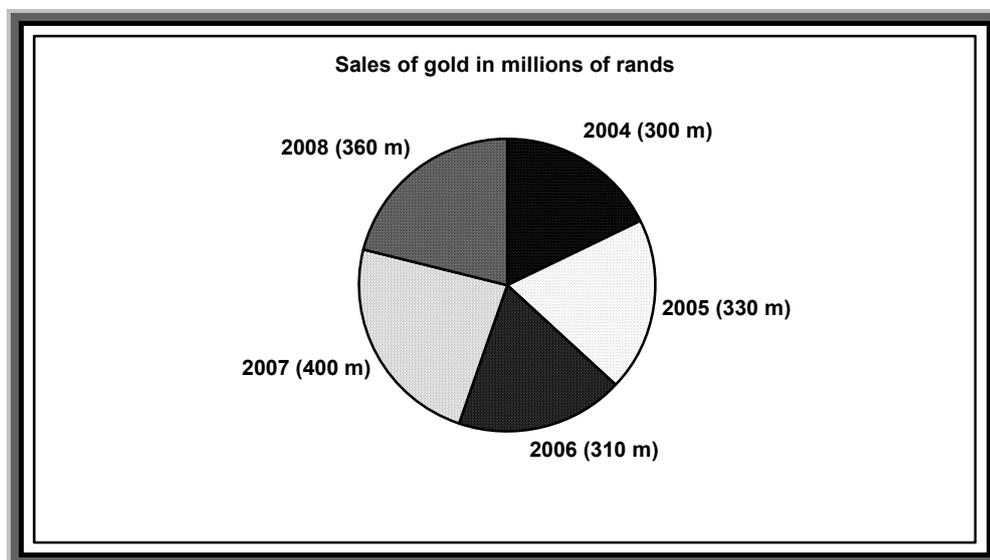
- Reduce the supply of gold on the market to increase demand, hence price will increase resulting in an increase in turnover ✓✓
  - Invest in new plants for greater production – lower unit costs. ✓✓
  - Any other relevant answer on the trends relating to ‘c’ above. ✓✓
- ANY (1 x 2) (2)**

YEAR	SALES OF GOLD in R(millions)
2004	300
2005	330
2006	310
2007	400
2008	360

**TABLE 1**



**TABLE 2**



**TABLE 3**

**3.1.3 Describe any FIVE entrepreneurial qualities that ABC Gold Mining Company can use to assess the success of their business venture. (LO2AS4)**

- Good organisational and management skills. √√
- Optimistic about the future and sets goals that are achievable through the implementation of essential management functions. √√
- Good communication skills and creates a positive working environment that is pleasant. √√
- Creativity, innovativeness and ability to meet challenges. √√
- Possess good interpersonal skills and the ability to work with people and satisfy their needs. √√
- Ability to take calculated risks and increase output and profits. √√
- Provide leadership in the organisation and make clear judgements on incomplete information. √√
- Positive approach, committed, self-confidence, determination and dedication to do his/her best at all times. √√
- Any other relevant answer regarding entrepreneurial qualities. √√

**(any 5 x 2 = 10)**

**3.2 Discrimination in the workplace is one of the human rights issues that has a negative impact on the relationship between employers and employees.**

**3.2.1 Do you agree or disagree with this statement? Motivate your answer.  
(LO2AS5)**

- **Agree** √√  
Motivation:
- Dissatisfaction can lead to low morale. √√
- Any other relevant answer on disadvantage of discrimination in the workplace.

**OR**

- **Disagree** √√  
Motivation:
- Workers may prefer security and high remuneration in comparison to satisfaction/morale. √√
- Consider any relevant answer relating to dissatisfaction/intrinsic or extrinsic motivation, etc.

Mark allocation:  
Agree/Disagree 2  
Reason 2  
**4**

**NOTE: If only Agree/Disagree is given without any explanation - NO marks.**

**3.2.2 Indicate how discrimination can be resolved in the workplace.  
(LO2AS5)**

- Prepare a code of ethics for the company. √√
- Recognition of the collective agreement between the management and labour. √√
- Provide for the training, role play and simulation of various acts of discrimination so that stakeholders are aware of the basic human rights of workers. √√
- Reference must also be made to the Equity Act. √√
- Any other relevant answer for resolution.

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

**3.3 Describe each of the following investment opportunities and evaluate whether you consider it to be a low, medium or high risk investment. (LO2AS7)**

**3.3.1 Shares**

**Description**

- Shares are sold by companies to raise capital. ✓✓
- People have an opportunity to buy shares in a company. ✓✓
- Shareholders receive profits from the company in the form of dividends for their investment. ✓✓
- Shares could be bought or sold in the immediate/medium or long term. ✓✓
- Government owned enterprises are now been listed in the JSE as public companies. These shares are offered well below its market value to the previously disadvantaged. ✓✓

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

**Risk**

- Investment in shares are generally regarded as low, medium or high risk. ✓✓
- (Accept if nature of risk is explained or implied. Write risk and indicate 2 ticks (✓✓) (2)

**Motivation**

- If the company goes bankrupt, the shareholder loses only their investment portion of their money. ✓✓
- May receive a portion in the form of dividends if the company is liquidated. ✓✓
- The concept of limited liability applies in terms of the companies act whereby the shareholder loses only the amount invested in shares. ✓✓
- Any relevant motivation on risk

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

**3.3.2 Unit trusts**

**Description**

- Unit trusts refer to the pooling of investors money that can be invested in a wide portfolio of shares or equity. ✓✓
- Investments can be made in three main categories ie. general funds, specialist funds and income funds. ✓✓
- Usually a medium or long term investment. ✓✓

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

**Risk**

- Investment of funds in unit trusts are regarded as low or medium risk. ✓✓ (2)
- (Accept if nature of risk is explained or implied. Write risk and indicate 2 ticks ✓✓)

**Motivation**

- Unit trusts are managed by portfolio experts who understand the unit trust market before making an investment decision.√√ (2)
- Any relevant motivation on risk

Allocation of marks for each:	
Description	2 marks
Risk	2 marks
Motivation	2 marks
<b>Max</b>	<b>6 marks for each</b>

**3.4 Discuss the impact of the following factors on the success and failure of a close corporation and sole proprietor: (LO2AS8)**

**3.4.1 Capital**

**3.4.2 Legislation**

	<b>Close Corporation</b>	<b>Sole proprietor</b>
<b>3.5.1 CAPITAL</b>	<b>Success</b> Capital is contributed by a maximum of 10 members to have a larger capital contribution for a small to medium size enterprises.√√	<b>Success</b> The capital is restricted to the amount that one person can contribute. He/She may also resort to borrowing from the financial institutions.√√
	<b>Failure</b> Insufficient capital to finance growth in the small to medium size enterprises. √√	<b>Failure</b> Insufficient capital if he/she wants to expand the business.√√
<b>3.5.2 LEGISLATION</b>	<b>Success</b> Business must be registered with the Registrar of Close Corporations with a founding statement lending itself to a greater degree of control. √√	<b>Success</b> The sole proprietor must register with the local authority in order to reap benefits, e.g. present tenders or the outsourcing of business by the local authority. √√ Government is promoting small business. √√
	<b>Failure</b> A member may act in a manner that may defraud the CC. √√	<b>Failure</b> The liability of the sole proprietor is unlimited which could lead to him/her losing his/her personal assets. √√

**(2 x 8) (16)**  
**Max 12**

**Allocation of Marks:**

- 2 marks each for 1 fact only on both success (4 marks) and failure (4 marks) for both capital and legislation.
- Maximum marks 12.
- Consider any other relevant answer regarding success or failure in terms of capital and legislation.
- Does not have to be in table form.

**[60]****BREAKDOWN OF MARKS**

<b>QUESTION 3</b>	<b>MARKS</b>
<b>3.1.1</b>	<b>6</b>
<b>3.1.2 (a)</b>	<b>2</b>
<b>3.1.2 (b)</b>	<b>6</b>
<b>3.1.2 (c)</b>	<b>2</b>
<b>3.1.2 (d)</b>	<b>2</b>
<b>3.1.3</b>	<b>10</b>
<b>3.2.1</b>	<b>4</b>
<b>3.2.2</b>	<b>4</b>
<b>3.3.1</b>	<b>6</b>
<b>3.3.2</b>	<b>6</b>
<b>3.4</b>	<b>12</b>
<b>TOTAL</b>	<b>60</b>

**QUESTION 4****4.1.1 If you were the manager of Trust Lodge, would you employ Thembi? Motivate your answer.(LO4AS3)****NO.** √√

- Re-advertise the post because Thembi was the only applicant. √√
- Thembi does not have an interest in the organisation and is only there for personal gain. √√
- Thembi may not be dedicated to her work. √√
- Productivity at the workplace may suffer. √√
- Thembi may not be motivated to do the job to the best of her ability. √√
- Qualifications do not suit the post. √√
- Any other relevant answer regarding suitability.

**OR****YES** √√

- Trust Lodge had no other applicants for the position. √√
- Trust Lodge can convince her to take up training as a receptionist. √√
- Trust Lodge can offer her incentives, e.g. travel allowances etc. √√
- Convince her about her potential as a receptionist with a view to increasing her salary with increased performance, e.g. performance contract. √√
- Any other relevant answer regarding employment.

Mark allocation:

Yes or No

2 marks

Motivation 2 marks each

4 marks

**Max.****6 marks****NOTE: 1. Yes or No without motivation = NO marks.****2. If yes or no is implied in motivation write yes or no and allocate 2 ticks (√√)****4.1.2 Suggest any FIVE clauses that Trust Lodge could include in its employment contract. (LO4AS3)**

- Name of the employee ( Identity number and income tax number ) √√
- Address and contact details √√
- Working hours √√
- Leave and pension benefits √√
- Remuneration √√
- Deductions e.g. pension, income tax, medical aid and UIF √√
- Grievance and disciplinary procedures. √√
- Conditions regarding termination of service. √√
- Overtime conditions. √√
- Fringe benefits. √√
- Remedy for non-performance. √√
- Job description. √√
- Job specification. √√
- Probationary period. √√
- Any other relevant clause. √√

**ANY (5 x 2) (10)**

**4.1.3 Would the clauses listed in QUESTION 4.1.2 have helped in avoiding the crisis that Trust Lodge is currently experiencing? Explain your answer. (LO4AS3)**

- **YES** ✓✓ **(2)**

**EXPLANATION**

- A written employment contract could have solved the crisis. ✓✓
- A detailed policy on the recruitment of workers specifying the minimum number of applicants to be short listed for a post. ✓✓
- A policy of promotion from within the organisation for certain posts. ✓✓
- Disciplinary procedure was non-existent. ✓✓
- Acknowledgement of job description. ✓✓
- Clarity on probation period. ✓✓
- No clear job specification. ✓✓
- Any other relevant answer relating to policy in resolving the crisis. ✓✓

**(Max. 4)**

Mark allocation :	
Yes	2
Explanation	(2 x 2) 4
<b>Max</b>	<b>6</b>

**NOTE: 1. YES without motivation = NO marks.**

**2. If implied in explanation write yes and allocate 2 ticks (✓✓)**

**4.1.4 List any FIVE aspects that Trust Lodge would include in their implementation of the induction and placement process for Thembi.**

- Manager must orientate Thembi into the new environment by introducing her to the organisation, supervisor and colleagues. ✓✓
- She must be familiar with the systems and procedures of the organisation. ✓✓
- Management must orientate her in the job until she is settled in her position. ✓✓
- Inform her about policies and regulations. ✓✓
- Inform Thembi about the mission of the business and its clients. ✓✓
- Reporting and communication channels. ✓✓
- Improve skills through in-service training. ✓✓
- Understanding and acceptance of the job. ✓✓
- Any other relevant answer relating to induction and placement process. ✓✓

**ANY (5 x 2) (10)**

**4.1.5 Name the Act which regulates the employment contract between Trust Lodge and Thembi. (LO4AS3)**

- The Basic Conditions of Employment Act of 2002. ✓✓
- BCEA ✓✓

**(2)**

**NOTE: Without year/number indicated award full credit**

**4.2 Outline FIVE steps that a good manager will follow to resolve conflict in the workplace. (LO3AS6)**

- Acknowledge that there is conflict between the employee and management. √√
- Identify the cause of the conflict √√
- Arrange a meeting between the employee and management √√
- Devise strategies to resolve the conflict √√
- Minutes of the meeting must be recorded √√
- Prepare a memorandum of understanding that will be signed by the employee and management. √√
- Any other relevant answer relating to steps in resolving conflicts. √√

**ANY (5 x 2) (10)****OR****Alternative answer:**

- Ignore the conflict √√
- Pre-negotiation. √√
- Negotiation √√
- Post-negotiation √√
- Follow-up of the process √√

**OR****Alternative answer:**

- Approach the conflict directly √√
- Bargaining √√
- Mediation √√
- Arbitration √√
- Right to appeal √√

**OR****Alternative answer:**

- Meet with conflicting parties √√
- Make sure the parties understand that it is okay to disagree √√
- Allow each party to state their mind. √√
- Consider the manager's perspective on how to resolve the conflict. √√
- Set a timeframe for resolving the conflict. √√
- Any other relevant step in resolving conflicts

**NOTE : Steps need not be in a specific/particular order.****4.3 Name and explain one management style that you consider to be the most effective in ensuring maximum success in business presently. (LO3AS5)****Style**

- Autocratic Management √√ **(2)**

**Motivation**

- This style is dictatorial and may suit only certain types of business √√
- Useful for implementation and control of policy. √√
- Any relevant answer regarding Autocratic Management style.

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

**OR**

**Style**

- Democratic management √√ **(2)**

**Motivation**

- The management allows subordinates to be part of the decision-making process. √√
- Subordinates assume responsibility for many of the decisions. √√
- Participation in workplace forums. √√
- Workers take ownership in decision making because they were part of the process. √√
- Any other relevant answer regarding democratic management style.

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

Mark allocation:

Type / Style 2 marks

Motivation 2 marks

**Max** **4 marks**

**NOTE: Consider other suitable styles if appropriate motivation is given, e.g. participatory, situational, laissez-faire, etc.**

**4.4 Differentiate between *management* and *leadership*.**

**Explain whether a good manager is better than a good leader. (LO3AS5)**

<b>Management</b>	<b>Leadership</b>
Exercise control over personnel √√	Influence and motivate personnel √√
Instructional in their approach √√	Seek to empower people √√
Follows the vision of the enterprise √√	Provide a vision for the enterprise √√
Minimise and control risks √√	Always on the look out for business opportunities √√
Ensure adherence to rules and regulations √√	Change rules to improve efficiency √√
Ensure that tasks are completed √√	Provide better ways to do tasks √√
Ensure that profit targets are met √√	Strategies to increase profitability √√

Any other relevant answer differentiating between Management and Leadership.

**Max 8**

**NOTE: Does not have to be in a table form.**

**Good leader:** √√

Motivation:

- He/She has vision for his/her enterprise. √√
- Encourages higher productivity through motivation. √√
- Consider advantages of good leader and disadvantages of weak manager. √√
- Any other relevant answer regarding a good leader.

**(4)**

**OR**

**Good manager:** √√

Motivation:

- He/She is able to manage the enterprise effectively. √√
- Calculated risks could maintain stability and long term survival. √√
- Consider advantages of good manager and disadvantages of weak leader. √√
- Any other relevant answer regarding a good manager. √√

**(4)**

Mark allocation:

Differences (2 x 2 for each) – 2 differences

max 8

Preference Choice (2 marks) and Motivation (2 marks)

max 4

**12****OR**

Differences (2 x 2 for each)

max 8

(Preference indicated clearly - 2 x 2)

4

**12****[60]****BREAKDOWN OF MARKS**

<b>QUESTION 4</b>	<b>MARKS</b>
<b>4.1.1</b>	<b>6</b>
<b>4.1.2</b>	<b>10</b>
<b>4.1.3</b>	<b>6</b>
<b>4.1.4</b>	<b>10</b>
<b>4.1.5</b>	<b>2</b>
<b>4.2</b>	<b>10</b>
<b>4.3</b>	<b>4</b>
<b>4.4</b>	<b>12</b>
<b>TOTAL</b>	<b>60</b>

**TOTAL SECTION B: 180**

**SECTION C****QUESTION 5**

**Analyse the nature and process of corporate social investment (CSI). Illustrate how it works and discuss the benefits and problems of CSI for both business and communities. Use current examples to illustrate your answer. (LO1AS3)**

**5.1 Introduction**

- Corporate social investment refers to the contribution that the company makes to uplift or develop and solve problems in the community. ✓
- Generally, most of the employees of the company come from the local community. ✓
- Therefore, the company deems it fit to invest some of its funds to projects that are much needed by the community. ✓
- The government cannot solve problems of the country and therefore encourages big business to foster partnerships with the local community. ✓
- The community in response buys the product of that company. ✓ **ANY (3 x 1) (3)**  
**max. 3**

**5.2 Social Responsibility Programmes (nature):**

- Corporate business engages the local community with, amongst others, the following programs:
  - HIV/Aids awareness ✓ - by sponsoring NGO's ✓
  - Education and training ✓ - by providing bursaries to learners ✓
  - Conservation of the environment and pollution ✓ - by sponsoring projects that preserve the environment ✓
  - Poverty alleviation ✓ - by job creation ✓
  - Pensioners, deprived children and orphans ✓ - by sponsoring housing projects ✓
  - Empowerment of women ✓ - by sponsoring conferences ✓
  - Rural development ✓ - by forming partnerships ✓
- (1 mark for fact and 1 mark for example) Max. 6**

**5.3 Characteristics/Features of Corporate Social Investment (process)**

- CSI ( Corporate social investment ) is mainly implemented by big business. ✓✓
- CSI is enforced by legislation. ✓✓
- CSI is seen as a political expectation. ✓✓
- CSI is seen as part of the business operations and is sustainable. ✓✓
- Business organisations choose the programs for the community eg. support for education. ✓✓
- Business organisations support the community with the product that they manufacture e.g. a paper manufacturing company may donate duplicating paper to the local schools in the community. ✓✓
- Partnerships are formed with local communities, the government and non profit organisations. ✓✓
- In South Africa BEE ( Black Economic Empowerment ) companies play a vital role in CSI. ✓✓

**max. 8**

**5.4 How it works:**

- Corporate social responsibility is influenced by various factors:
- Companies identify a particular need in the community and funds the project e.g. the building of a community hall. √√
- Ethics has a decisive influence in the business, and, management and employees have an important role to play in the community. √√
- Government legislation encourages companies to engage in social investment programmes. √√
- Competitors force a company to engage in social responsibility programs. √√

**Max.6****5.5 Benefits of CSI for the business and the community:****5.5.1 Benefits for the business**

- Improved health for its workers. √√
- Sustained Conservation of the environment may lead to reduction in costs which could be channelled elsewhere. √√
- May attract experienced employees which could benefit the enterprise in terms of increased productivity. √√
- The community supports the business by purchasing its products and thereby contributing to the business profitability. √√
- The business enjoys goodwill. √√
- Improves the image of the company. √√
- Any other relevant benefit for the business. √√

**Max. 6****5.5.2 Benefits for the community.**

- The Community provides the labour, customers and suppliers to the business enterprise. √√
- Provision of bursaries. √√
- Improves the welfare of society. √√
- The standard of living of the community is uplifted. √√
- The business needs to give something back in the form of money, products, services etc. √√
- Improved health for the community and customers. √√
- Any other relevant benefit for the community. √√

**Max. 6****NOTE : Benefits of CSI for the business and the community (Max 12)**

**5.6 Problems of CSI for the business and the community:****5.6.1 Problems of CSI for the business:**

- The community may not support the enterprise ie. does not buy the product of the enterprise. √√
- Difficulty in adherence to legislation governing the CSI. √√
- Small and medium enterprises find it difficult to implement CSI programmes. √√
- Distribution of scarce CSI resources to selected beneficiaries in the community may cause problems such as discrimination. √√

**Max. 6****5.6.2 Problems of CSI for the community:**

- The benefits of the programme may not filter to the intended persons within the community. √√
- Insufficient provisioning that does not satisfy all the needs of the community. √√
- May be rejected by the community. √√

**max. 6****NOTE: Problems of CSI for the business and the community. Max. 12****5.7 Conclusion**

- From the above discussion it can be concluded that many communities have benefited from CSI initiatives. √
- Corporate Businesses in South Africa have come to the rescue of many poor communities by building schools, crèches, clinics, etc. √

**(2)****Sub total 49: Max 32**

**Breakdown of mark allocation:**

<b>Details</b>	<b>Maximum</b>	<b>Reduced to</b>	<b>Subtotal</b>	<b>Total</b>
Introduction			<b>3</b>	
Social responsibility programmes (nature)	6	6		
Characteristics/Features of CSI (process)	8	8		
How it works	6	6		
Benefits of CSI for the enterprise and the community	12	12		
Problems of CSI for the enterprise and the community	12	12	<b>44</b>	<b>Max 32</b>
Conclusion			<b>2</b>	
<b>Insight:</b>				
Layout Structure				<b>2</b>
Analysis and Interpretation				<b>2</b>
Synthesis				<b>2</b>
Originality, Examples, recency of information, current trends and developments				<b>2</b>
<b>TOTAL MARKS</b>				<b>40</b>

**\*LASO – For each component:**

**Allocate 2 marks if all requirements are met.**

**Allocate 1 mark if only some requirements are met.**

**Allocate 0 marks where requirements are not met at all.**

**QUESTION 6**

**Just as your home and car needs insurance cover, your business also requires protection against theft, damage and liability. A major burglary or a fire can make an uninsured or under-insured business bankrupt. Minimising risks and losses is one of the pillars of business success especially for small businesses.**

[Source : *Succeed* December 2006 (adapted)]

**Write a report indicating whether you agree or disagree with the above statement. Your report must clearly establish the reasons/significance for insurance, show a distinction between compulsory and non-compulsory insurance, as well as illustrate each type using examples.**

**(40)**

**(LO2AS7)**

**6.1 Introduction:**

- I agree/disagree with the statement. ✓
- Many businesses are faced with risks such as fire, theft, burglary, storm damage etc. ✓
- Should any of these perils/dangers occur and the business is not insured, then the businessperson could suffer major financial losses. ✓
- Any relevant contribution towards introduction.

**(any 3 x 1 = 3)**

**6.2 Reasons/significance/purpose:**

- Transfer of the risk from the businessperson to the insurance company.  
The transfer of the risk is subject to the terms and conditions of the contract. ✓✓
- The business will be compensated for the insurable losses eg. destruction of the property through fire or the loss of life. ✓✓
- Insurance protects the businessperson against future losses.  
The size of the loss is reduced considerably.  
Businesspersons do not have control over fire, floods, storms etc. ✓✓
- Replacement costs for damaged machinery and equipment are very high because of inflation.  
Insurance against these losses is essential. ✓✓
- Protects the business against the loss of earnings as a result of natural disasters such as floods, storm damage and fire.  
e.g. Strikes by employees result in losses worth millions of rand.  
Therefore, the enterprise can purchase insurance for protection against loss of earnings. ✓✓
- Insurance can be taken against the life of partners in a partnership business as well as key personnel within the organisation. ✓✓
- Should the services of these key personnel be lost as a result of accidents or death, the proceeds of the insurance policy are paid out to the business. ✓✓
- It is also possible for a business to insure against bad debts ie. debtors who default on the payment of their accounts. ✓✓

**max. 8**

### 6.3 Distinction between compulsory insurance and non-compulsory insurance

#### 6.3.1 Compulsory insurance

- In South Africa there are three types of insurances that are compulsory by law. ✓
- Premiums are contributed by the business into a common fund which is administered by Government. ✓

#### 6.3.2 Non-compulsory insurance

- The following types of insurance are voluntary since the organisation can decide whether or not to make use of it. ✓✓

**Max. 4**

### 6.4 Types/examples:

#### 6.4.1 Compulsory insurance

##### (a) Workers Compensation Fund (WCF) ✓✓

- Workers who are injured on duty are entitled by law to compensation from the Workermen's Compensation Fund. ✓✓
- This fund insures the workers for medical expenses that they incur as a result of being injured or contracting any illness as a result of performing their occupational duties. ✓✓
- This fund also compensates workers financially for any disability that may arise as a result of accidents while performing their duties in the workplace. ✓✓

**Max. 6**

##### (b) Unemployment Insurance Fund (UIF) ✓✓

- It is compulsory for the employer and the employee to contribute to the UIF. ✓✓
- This fund provides benefits to workers who have been working and are now unemployed. ✓✓
- Benefits are also paid to the dependants of deceased contributors. ✓✓
- UIF also provides benefits to people who are not working as a result of illness or are on maternity leave. ✓✓

**Max. 6**

##### (c) The Road Accident Fund (RAF) ✓✓

- The Government levy that all motorists pay when they buy petrol or diesel ensures that there is sufficient funds to be paid against claims. ✓✓
- Compensation is paid when a person is disabled or injured in a road accident and to the dependants of the individual killed in a road accident. ✓✓

**(6)**  
**Max. 12**

## 6.4.2 Non-compulsory Insurance

### Examples:

**(a) Fire Insurance**√√

- This refers to losses incurred by fire to a business. √√
- Fire damages the property and assets of the business. √√ **(4)**

**(b) Theft Insurance**√√

- Losses that result from burglaries and robberies. √√
- Insurance in this regard protects the business by compensating for the losses as well as the cost of repairing any damage to property during the burglary. √√ **(4)**

**(c) Life Assurance** √√

- The death of key personnel such as partners, management personnel etc. may cause serious problems and financial losses to the enterprise. √√
- Therefore, it is possible for the enterprise to take life assurance against the death of such key personnel. √√ **(4)**

**(d) Motor Car Insurance**√√

- Most business enterprises have assets such as motor vehicles. √√
- Losses as a result of theft, hijacking and accidents are for the cost of the enterprise. √√
- Therefore, most business enterprises insure their vehicles. √√ **(4)**

**(e) Public Liability Insurance** √√

- This type of insurance protects the business from claims arising out of injuries to an individual on the business premises. √√ **(4)**
- Any other relevant example of non-compulsory insurance

**Max 12**

**6.5 Conclusion**

- From the above discussion it is clear that insurance is more a need rather than a luxury in the business environment. ✓
- There is a growing trend for business to protect themselves adequately against all the risks mentioned above. ✓

**(2)****Sub Total 41: Max 32****Breakdown of mark allocation:**

<b>Details</b>	<b>Maximum</b>	<b>Subtotal</b>	<b>Total</b>
Introduction		<b>3</b>	
Reasons Distinction between compulsory and non- compulsory insurance	8		
Types/examples of Insurance	4	<b>36</b>	<b>32</b>
Conclusion	24	<b>2</b>	
<b>Insight:</b>			
Layout Structure			<b>2</b>
Analysis and Interpretation			<b>2</b>
Synthesis			<b>2</b>
Originality, Examples, recency of information, current trends and developments			<b>2</b>
<b>TOTAL MARKS</b>			<b>40</b>

**\*LASO – For each component:****Allocate 2 marks if all requirements are met.****Allocate 1 mark if only some requirements are met.****Allocate 0 marks where requirements are not met at all.****NOTE: Allocate 4 marks for distinction if appears separately under types.**

**QUESTION 7**

**Team dynamics in problem solving makes it easier to initiate and promote change and unity within the organisation. Teamwork helps the organisation to achieve its primary goals and objectives.**

**Briefly explain why it is necessary for people to work together and fully discuss the factors that can contribute towards the achievement of business objectives when using teamwork in the workplace.** (40)  
(LO3AS8)

**7.1 Introduction:**

- Most enterprises have realised the importance of team building exercises in order for the business to have a competitive edge in the marketplace. ✓
- Teamwork is essential if the organisation wants to achieve its goals and objectives. ✓
- For teamwork to be effective, workers must be able to work together as a team. ✓

**ANY (3 x 1) (3)****7.2 Reasons/Importance for teamwork**

- People work more productively as a team. ✓✓
- Staff is motivated. ✓✓
- Loyalty to the organisation by the workers is increased. ✓✓
- Staff learn to respect and trust each other. ✓✓
- Team members are involved in the decision making within the organisation. ✓✓
- Teamwork leads to improved unity within the organisation. ✓✓

**Max. 10****7.3 Principles/Factors that can be applied to promote teamwork****7.3.1 Successful teams share a goal. ✓✓**

- Goals must be clearly set out and each member must be fully conversant with the goals. ✓✓  
Example: Increase sales by 10% by October ✓
- Team members must be part of the process of setting goals for the group. ✓✓  
Example: Sharing of common vision and mission. ✓
- This will increase the effectiveness and team morale. ✓✓  
Example: Cohesion in the team. ✓
- Any other relevant example.

**Max. 5****7.3.2 Teams should share Team Values. ✓✓**

- Group decisions must be implemented by all team members. ✓✓  
Example: Honesty and positive company image ✓
- A team must have standard procedures which determine how things are done. ✓✓  
Example: Proper guidelines. ✓
- Conflict resolution procedures must be adhered to within the team. ✓✓  
Example: Clear direction when a problem can not be solved. ✓

**Max 5**

**7.3.3 Teams must consider individual members needs . √√**

- Teams must value the contributions of individual members and reach consensus on differences. √√  
Example: Secretary in a wheel chair – need assistance. √
- Teams must make individual members feel that they are part of the group. √√  
Example: solidarity. √

**Max 5****7.3.4 A climate of respect, trust and honesty should prevail. √√**

- Members should talk freely and respect each other. √√  
Example: Do not entertain gossip from other people. √
- An atmosphere of trust should prevail where individuals can share their thoughts and opinions freely. √√  
Example: Freedom of expression. √

**Max 5****7.3.5 Team members should enjoy open communication. √√**

- Deal with items of conflict immediately so that team spirit is restored. √√  
Example: Resolve unforeseen problems timeously. √
- Good positive and open communication is important in team work. √√  
Example: Motivation. √
- Members should not only focus on negatives but contribute positively in meetings. √√  
Example: Weigh both positive and negative criticism. √
- Acknowledge and praise team members efforts and achievements. √√  
Example: Continuous praise. √
- Encourage members to add items to the agenda and speak freely, √√  
Example: Agenda must be finalised at the beginning of the session. √

**Max 5****7.3.6 Teams must be accountable. √√**

- Team members must know the time frames within which goals should be achieved. √√  
Example: Budget should be transparent. √
- All team members must be held accountable for the specific functions within the team. √√  
Example: Commitment. √
- Feedback should be given to the entire team on performance. √√  
Example: Evaluation report. √

**Max 5**

**Mark Allocation:**  
**Principle/Factor 2 marks**  
**Fact 2 marks**  
**Example 1 mark**

**NB: Allocate 5 marks if principle/factor, fact and example appear in one sentence.**

**Sub. Max. 25**

**7.4 Conclusion:**

- The above discussion highlights the importance of teamwork in an organisation. ✓
- The organisation must continually strive to improve on its team building exercises in order to remain competitive in the marketplace. ✓
- A happy worker within a team has significant advantages for the organisation. ✓

**ANY (2 x 1) (2)****Subtotal 40: Max 32****Breakdown of mark allocation:**

<b>Details</b>	<b>Maximum</b>	<b>Subtotal</b>	<b>Total</b>
Introduction		<b>3</b>	
Reasons/Importance of teamwork	10		
Principles/Factors applied to promote teamwork	25	<b>35</b>	<b>32</b>
Conclusion		<b>2</b>	
<b>Insight:</b>			
Layout Structure			<b>2</b>
Analysis and Interpretation			<b>2</b>
Synthesis			<b>2</b>
Originality, Examples, recency of information, current trends and examples			<b>2</b>
<b>TOTAL MARKS</b>			<b>40</b>

**\*LASO – For each component:**

- Allocate 2 marks if all requirements are met.**
- Allocate 1 mark if only some requirements are met.**
- Allocate 0 marks where requirements are not met at all.**

**QUESTION 8**

**Trade unions were primarily established to address the challenges faced by employees in the workplace.**

**Outline their role in promoting good labour practice and in uplifting the standards of living for workers in South Africa. (LO4AS5)**

**8.1 Introduction**

- Since the establishment of a Democratic Government in 1994, the protection of the rights of workers in the workplace was a key issue that needed to be addressed. √
- The rights of workers and trade unions were protected in the Constitution of South Africa. √
- Today, most employees belong to a Trade Union. √
- A trade union is an organisation established by workers. √

**ANY (3 x1) (3)**

**8.2 Functions of trade unions**

- Maintenance and the promotion of the interests of its members. √√
- Improve the material benefits of members. √√
- Negotiating with employers on behalf of its members. √√
- Bargain for wage increases. √√
- Instituting and improving pension schemes. √√
- Influencing management decisions that are of benefit to workers. √√
- Obtaining medical aid benefits to improve the health of workers. √√
- Negotiating for better working conditions inclusive of rest periods, working with tools and safety in the workplace. √√
- Ensure that the length of the working period (hours) is favourable to employees. √√
- Negotiate for favourable rates of pay including overtime, leave and sick leave for workers. √√
- Ensure that racism and sexism is not practised in the workplace. √√
- To express the views and aspirations of the employees through workplace forums. √√
- Ensure that democratic principles are applied in the workplace. √√
- Monitor the enforcement of legislation and collective bargaining agreements. √√
- To resist the retrenchment of employees and strive for full employment. √√
- To resolve grievances and disputes in the workplace. √√
- To promote, support and unite trade unions. √√
- To organise and unite the employee workforce of the various industries into one strong body. √√

**ANY (10 x 2) (20)**

### 8.3 Analysis of Current Role of Trade Unions

- Trade unions have a strong influence on the Government's economic and social policies. √√
- Trade unions have a decisive influence on the political issues relating to the country. √√
- Trade unions always bring key issues to the notice of government such as unemployment, job creation, poverty, HIV/Aids, etc. √√
- Trade unions and government have also debated the issue of privatisation and trade barriers. √√
- Trade unions operate within the framework of the Labour Relations Act which prescribes procedures regarding registration of trade unions, collective bargaining agreements, establishment of the Commission for Conciliation, Mediation and Arbitration, Resolution of Labour Disputes and Workplace Forums. √√
- Trade unions lobby Govt. on petrol prices and food prices. √√  
Any other relevant answer relating to its role in the country. √√

**ANY (5 x 2) = 10**

### 8.3 Conclusion

- From the above discussion, it is clear that employees benefit tremendously by belonging to trade unions. √
- Trade unions are primarily established to protect the interests of workers and to improve their remuneration and working conditions. √

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

**Subtotal 35: Max 32**

**Breakdown of mark allocation:**

<b>Details</b>	<b>Maximum</b>	<b>Reduced to</b>	<b>Subtotal</b>	<b>Total</b>
Introduction			<b>3</b>	
Functions of trade unions	20	20		
Analysis of current role of trade unions	10	10	<b>30</b>	
Conclusion			<b>2</b>	<b>32</b>
<b>Insight:</b>				
Layout Structure				<b>2</b>
Analysis and Interpretation				<b>2</b>
Synthesis				<b>2</b>
Originality, (Current examples, relevant developments)				<b>2</b>
<b>TOTAL MARKS</b>				<b>40</b>

**\*LASO – For each component:**

**Allocate 2 marks if all requirements are met.**

**Allocate 1 mark if only some requirements are met.**

**Allocate 0 marks where requirements are not met at all.**

**TOTAL SECTION C: 80**

**GRAND TOTAL: 300**