



# basic education

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Department:  
Basic Education  
**REPUBLIC OF SOUTH AFRICA**

## **NATIONAL SENIOR CERTIFICATE**

**GRADE 12**

**BUSINESS STUDIES**

**FEBRUARY/MARCH 2016**

**MEMORANDUM**

**MARKS: 300**

**This memorandum consists of 52 pages.**

**NOTES TO MARKERS****PREAMBLE**

The notes to markers are provided for quality assurance purposes to ensure the following:

- (a) Fairness, consistency and reliability in the standard of marking
- (b) Facilitate the moderation of candidates' scripts at the different levels
- (c) Streamline the marking process considering the broad spectrum of markers across the country
- (d) Implement appropriate measures in the teaching, learning and assessment of the subject at schools/institutions of learning

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

Marker:	Red
Senior Marker:	Green
Deputy Chief Marker:	Brown
Chief Marker:	Pink
Internal Moderator:	Orange
DBE moderator	Turquoise

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. Please 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. Subtotals to questions must be written in the right-hand margin. Circle the subtotals as indicated by the allocation of marks. This must be guided by 'max' in memo. Only the total for each question should appear in the left-hand margin next to the appropriate question number.

8. In an indirect question, the theory as well as the response must be relevant and related to the question.
9. Incorrect numbering of answers to questions or subquestions in SECTIONS A and B will be severely penalised. Therefore, correct numbering is strongly recommended in all sections.
10. No additional credit must be given for repetition of facts. Indicate with a 'R'.
11. Please note that no marks will be awarded for indicating Yes/No in evaluation type questions requiring substantiation or motivation. (Applicable for Sections B and C.)
12. The differentiation between 'evaluate' and 'critically evaluate' can be explained as follows:
  - 12.1 When 'evaluate' is used, candidates are expected to respond in either a positive/negative manner or take a neutral (positive and negative) stance, e.g. **Positive:** *'COIDA eliminates time and costs spent on lengthy civil court proceedings.'*
  - 12.2 When 'critically evaluate' is used, candidates are expected to respond in either a positive/negative manner or take a neutral (positive and negative) stance. In this instance candidates are also expected to support their responses with more depth, e.g. *'COIDA eliminates time and costs spent on lengthy civil court proceedings, because the employer will not be liable for compensation to the employee for injuries sustained during working hours as long as it can be proved that the business was not negligent.'*
- NOTE:** The above could apply to 'analyse' as well.
13. The allocation of marks must be informed by the nature of the question, cognitive verb used, mark allocation in the memorandum and the context of each question.

Cognitive verbs, *such as:*

  - 13.1 Advise, devise, name, state, mention, recommend, suggest, (*list not exhaustive*) do not usually require much depth in candidates' responses. Therefore, the mark allocation for each statement/answer appears at the end.
  - 13.2 Describe, explain, discuss, elaborate, justify, analyse, evaluate, critically evaluate (*list not exhaustive*) require a greater depth of understanding, application and reasoning. Therefore, the marks must be allocated more objectively to ensure that assessing is conducted according to established norms so that uniformity, consistency and fairness are achieved.

14. **SECTION B**

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

**NOTE:** This applies only to questions where the number of facts is specified.

14.2 If two facts are written in one sentence, award the candidate FULL credit. Point 14.1 above still applies.

14.3 If candidates are required to provide their own examples/views, brainstorm this at the marking centre to finalise alternative answers.

14.4 **Use of the cognitive verbs and allocation of marks:**

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

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

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

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

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

15. **SECTION C**

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

Introduction	<b>Maximum:</b>
Content	
Conclusion	
Insight	
<b>TOTAL</b>	<b>32</b>
	<b>8</b>
	<b>40</b>

## 15.2 Insight consists of the following components:

Layout/Structure	Is there an introduction, body, proper paragraphs and a conclusion?	<b>2</b>
Analysis and interpretation	Learners' ability to break down the question/interpret it correctly to show understanding of what is being asked.	<b>2</b>
Synthesis	Are there relevant decisions/facts/responses made based on the questions?  Marks to be allocated using this guide: No relevant facts: 0 (Two-'-S') Some relevant facts: 1 (One-'-S') Only relevant facts: 2 (Zero-'-S')  <b>NOTE:</b> If there are no '-S' award a maximum of TWO (2) marks.	<b>2</b>
Originality	Examples, recency of information, current trends and developments.	<b>2</b>
<b>TOTAL FOR INSIGHT:</b>		<b>8</b>
<b>TOTAL MARKS FOR FACTS:</b>		<b>32</b>
<b>TOTAL MARKS FOR ESSAY (8 + 32)</b>		<b>40</b>

- 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.**

15.3 Indicate insight in the left-hand margin with a symbol e.g. ('L, A, S and/or O')

15.4 The breakdown of marks is indicated at the end of the suggested answer/marking guidelines to each question.

15.5 Mark all relevant facts until the SUBMAX/MAX mark in a subsection has been attained. Write 'SUBMAX'/'MAX' after maximum marks have been obtained.

15.6 At the end of each essay indicate the allocation of marks for facts and marks for insight as follows: (L – Layout, A – Analysis, S – Synthesis, O – Originality) as in the table below.

<b>CONTENT</b>	<b>MARKS</b>
Facts	<b>32 (max.)</b>
L	<b>2</b>
A	<b>2</b>
S	<b>2</b>
O	<b>2</b>
<b>TOTAL</b>	<b>40</b>

- 15.7 When awarding marks for facts, take note of the sub-maxima indicated, especially if candidates do not make use of the same subheadings. Remember, headings and subheadings are encouraged and contribute to insight (structuring/logical flow/sequencing) and indicate clarity of thought. (See MARK BREAKDOWN at the end of each question.)
- 15.8 If the candidate identifies/interprets the question INCORRECTLY, then he/she may still obtain marks for layout.
- 15.9 If a different approach is used by candidates, ensure that the answers are assessed according to the mark allocation/subheadings as indicated in the memorandum.
- 15.10 15.10.1 Award TWO marks for complete sentences. Award ONE mark for phrases, incomplete sentences and vague answers.
- 15.10.2 With effect from November 2015, the TWO marks will not necessarily appear at the end of each completed sentence. The ticks(√) will be separated and indicated next to each fact, e.g. 'Product development is a growth strategy,√ where businesses aim to introduce new products into existing markets.'√  
This will be informed by the nature and context of the question, as well as the cognitive verb used.

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

- 1.1      1.1.1    D✓✓  
           1.1.2    B✓✓  
           1.1.3    C✓✓  
           1.1.4    B✓✓  
           1.1.5    A✓✓  
           1.1.6    D✓✓  
           1.1.7    D✓✓  
           1.1.8    A✓✓  
           1.1.9    B✓✓  
           1.1.10. C✓✓ (10 x 2)    **(20)**
- 1.2      1.2.1    ten✓✓  
           1.2.2    charismatic✓✓  
           1.2.3    forward✓✓  
           1.2.4    consensus✓✓  
           1.2.5    Video conferencing✓✓ (5 x 2)    **(10)**
- 1.3      1.3.1    E✓✓  
           1.3.2    G✓✓  
           1.3.3    A✓✓  
           1.3.4    H✓✓  
           1.3.5    B✓✓ (5 x 2)    **(10)**

**BREAKDOWN OF MARKS**

<b>QUESTION 1</b>	<b>MARKS</b>
<b>1.1</b>	<b>20</b>
<b>1.2</b>	<b>10</b>
<b>1.3</b>	<b>10</b>
<b>TOTAL</b>	<b>40</b>

**TOTAL SECTION A:    40**

**SECTION B****Mark the FIRST THREE answers.****QUESTION 2: BUSINESS ENVIRONMENT****2.1 Porter's Five Forces**

- 2.1.1 Threat of substitution√√
- 2.1.2 Power of buyers√√
- 2.1.3 Threat/Barriers to new entry√√
- 2.1.4 Power of supplier√√
- 2.1.5 Competitive rivalry√√

**(5 x 2) (10)****2.2 Legislation**

- 2.2.1 National Credit Act, 2005 (Act 34 of 2005)/NCA/National Credit Act √√ **(2)**

**2.2.2 TWO categories of information**

- Adverse listing√
- Paid-up judgements√

**(2 x 1) (2)****2.2.3 FOUR examples of adverse listing**

- Delinquent√
- Default√
- Slow-paying√
- Absconded√
- Not-contactable√ consumers

**NOTE: Mark first FOUR (4) only.****Any (4 x 1) (4)****2.2.4 Rights of the credit providers if consumers fail to pay their debts**

- Right to take legal action.√
- Right to hand the consumers over to debt collectors.√

**(2)****2.2.5 Requirements of credit assessments**

- Verifying of income disclosed by consumers.√
- Obtaining of credit reports.√
- Approving credit timeously.√

**(3)****2.3 Employment Equity Act****2.3.1 Purpose of the EEA**

- This Act states that employees who do the same work (work of equal value)√ must be paid equally (equal pay).√
- No discrimination√ on grounds of gender in the workplace.√
- Promotes equal opportunity√ and fair treatment in the workplace.√

- Protects employees from victimisation✓ if they exercise the rights given to them by the EEA.✓
- Provides for employees to refer unresolved disputes✓ to the CCMA.✓
- Any other relevant answer related to the purpose of the EEA.

**Max (8)****2.3.2 Actions regarded as discriminatory by the EEA**

- Not employing a young woman because she will want to have children.✓✓
- Refusing to employ a person because he/she has strong religious beliefs/has a disability.✓✓
- Doing HIV testing unless justified by the Labour Court.✓✓
- Denying people access to the workforce based on gender/race/culture/etc. and treating them unfairly.✓✓
- Any other relevant actions that can be regarded as discriminatory by EEA.

**NOTE: Mark the first THREE (3) only.**

- Any (3 x 2) (6)

**2.3.3 Impact of EEA on businesses****Positives**

- Promotes equal opportunities✓ and fair treatment in employment.✓
- Encourages consultation✓ between employer and employees.✓
- Motivates employees✓ because the workforce is more diverse/representative/inclusive.✓
- Prevents unfair discrimination✓ as it ensures that the workforce represents the demographics of the country/promotes diversity in the workplace.✓
- Creates a framework✓ of acceptable employment practices/affirmative action measures.✓
- Promotes the implementation of affirmative action✓ to address the imbalances of the past.✓
- Any other relevant answer related to the positive impact of EEA on businesses.

**AND/OR****Negatives**

- Increased administration burden✓, as businesses must compile/submit employment equity reports every two years.✓
- Expensive to train/employ someone✓ who knows little about the Act.✓
- Other groups may not respect the knowledge/skills/experience of an EE appointment✓ and may lead to conflict.✓
- Fines/Penalties for non-compliant businesses✓ may be expensive for the business.✓
- Employers have to appoint one or more senior managers to ensure the implementation of the plan✓, which increases salary expenditure.✓
- Businesses must submit a compliance certificate✓ before they can conduct business with state businesses.✓
- Businesses are sometimes pressurised to appoint an unsuitable EE person✓ to meet EE requirements.✓
- Often positions go unfilled✓ because there are no suitable EE candidates.✓
- Any other relevant answer related to the negative impact of the EEA on businesses.

**Max (10)**

## 2.4 Business Strategies

### 2.4.1 Divestiture

- When a business sells divisions√ that are not profitable.√
- Process used to withdraw its investment√ in another business (divesting).√
- An action forced by creditors√, to sell assets/business units that no longer contribute to the financial success of the business.√
- Businesses may also sell off divisions/product lines√ with slow/growth potential.√
- Any other relevant explanation related to the meaning of divestiture.

**Max (4)**

### 2.4.2 Intensive strategies

- **Market penetration**√√
  - Piet Car Dealers may use aggressive marketing campaigns, e.g. low prices, to attract competitors' clients/attempt to persuade consumers that are already buying their products to continue supporting them.√
  - Increase the market share of existing products/Promote new products that have become well established.√
  - Piet should do market research on existing clients to decide how to improve his marketing mix.√
  - Reduce prices to increase sales.√
  - Embark on an intensive advertising campaign to increase awareness and customer loyalty.√
  - Employ more sales staff to improve sales services.√
  - Any other relevant answer related to a discussion of market penetration with regard to Piet Car Dealers.

Strategy: 2  
Discussion: 1  
Submax (3)

- **Market development**√√
  - It is a growth strategy where businesses aim to sell its existing products in new markets.√
  - Piet Car Dealers can target consumers in a potential market that is outside of its normal target market.√
  - Find new ways of selling cars to other customers/in other areas.√
  - Restructure pricing policies to cater for customers of all income levels.√
  - Any other relevant answer related to a discussion of market development with regard to Piet Car Dealers.

Strategy: 2  
Discussion: 1  
Submax (3)

- **Product development** ✓✓

- It is a growth strategy where businesses aim to introduce new products into existing markets. ✓
- Businesses generate new ideas/develop a new products/services. ✓
- Piet Car Dealers may conduct test marketing/market research to establish whether new products will be accepted by existing customers. ✓
- New products may be different/of a higher quality than those of competitors. ✓
- Any other relevant answer related to a discussion of product development with regard to Piet Car Dealers.

Strategy: 2

Discussion: 1

Submax (3)

**NOTE: Mark the first THREE (3) strategies only.****Max (9)****[60]****BREAKDOWN OF MARKS**

<b>QUESTION 2</b>	<b>MARKS</b>
<b>2.1</b>	<b>10</b>
<b>2.2.1</b>	<b>2</b>
<b>2.2.2</b>	<b>2</b>
<b>2.2.3</b>	<b>4</b>
<b>2.2.4</b>	<b>2</b>
<b>2.2.5</b>	<b>3</b>
<b>2.3.1</b>	<b>8</b>
<b>2.3.2</b>	<b>6</b>
<b>2.3.3</b>	<b>10</b>
<b>2.4.1</b>	<b>4</b>
<b>2.4.2</b>	<b>9</b>
<b>TOTAL</b>	<b>60</b>

**QUESTION 3: BUSINESS VENTURES****3.1 Presentation****3.1.1 Factors to be considered when preparing for a presentation**

- Clear purpose/intentions/objectives✓ and main points of the presentation.✓
- Main aims✓ captured in the introduction/opening statement of the presentation.✓
- Information presented✓ should be relevant and accurate.✓
- Fully conversant✓ with the content/objectives of the presentation.✓
- Background/Diversity/Size/Pre-knowledge of the audience✓ to determine the appropriate visual aids.✓
- Prepare a rough draft of the presentation✓ with a(n) logical structure/format/introduction, body and conclusion.✓
- Conclusion shows a summary of the key facts✓ and how it relates to the objectives/shows that all aspects have been addressed.✓
- Create visual aids/graphics✓ that will consolidate the information/facts to be conveyed to the audience.✓
- Find out about the venue for the presentation✓, e.g. what equipment is available/appropriate.✓
- Consider the time frame for presentation✓, e.g. fifteen minutes allowed to complete the presentation.✓
- Rehearse✓ to ensure a confident presentation/time was used effectively.✓
- Prepare for the feedback session✓, by anticipating possible questions/comments.✓
- Any other relevant answer related to the factors that must be considered when preparing for a presentation.

**Max (8)****3.1.2 Responding to questions**

- Understand each question/comment before responding.✓✓
- Listen carefully to each question and then respond.✓✓
- Address questions and not the person.✓✓
- Acknowledge good questions.✓✓
- Remain professional, polite, calm and open.✓✓
- Ability to answer the questions and follow up on it.✓✓
- Rephrase questions if uncertain/ensure that you understand what is being asked.✓✓
- Do not get involved in a debate/argument.✓✓
- Do not allow one member of the audience to dominate the discussion/session and ask all the questions.✓✓
- Avoid answering difficult questions when the answer is not known.✓✓
- Apologise for the error and promise to provide everyone with the correct details.✓✓
- Address the whole audience and not only the person asking the question.✓✓
- Any other relevant answer related to aspects to keep in mind when responding to questions in a non-aggressive and professional manner after the presentation.

**NOTE: Mark the first FOUR (4) only.****Any (4 x 2) (8)**

**3.2 Forms of ownership**

**3.2.1 Disadvantages of Partnerships**

- Unlimited liability√√
  - o Partners are jointly and severally liable for all business debts.√
  - o Wrongful actions of one partner will affect all other partners.√
  
- Limited capital√√
  - o Amount of capital that can be invested is limited by partners' savings/credibility.√
  
- Lacks continuity√√
  - o If one partner dies/moves away a new partnership agreement has to be established/a new partnership is formed.√
  
- Uneven distribution of duties/responsibilities/contribution√√
  - o Some partners may do more work/spend more time in the business than others.√
  - o Partners may not all contribute equally.√
  
- Different personalities√√
  - o Personalities/Opinions of partners may lead to conflict/disagreement.√
  
- Any other relevant answer related to the disadvantages of partnerships.

**NOTE: Award marks if the fact is integrated in the explanation.**

Disadvantage (2)  
Explanation (1)  
**Max (3)**

3.2.2 Public company.√

**(1)**

**3.2.3 Success factors of a public company**

Factor	Success
<b>(a) Capital</b>	<ul style="list-style-type: none"> <li>- Can raise large amounts of capital√ as shares/debentures can be sold to the public/shareholders.√</li> <li>- Share capital clause in the Memorandum of Incorporation (MOI) may be changed√ to issue more shares.√</li> <li>- May attract financially strong investors√ if share value increases/remains stable.√</li> <li>- Any other relevant answer related to the contribution of capital to the success of a public company.</li> </ul> <p style="text-align: right;">Submax (2)</p>

<b>(b) Division of profits</b>	<ul style="list-style-type: none"> <li>- Profits could be split√ between company and shareholders.√</li> <li>- Shareholders receive return on investment√, when dividends are paid out according to the type and number of shares held in the company.√</li> <li>- Large profits√ may be used for expansion/kept in a reserve fund for future growth.√</li> <li>- Any other relevant answer related to the contribution of the division of profits to the success of a public company.</li> </ul> <p style="text-align: right;">Submax (2)</p>
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**Max (4)****3.2.4 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 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 (8)**

### 3.3 Insurance

3.3.1  $\frac{\text{Amount insured}}{\text{Market value}} \times \text{damages} \checkmark$

$$\frac{800\,000}{1\,000\,000} \checkmark \times 30\,000 \checkmark$$

$$= R24\,000 \checkmark$$

- NOTE:**
- 1. Award full marks (4) if the answer is correct and no workings are shown.**
  - 2. If workings (process/procedure) demonstrate understanding of the concept, but the final answer is wrong, award a maximum of TWO (2) marks.**
  - 3. If there are no workings shown and the answer is incorrect, award a ZERO mark.**

**Max (4)**

### 3.3.2 Reasons for not qualifying for the full amount of damages

- Mahlori insured his house for less (R800 000)  $\checkmark$  than the market value (R1 000 000).  $\checkmark$
- He was underinsured  $\checkmark$  so the average clause had to be activated.  $\checkmark$
- He will only receive R24 000 for damages  $\checkmark$ , and not the full amount of the claim (R30 000).  $\checkmark$
- Any other relevant answer related to the reason for an amount being paid out that is lower than the value of the damage.

**Max (4)**

### 3.4 Differences between dividends and interest

Dividends	Interest
- Return on an investment $\checkmark$ in shares. $\checkmark$	- Return on an investments $\checkmark$ at a financial institution. $\checkmark$
- Proportional share of company profits paid to shareholders $\checkmark$ based on the number of shares held in the company. $\checkmark$	- Is usually calculated as simple or compound interest (based on a formula) over a specified period $\checkmark$ as a percentage of the amount invested. $\checkmark$
- It will only be paid out $\checkmark$ if it is declared/decided by the directors. $\checkmark$	- Investor will receive interest annually/when the investment matures $\checkmark$ /as agreed upon with financial institution. $\checkmark$
- Only some types of preference shareholders $\checkmark$ may receive a fixed dividend per year. $\checkmark$	- Every investor will receive interest. $\checkmark$ Date and amount are determined by investment agreement. $\checkmark$
- Any other relevant answer related to a description of dividends.	- Any other relevant answer related to a description of interest.
Submax (2)	Submax (2)

- NOTE:**
- 1. Mark first TWO (2) only.**
  - 2. The differences must be clear.**

**Max (4)**

**3.5 Leadership**

3.5.1 '... usually changes her leadership style to fit the task at hand.'<sup>√</sup> **(1)**

3.5.2 Transactional leadership<sup>√</sup>

**Motivation**

- She offers incentives to motivate employees to meet weekly targets and deadlines.<sup>√√</sup>
- If deadlines/targets are not met, employees may not receive all their incentives.<sup>√√</sup>
- Any other relevant answer related to the transactional leadership style.

Leadership style: 2

Motivation: 1

**Max (3)**

**3.5.3 Impact of transactional leadership on business operations****Positives**

- Encourages employees to work hard<sup>√</sup> as they will receive rewards.<sup>√</sup>
- Improves employees' productivity/morale<sup>√</sup> as they feel motivated/good about themselves.<sup>√</sup>
- Business goals/objectives<sup>√</sup> may be achieved.<sup>√</sup>
- Employees know exactly<sup>√</sup> what is expected of them.<sup>√</sup>
- Disciplinary procedures<sup>√</sup> are well communicated.<sup>√</sup>
- Any other relevant answer related to the positive impact of a transactional leadership style.

**AND/OR****Negatives**

- Employees may become bored<sup>√</sup> as they have to follow less creative rules/procedures.<sup>√</sup>
- Monitoring of employees' work performance<sup>√</sup> may be time consuming.<sup>√</sup>
- Some employees may be demoralised/unmotivated<sup>√</sup> if they fail to reach/meet targets despite having worked very hard.<sup>√</sup>
- Style not suitable for team work<sup>√</sup>, as all team members may be punished for poor performance of one team member.<sup>√</sup>
- Any other relevant answer related to the negative impact of a transactional leadership style.

**Max (6)**

**3.6 Application of the bureaucratic leadership style in the workplace****Positives**

- Managers ensure that government policies/business rules/procedures<sup>√</sup> are always followed accurately.<sup>√</sup>
- Tight control measures implemented/followed<sup>√</sup> ensure high quality service delivery.<sup>√</sup>
- Ensures accountability<sup>√</sup> to the general public/community.<sup>√</sup>
- Improves health and safety in dangerous workplaces<sup>√</sup>, e.g. mines, construction sites.<sup>√</sup>
- Any other relevant answer related to positives of a bureaucratic leadership style.

**AND/OR**

**Negatives**

- Complicated/Involving/Official rules√ may seem unnecessary/time consuming.√
- Leaders/Directors may acquire power√ and can disregard/ignore inputs from others.√
- Very little room for error√, so workers feel they are not treated as humans.√
- Lack of creativity/innovation/self-fulfilment√ may lead to stagnation/decrease in productivity.√
- Any other relevant answer related to negatives of a bureaucratic leadership style.

**Max (6)**  
**[60]**

**BREAKDOWN OF MARKS**

QUESTION 3	MARKS
3.1.1	8
3.1.2	8
3.2.1	3
3.2.2	1
3.2.3	4
3.2.4	8
3.3.1	4
3.3.2	4
3.4	4
3.5.1	1
3.5.2	3
3.5.3	6
3.6	6
<b>TOTAL</b>	<b>60</b>

**QUESTION 4: BUSINESS ROLES****4.1 Ethics**

4.1.1 Unfair prices in the rural area/High prices of products in the village.√ **(1)**

**4.1.2 Ways to deal with unfair prices in rural areas**

- Moyeni may lobby with other businesses in the area to convince Government to improve infrastructure in the rural area.√√
- Charge fair/market related prices for goods and services.√√
- Avoid unethical business practices to attract customer loyalty.√√
- Investigate cost-effective ways of transporting products/Hire a large truck to combine deliveries to shop-owners in the same area.√√
- Work together with suppliers to share delivery costs to remote rural areas.√√
- Any other relevant recommendation related to addressing unfair prices in rural areas as an unethical business practice.

**Max (6)**

**4.1.3 OTHER ways to conduct business professionally, responsibly and ethically**

- Moyeni Supermarket should not start other business ventures at the expense of others.√√
- They should pay fair wages.√√
- All employees should be treated equally.√√
- Moyeni Supermarket should pay tax regularly.√√
- Appoint honest/trustworthy accountants with a good reputation.√√
- Staffing and other processes should be open and transparent.√√
- Draw up a code of ethics.√√
- Managers must set the tone for professional/responsible/ethical behaviour.√√
- There must be adequate internal control systems in place.√√
- There should be honesty in all relationships/transactions in the business.√√
- Employees should understand ethical business practices through effective communication/training.√√
- Seminars on business ethics should be held for managers and the employees to help them understand the importance of the ethical work culture of the business.√√
- Management must consider the impact of their decisions/actions on all stakeholders.√√
- Regulations applicable to environmental protection should be taken seriously.√√
- Any other relevant recommendation related to how Moyeni Supermarket can conduct business professionally, responsibly and ethically.

**Max (8)****4.2 CSI****Yes/Positives**

- May attract experienced employees/increase the pool of skilled labour√ which could increase productivity.√
- JJ Trading & Development may have a good public image/reputation√ as they look after their employees/conduct themselves in a responsible way.√
- The business may have a competitive advantage√, resulting in good publicity and an improved reputation.√
- Promotes customer loyalty√ resulting in increased sales/profit/more consumers.√
- CSI projects may be used as a marketing strategy√ to promote products/services.√
- CSI projects promote teamwork√ amongst JJ's employees.√
- CSI helps to attract investors√ which may lead to expansion/growth.√
- JJ may enjoy tax advantages√, e.g. tax reduction/rebates.√
- Assist in addressing socio-economic issues√ e.g. poverty.√
- If the corporate sector gets voluntarily involved in CSI√, it is less likely that government will enforce the issue through legislation.√
- Employees feel like they are making a difference√ in working for this business.√
- It helps to retain staff/lower staff turnover√ as employees' health/safety is considered.√
- Improves the health of its employees√ through focussed CSI projects.√
- JJ may become more community-based√ by working closely with the community to roll out skills development projects.√
- Any other relevant answer related to the positives of CSI projects for JJ Training & Development.

**AND/OR**

**No/Negatives**

- The community may not support JJ√, e.g. may not use their products as it only meets the needs of a small proportion of the community.√
- Difficult to comply with legislation√ that governs CSI projects.√
- JJ may find it difficult to implement CSI projects√ due to financial constraints.√
- CSI activities can distract JJ's employees√ from their core business functions/duties.√
- Social involvement is paid from their profits√ which may have been used to lower their prices to benefit their customers.√
- Detailed reports must be drawn up√ which may be time consuming.√
- Social spending reduces JJ's economic efficiency√ and they may become less competitive.√
- It can increase financial risk√, as programmes cost money and may impact negatively on profits.√
- Company directors are usually accountable to shareholders√, not to communities.√
- Difficult to accurately measure√ the effectiveness of social investment/exact needs of communities.√
- Most managers are not trained/lack experience√ to handle CSI projects.√
- Some shareholders/investors might withdraw their support from JJ√, as they feel that social issues should be the government's responsibility.√
- Provide goods/services that meet the needs of consumers, according to some stakeholders√, is already socially responsible.√
- Some CSI projects will be regarded as a public relations stunt√, and may harm JJ's image if projects are not sustainable.√
- Shareholders may suffer√ as their profits are spent on CSI.√
- Any other relevant answer related to the negatives of CSI projects for JJ Training & Development.

**Max (10)****4.3 Procedure for dealing with grievances in the workplace**

- An aggrieved employee must verbally report the incident/grievance to his/her supervisor/manager√, who needs to resolve the issue within 3 to 5 working days.√
- Should the employee and supervisor not be able to resolve the grievance√, the employee may take it to the next level of management.√
- The employee may move to a more formal process√ where the grievance must be lodged in writing/completes a business grievance form.√
- He/She must receive a written reply√ in response to the written grievance.√
- A grievance hearing/meeting√ must be held with all relevant parties present.√
- Minutes of the meeting must be recorded√ and any resolution passed must be recorded on the formal grievance form.√
- Should the employee not be satisfied√, then he/she could refer the matter to the highest level of management.√
- Top management should arrange a meeting√ with all relevant parties concerned.√

- Minutes of this meeting should be filed/recorded√ and the outcome/decision must be recorded on the formal grievance form.√
- Should the employee still not be satisfied, he/she may refer the matter to the CCMA√ who will make a final decision on the matter.√
- Any other relevant answer related to the correct procedure to deal with grievances in the workplace.

**NOTE: The procedure may be in any order.**

**Max (8)**

#### 4.4 Address issues of diversity in the workplace

##### 4.4.1 Language

- A business may specify that all communications must be in one specific language only and would expect employees to have a certain level of fluency in that language.√√
- It may sometimes be necessary to employ an interpreter so that everyone can fully understand what is being said in a meeting.√√
- All business contracts should be in easy-to-understand language and should be available in the language of choice for the parties signing.√√
- Any other relevant answer related to how businesses should address language as a diversity issue in the workplace.

**Max (2)**

##### 4.4.2 Age

- Promotions should not be linked to age, but rather to specific skills set.√√
- A business must not employ children aged 15 or younger.√√
- The ages of permanent workers should vary from 18 to 65 to include all age groups.√√
- A business may employ a person who is older than the normal retirement age provided that person is the most suitable candidate.√√
- Businesses must encourage older employees to help young employees to develop their potential.√√
- Young employees must be advised to respect and learn from older employees.√√
- The business should encourage employees to be sensitive to different perspectives of various age groups.√√
- Any other relevant answer related to how businesses should address age as a diversity issue in the workplace.

**Max (2)**

##### 4.4.3 Disability

- Provide employment opportunities for people with disabilities.√√
- Accommodate people with disabilities by providing facilities/ramps for wheel-chairs√√, etc.
- Ensure that workers with special needs are not marginalised/feel excluded from workplace activities.√√
- Business should be well informed with how to deal with disabled employees.√√
- Policies and programs should accommodate the needs of people with disabilities.√√

- Create an organisational culture and climate that is conducive for people with disabilities.√√
- Employees should be trained to deal with colleagues with disability.√√
- Bringing in external experts to help with disability and accommodation issues.√√
- Ensure that employees with disabilities are treated fairly.√√
- Focus on job skills/work performance of the disabled, rather than their disability/possible problems they may pose in the future.√√
- Any other relevant answer related to how businesses should address disability as a diversity issue in the workplace.

**Max (2)**

**4.5 Principles of ethical business conduct**

**Accountability**

- Businesses should be accountable/responsible√ for their decisions/actions.√
- Businesses should present accurate annual reports to shareholders√ at the Annual General Meeting (AGM).√
- Top management should ensure that other levels of management are clear about their roles and responsibilities√ to improve accountability.√
- Any other relevant answer related to accountability as a principle of ethical business conduct.

Submax (6)

**Transparency**

- Decisions/Actions must be clear√ to all stakeholders.√
- Businesses should give details of shareholders' voting rights to them√ before/at the Annual General Meeting (AGM).√
- Business dealings/transactions√ must be open/honest.√
- Business policies and processes√ must be clear and understood by all stakeholders.√
- The board of directors must report on both the negative and positive impact√ of the business on the community/environment.√
- Any other relevant answer related to transparency as a principle of ethical business conduct.

Submax (6)

**Max (8)**

**4.6 Forced-field analysis**

**4.6.1 Forced-field analysis**

<b>FORCES FOR</b>	<b>FORCES AGAINST</b>
<ul style="list-style-type: none"> <li>- Increased demand for building material.√</li> <li>- Employment opportunities for the community.√</li> <li>- Bursaries for tertiary education will be offered to learners in local schools.√</li> <li>- They no longer have to travel so far to buy building materials.√</li> <li>- Entrepreneurial programmes for young, upcoming entrepreneurs.√</li> </ul>	<ul style="list-style-type: none"> <li>- Noise levels.√</li> <li>- Air pollution.√</li> <li>- Crime in the community.√</li> </ul>

**Max (7)**

**4.6.2 Justification**

- Establishing a new factory in Thula Town has more advantages/'forces for'√ than disadvantages/'forces against'.√
- It will uplift/increase the standard of living for the community√, as there are more opportunities available.√
- Any other relevant answer related to the justification of the establishment of a new factory for Tonie's Factories Ltd in Thula Town.

**Max (2)****4.7 Effectiveness of the *Delphi technique* in solving business problems****Positives**

- A group of experts will be used√ without bringing them together.√
- Experts will give clear ideas/solutions√ on how to improve on low productivity/profitability.√
- Panel members/Experts can give new information√ on problems.√
- Information received from experts√ can be kept confidential.√
- It reduces noise levels in an office environment√ since there is no group discussion.√
- Panel members/Experts need to reach consensus√, so that the best solution is found.√
- All experts are given an equal opportunity to give their opinions√, so no-one dominates the process.√
- Any other relevant positive evaluation related to the use of the Delphi technique in solving business problems.

**AND/OF****Negatives**

- It is an expensive technique to use√ due to high administrative costs.√
- May be time consuming and complicated to analyse data√ received from experts.√
- Not all experts are willing/interested√ to give feedback/complete questionnaires.√
- Some experts might not have an in-depth knowledge√ of certain topics.√
- Questionnaires may be completed by experts without giving it much thought√, so solutions might not be suitable/applicable.√
- This technique may not be suitable to all types of business problems√ and may not always be reliable.√
- Any other relevant negative evaluation related to the use of the Delphi technique in solving business problems.

**Max (4)  
[60]**

**BREAKDOWN OF MARKS**

<b>QUESTION 4</b>	<b>MARKS</b>
<b>4.1.1</b>	<b>1</b>
<b>4.1.2</b>	<b>6</b>
<b>4.1.3</b>	<b>8</b>
<b>4.2</b>	<b>10</b>
<b>4.3</b>	<b>8</b>
<b>4.4.1</b>	<b>2</b>
<b>4.4.2</b>	<b>2</b>
<b>4.4.3</b>	<b>2</b>
<b>4.5</b>	<b>8</b>
<b>4.6.1</b>	<b>7</b>
<b>4.6.2</b>	<b>2</b>
<b>4.7</b>	<b>4</b>
<b>TOTAL</b>	<b>60</b>

**QUESTION 5: BUSINESS OPERATIONS****5.1 Legislation**

5.1.1 Labour Relations Act, 1995 (Act 66 of 1995)/LRA/Labour Relations Act√√

**(2)****5.1.2 Implications of LRA on the Human Resources Function of Rainmaker Mine**

- Workers cannot be easily dismissed as bargaining council/Commission for Conciliation, Mediation and Arbitration (CCMA) processes need to be followed.√√
- Provides a framework for bilateral meetings where employees, trade unions and employers discuss matters relating to employment.√√
- RMM should allow workers to form workplace forums/trade unions to promote the interests of all employees.√√
- Promotes orderly negotiations and employee participation in decision making in the workplace.√√
- Protects the rights of employees/employers as outlined in the Constitution.√√
- Advances economic development/social justice/labour peace.√√
- Promotes resolution of labour disputes.√√
- Clarify the transfer of contracts of employment/If a business is transferred to another owner then the employee contracts are also transferred.√√
- Provides for unresolved disputes to be referred to Labour Courts/Labour Appeal Courts.√√
- Any other relevant answer related to the implication of the LRA on the Human Resources Function.

**Max (10)**

**5.2 Job description vs. Job specification**

<b>JOB DESCRIPTION</b>	<b>JOB SPECIFICATION</b>
- Describes duties/responsibilities√ of a specific job√/Summary√ of the nature/type of the job.√	- Specifies the minimum acceptable personal qualities/skills/qualifications√ needed for the job.√
- Written description of the job√ and its requirements.√	- Written description of specific qualifications/skills/experience√ needed for the job.√
- Describes key performance areas/tasks for a specific job√ e.g. job title/working conditions/relationship of the job with other jobs in the business√, etc.	- Describes key requirements for the person who will fill the position√, e.g. formal qualifications/willingness to travel/work unusual hours√, etc.
- Any other relevant answer related to job description.	- Any other relevant answer related to job specification.
Submax (4)	Submax (4)

- NOTE:** 1. The distinction must be clear.  
 2. Allocate a maximum of **FOUR (4)** marks if distinction is not clear.  
 3. Answer does not have to be in tabular format.

**Max (8)**

**5.3 Remuneration**

**5.3.1 Types of fringe benefits**

- a cellphone√
- housing allowance√

**Max (2)**

**5.3.2 Methods of wage determination**

- Piece-meal system/rate√
  - o Workers are paid for the amount of work they completed.√
  - o They are paid for each article/service/product produced.√
- Time-related system/rate√
  - o Workers are paid for the time they spend at work.√
  - o They are paid the same salary as per contract for equal time spent at work.√
- Any other relevant answer related to the methods of wage determination.

Submax (2)

Submax (2)

**Max (4)**

**5.3.3 Impact of fringe benefits**

**Positives**

- Attractive fringe benefit packages√ may result in higher employee retention/ reduces employee turnover.√
- It increases employee satisfaction/loyalty√, as they may be willing to work under pressure/improve personal performance.√
- Leads to higher productivity√, as workers work for longer hours/more days.√
- Attracts good/qualified employees√ who do not always need extra training.√
- Any other relevant positive aspect related to fringe benefits.

**AND/OR**

**Negatives**

- Fringe benefits are additional costs for businesses√, which may result in cash flow problems.√
- Administrative costs increase√ as payments need to be correctly allocated and recorded for tax purposes.√
- Decreases business profits√, as remuneration costs are increasing.√
- It may create conflict/lead to corruption√ if allocated unfairly.√
- Workers only stay with the business because of fringe benefits√, and may not be committed to their tasks/loyal to the business.√
- Any other relevant negative aspect related to fringe benefits.

**Max (8)****5.4 Positive impact of the SDA on the Human Resources Function**

- Develops skills of existing workers√ resulting in a productive work force.√
- Enables the Human Resources Manager (HRM) to interpret the aims/ requirements√ of the framework for the National Skills Development Strategy.√
- HRM is able to adapt√ skills training accordingly.√
- Enables the HRM to identify the training needs of the employees√ and improve their skills.√
- The development/training of staff√ increases the efficiency of the work force.√
- Ensures training in the workplace is more formalised√ and structured.√
- Provides opportunities√ to learn new skills.√
- Employees gain knowledge/skills√ and improve their abilities to find better job opportunities.√
- Training contributes to improved attitudes√ and a positive/motivated work force.√
- Any other relevant answer related to the positive impact of Skills Development Act on the Human Resources function.

**Max (8)****5.5 Benefits of a good quality management system**

- Effective customer services will be rendered√, resulting in an increased customer satisfaction.√
- Time and resources√ are used efficiently.√
- Productivity increase through proper time management√ when using high quality resources.√
- Products and services are constantly improved√, resulting in greater customer satisfaction.√
- Vision and mission√ may be achieved.√
- The business may achieve a competitive advantage√ over its competitors.√
- Continuous training√ will constantly improve the quality of employees' skills and knowledge.√
- Employers and employees will have a healthy working relationship√ which results in happy workers.√
- Increased market share√ and profitability.√
- Any other relevant answer related to the benefits of a good quality management system.

**Max (10)**

**5.6 Continuous improvement to processes and systems cycle**

- Plan√
  - o Identify the problem.√
  - o Develop a plan for improvement to processes and systems.√
  - o Answer questions such as 'what to do' and 'how to do it'.√
  - o Plan the method and approach.√

Submax (3)
  
- Do√
  - o Implement the change on a small scale.√
  - o Implement the processes and systems.√

Submax (3)
  
- Check/Analyse√
  - o Use data to analyse the results of change.√
  - o Determine whether it made a difference.√
  - o Check whether the processes are working effectively.√
  - o Assess, plan and establish if it is working/if things are going according to plan.√

Submax (3)
  
- Act as needed√
  - o Institutionalise the improvement.√
  - o Devise strategies on how to continually improve.√
  - o If the change was successful, implement it on a wider scale.√
  - o Continuously revise the process.√

Submax (3)
  
- Any other relevant answer related to how continuous improvement to processes and systems cycle can improve the quality of products.

**Max (8)**  
**[60]**

**BREAKDOWN OF MARKS**

<b>QUESTION 5</b>	<b>MARKS</b>
<b>5.1.1</b>	<b>2</b>
<b>5.1.2</b>	<b>10</b>
<b>5.2</b>	<b>8</b>
<b>5.3.1</b>	<b>2</b>
<b>5.3.2</b>	<b>4</b>
<b>5.3.3</b>	<b>8</b>
<b>5.4</b>	<b>8</b>
<b>5.5</b>	<b>10</b>
<b>5.6</b>	<b>8</b>
<b>TOTAL</b>	<b>60</b>

**QUESTION 6: MISCELLANEOUS TOPICS****BUSINESS ENVIRONMENTS****6.1 Legislation**

- 6.1.1 Consumer Protection Act, 2008 (Act 68 of 2008)/CPA/Consumer Protection Act✓✓  
6.1.2 Labour Relations Act, 1995 (Act 66 of 1995)/LRA/Labour Relations Act✓✓  
6.1.3 Broad Based Black Economic Empowerment Act, 2003 (Act 53 of 2003)/BBBEE/  
Broad Based Black Economic Empowerment Act✓✓  
6.1.4 Basic Conditions of Employment Act, 1997 (Act 75 of 1997)/BCEA/Basic Conditions  
of Employment Act✓✓

(4 x 2) (8)

**6.2 Impact of Broad Based Black Economic Empowerment Act (BBBEE) on  
businesses****Positives**

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

**AND/OR**

**Negatives**

- Businesses have to go through the process of having their BBBEE compliance measured/verified✓ by an independent BBBEE verification agency.✓
- Businesses that wish to do business with the government✓, must have their BBBEE status assessed annually.✓
- Provides for preferential procurement✓, so certain businesses may be excluded from supplying goods/services.✓
- Processes may lead to corruption/nepotism✓, if not monitored properly.✓
- Many businesses have been disadvantaged due to BEE ratings✓ as they may not be able to meet all the criteria for scoring.✓
- Processes and procedures may be costly for a business✓ as there are many legal requirements for scoring enough points to be compliant.✓
- Businesses could experience large financial implications/penalties✓ if they do not comply to the BBBEE.✓
- Businesses will have to spend money in areas covered by the seven/five pillars of BBBEE✓ to obtain a good BBBEE rating.✓
- Investment and ownership issues✓ can cause unhappiness between existing shareholders.✓
- Any other relevant answer related to the negative impact of BBBEE on businesses.

**Max (6)****BUSINESS VENTURES****6.3 Advantages of using visual aids in any presentation**

- Supports/Emphasises✓ the main points of the topic.✓
- Helps the audience✓ to understand/clarify the topic.✓
- Makes a presentation more understanding✓ and more memorable.✓
- Useful in presenting information to members of the audience who learn best✓ through visuals.✓
- Summarises large amounts of facts✓ to keep the presentation short and to the point.✓
- Eye-catching visual aids can attract✓ the audience/readers attention.✓
- Conveys key points of a presentation✓ e.g. the contact details of the presenter can be given via hand-outs/business cards✓, etc.
- Very useful when presenting financial information✓ to management.✓
- Stimulates more than one sense of the audience during a presentation, e.g. seeing and hearing✓, to attract/keep their attention.✓
- Improves the professional quality of the presentation✓ when suitable visual aids are used.✓
- Any other relevant advantage for using visual aids in any presentation.

**Max (8)**

6.4 **Differences between indemnification and security**

<b>INDEMNIFICATION</b>	<b>SECURITY</b>
<ul style="list-style-type: none"> <li>- A possible loss√ is insured.√</li> <li>- Applied to short term insurance on property/assets√ to cover for fire, theft√, etc.</li> <li>- Insured must be put in the same financial position√ as before the loss.√/Insured may not profit/gain√ from insurance.√</li> <li>- An amount may be paid out to cover the loss√ partially/in full.√</li> <li>- The amount paid out√ will usually be determined by the real value of the loss.√</li> <li>- Any other relevant answer related to indemnification.</li> </ul>	<ul style="list-style-type: none"> <li>- The insured event is certain√, but not always the time/date of the event.√</li> <li>- Applied to long term insurance√, e.g. life insurance, endowment policy, funeral policy√, etc.</li> <li>- It provides financial peace of mind√ for the future/dependants of the insured.√</li> <li>- Ensure that his dependants will receive the nominated amount√ when the event occurs.√</li> <li>- The amount paid out√ will not reinstate loss of life.√</li> <li>- Any other relevant answer related to security.</li> </ul>
Submax (4)	Submax (4)

**NOTE: 1. The difference must be linked.  
2. Allocate a maximum of FOUR (4) marks if the difference is not clear.**

**Max (8)**

**BUSINESS ROLES**

6.5 **Barriers to creative thinking**

- Lack of creativity.√√
- Financial barriers.√√
- Physical barriers, e.g. noise, poor working conditions.√√
- Lack of resources/infrastructure.√√
- Social barriers.√√
- Lack of motivation/low morale.√√
- Lack of skilled employees/managers.√√
- Not easy to supervise staff working flexible hours.√√
- Flexible working hours can cause delays/missing of deadlines.√√
- Fear for rejection may result in good ideas/solutions not being given.√√
- Any other relevant answer related to barriers of creative thinking in the workplace.

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

Any (4 x 2) **(8)**

**6.6 Implication of equality, respect and dignity in the workplace**

- Businesses should treat all their employees equally√, regardless of their race/colour/age/gender/disability√, etc.
- All workers should have access√ to equal opportunities/positions/resources.√
- Employers and employees need to comply with legislation√ with regard to equal opportunities/human rights in the workplace.√
- Businesses should develop equity programmes/promote strategies√ to ensure that all employees are treated equally regardless of status/rank/power.√
- Mission statement should include√ values of equality/respect.√
- Training/Information/Business policies√ should include issues such as diversity/discrimination/harassment.√
- Employers should respond swiftly and fairly√ to reported incidents of discrimination in the workplace.√
- Ensure that employees work in a work environment that is conducive to safety/fairness/free from embarrassment.√
- Orders/Tasks should be given respectfully√ and allow the recipient/employee to have a say in the manner in which the task should be performed.√
- Treat workers with respect/dignity√ by recognising work well done/the value of human capital.√
- Any other relevant answer related to the implication of equality, respect and dignity in a workplace.

**Max (6)****BUSINESS OPERATIONS****6.7 Induction****6.7.1 Description of Induction**

- New employee/Frenchy should be familiarised√ with his new physical work environment/organisational culture/products and services.√
- Frenchy should be informed√ about the processes/procedures of the business.√
- He should have a basic knowledge√ of what is expected in the job.√/Understand his role√ and responsibilities in his new job.√
- Ensure that Frenchy is well conversant√ with the business safety regulations and rules.√
- Any other relevant answer related to a description of 'proper induction'.

**Max (2)****6.7.2 Benefits of an effective induction programme**

- New employees who are familiar with the business's policies/procedures may easily adapt to his/her new work environment.√√
- New employees learn more about the business and understand their role in the business/what is expected in the job.√√
- Increased productivity and quality of service/performance.√√
- Minimises the need for on-going training and development.√√
- Better/More focused training may be provided based on the results obtained from the induction process.√√
- New employees will understand rules/restrictions in the business.√√

- New employees will know where everything is and who the supervisors/low-level managers are for better communication purposes.√√
- New employees may feel part of the team resulting in positive morale/motivation.√√
- Any other relevant answer related to the benefits of an effective induction programme for Zig-n-Zag Factory.

**Max (8)****6.8 Quality of performance within the general management function**

- Develop, implement and monitor√ effective strategic plans.√
- Efficient organisation and allocation of business 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/Understand changes in the business environment√ on an on-going basis.√
- Set direction√ and establish priorities for their business.√
- Effectively communicate√ shared vision/mission/values.√
- Be prepared to set an example of the behaviour they expect from employees√ in terms of ethics/productivity.√
- Ensures 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 will ensure success of a business.

**Max (6)  
[60]****BREAKDOWN OF MARKS**

<b>QUESTION 6</b>	<b>MARKS</b>
<b>6.1</b>	<b>8</b>
<b>6.2</b>	<b>6</b>
<b>6.3</b>	<b>8</b>
<b>6.4</b>	<b>8</b>
<b>6.5</b>	<b>8</b>
<b>6.6</b>	<b>6</b>
<b>6.7.1</b>	<b>2</b>
<b>6.7.2</b>	<b>8</b>
<b>6.8</b>	<b>6</b>
<b>TOTAL</b>	<b>60</b>

**TOTAL SECTION B: 180**

**SECTION C**

Mark only the first TWO (2) questions.

**QUESTION 7: BUSINESS ENVIRONMENTS (LEGISLATION)****7.1 Introduction**

- COIDA was introduced to protect the health and safety of employees in the workplace.✓
- COIDA provides guidelines for the compensation of employees who are disabled because of injuries sustained/diseases contracted at work.✓
- It also provides for compensation if a worker dies due to a work-related injury/disease.✓
- Injuries and diseases for which claims can be made are specified in the Act.✓
- Any other relevant introduction related to COIDA.

**Max (2)**

**7.2 Nature of COIDA**

- COIDA applies to all casual and full-time workers who become ill/injured/ disabled/killed✓ due to a workplace accident/disease.✓
- It excludes workers✓ who are guilty of wilful misconduct/workers working outside South Africa for at least twelve months/members of the SA Defence Force/ Police services.✓
- It provides for the establishment of a Compensation Board✓ whose function is to advise the Minister of Labour on the application/provisions of COIDA.✓
- Medical expenses/Other types of compensation are paid to employees and/or their families✓ depending on the type/severity of the injuries.✓
- Employers have to pay a monthly amount to the Compensation Fund✓ depending on the number of employees/the level of risk they are exposed to.✓
- Any other relevant answer related to the nature of COIDA.

**Max (10)**

**7.3 Rights of employees outlined in COIDA**

- Ensure they are not injured✓ as a result of serious/wilful misconduct.✓
- Notify the employer of the accident✓ as soon as possible.✓
- Comply with the necessary medical assessment✓ to assess the nature of the injury/disease.✓
- May claim for compensation✓, if he/she is partially/permanently disabled.✓
- Employees' dependants have a right to claim✓ when the employee dies as a result of injuries at work.✓
- Any other relevant answer related to the rights of employees outlined in COIDA.

**Max (8)**

**7.4 Discriminatory actions**

- Employers who bribe employees not to report the accident/injury.✓✓
- Providing false information about previous, serious accidents/occupational diseases.✓✓
- Employers who do not contribute to the Compensation fund.✓✓
- Employers who do not allow claims for injuries, discriminates against injured employees.✓✓

- Employers that take too long to process claims/delay the claiming process.√√
- Compensation that is set off against any debt of the person entitled to the compensation.√√
- Any other relevant answer related to discriminatory actions under COIDA.

**NOTE: Mark the first TRHEE (3) actions.**

**Max (6)**

## 7.5 The impact of COIDA on businesses

### Positives/Advantages

- Promotes safety√ in the workplace.√
- Creates a framework√ for acceptable employment practices/safety regulations.√
- Supply administrative guidelines/mechanisms√ for dealing with/processing claims.√
- Eliminates time and costs spent√ on lengthy civil court proceedings.√
- Covers all employees at the workplace√ if both parties meet all the necessary safety provisions in the Act.√
- Employees are compensated financially for any injury/disability√ resulting from performing their duties at their workplace.√
- In the event of the death of an employee as a result of a work-related accident/disease√, his/her dependant(s) will receive financial support.√
- Employers are protected from financial burden should an accident occur in the workplace√ provided that the employer was not negligent.√
- Employees do not have to contribute√ towards this fund.√
- Employees receive medical assistance√ provided there is no other party involved.√
- Any compensation to an employee/the family√ is exempt from income tax.√
- The processes√ are relatively simple.√
- Makes businesses more socially responsible√ as they cannot just employ workers at random in dangerous working conditions.√
- Workers are treated with dignity/respect√ as businesses view them as valuable assets and not just as workers.√
- Any other relevant answer related to the advantages/positives of COIDA.

### AND/OR

### Negatives/Disadvantages

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

**Max (12)**

**7.6 Recommendations on ways to comply with COIDA**

- Businesses should provide a healthy/safe working environment.√√
- They should register with the Compensation Commissioner and provide the particulars of the business.√√
- Must keep records of employees' income and details of work for four years.√√
- Obligated to report all incidents causing death/injury/illness of employees.√√
- Businesses should submit returns of earnings by no later than 1 March annually.√√
- Levies must be paid to the Compensation Fund.√√
- Ensure that the premises/equipment/machinery is in good working condition.√√
- Should allow regular assessment of the workplace by inspectors in order to determine the level of risk their employees are exposed to.√√
- Employers may not make deductions for COIDA from employees' remuneration packages.√√
- Businesses must ensure that claims are lodged within twelve months of the date of the accident.√√
- Any other relevant answer related to ways in which businesses have to comply with COIDA.

**Max (10)****7.7 Conclusion**

- Good progress has been made as businesses are now more socially responsible in improving safety measures/working conditions/being responsible for workers and their dependents.√√
- Workers in some industries are being compensated for contracting diseases such as tuberculosis, silicosis√√, etc.
- If death occurs, families may benefit as the deceased worker may be substituted by another family member in the same industry.√√
- Any other relevant conclusion related to COIDA.

**Max (2)  
[40]****QUESTION 7: BREAKDOWN OF MARKS**

Details	Maximum	Total
Introduction	2	<b>Max 32</b>
Nature of COIDA	10	
Rights of the employees	8	
Discriminatory actions	6	
Impact of COIDA	12	
Compliance	10	
Conclusion	2	
<b>INSIGHT</b>		<b>8</b>
Layout	2	
Analysis, interpretation	2	
Synthesis	2	
Originality, examples	2	
<b>TOTAL MARKS</b>		<b>40</b>

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 8: BUSINESS VENTURES (INVESTMENTS)****8.1 INTRODUCTION**

- Insurance is extremely beneficial to businesses as it provides financial relief in times of unforeseen financial losses.√
- Insurance indemnifies businesses against certain types of risk.√
- Business owners should have a clear understanding of the financial impact of accidents/disasters on their business operations, so that they can make provision for that in advance.√
- Businesses should always assess the viability/relevance of insurance in the context of their business activities.√
- Investors have a range of investment opportunities to choose from.√
- These investment opportunities are measured against criteria for good investment, such as financial stability of the institution, reliable management and regular feedback on the investment.√
- The type of investment as well as the period of the investment will influence the risk/chance of receiving an income/increasing the value of the investment.√
- Any other relevant introduction related to insurance for businesses, forms of investment and the risk of investments.

**Max (2)****8.2 Importance of insurance to businesses**

- Transfers the risk from the business/insured√ to an insurance company/insurer.√
- The transfer of the risk is subject to the terms and conditions√ of the insurance contract.√
- Protects the business against theft and loss of stock and/or damages√ caused by natural disasters such as floods, storm damage, etc.√
- The business will be compensated√ for insurable losses.√
- Valuable business assets√ e.g. vehicles/equipment/buildings need to be insured against damage and/or theft.√
- Business is protected against the loss of earnings√ e.g. strikes by employees result in losses worth millions of rands.√
- Protects the business against deeds of dishonesty√ by employees.√
- Insurance can be taken against the life of partners√ in a partnership.√
- Should the services of key personnel be lost due to accidents or death√, the proceeds of an insurance policy can be paid out to the business/beneficiaries.√
- Replacement costs for damaged machinery/equipment are very high√, therefore, insurance can reduce/cover these costs.√
- Protects the business against losses√ due to the death of a debtor.√
- Any other relevant answer related to the importance of insurance to businesses.

**Max (10)**

## 8.3 Differences between compulsory and non-compulsory insurance

<b>COMPULSORY INSURANCE</b>	<b>NON-COMPULSORY INSURANCE</b>
- Is required by Law/there are legal obligations✓ for it to be taken out and paid for.✓	- Is voluntary/the insured has a choice✓ whether to enter into an insurance contract.✓
- It is regulated by Government✓ and does not require insurance contracts/brokers.✓	- Insured will enter into a legal insurance contract with the insurer✓, who may be represented by an insurance broker.✓
- Payment is in the form of a levy/ contribution paid into a common fund✓ from which benefits may be claimed under certain conditions.✓	- Monthly/Annual payments/premiums that must be paid✓ in order to enjoy cover for a nominated risk.✓
- Any other relevant answer related to compulsory insurance.	- Any other relevant answer related to non-compulsory insurance.
Submax (4)	Submax (4)
- <b>Examples:</b> UIF✓, RAF✓, COIDA✓	- <b>Examples:</b> Short term insurance✓/Multi-peril insurance (theft, fire, etc.)✓ Long term insurance✓/Life insurance✓ - Any other relevant example of non-compulsory insurance
Submax (2)	Submax (2)

- NOTE:**
1. Mark the first TWO (2) examples for each type of insurance only.
  2. Allocate ONE mark for an example.
  3. The differentiation must be clear.
  4. The answer does not have to be in tabular format.

Description: (8)

Examples: (4)

**Max (12)**

## 8.4 Forms of investment

### 8.4.1 Unit trusts√√

- It is a collection of investment options/methods√ made up of shares in different companies.√
- The investments of a number of investors are pooled together in a unit trust fund√, managed by a fund/portfolio manager/expert.√
- Can be bought directly√ from the accredited service providers.√
- Any other relevant answer related to a description of unit trusts.

#### Risk

- Investment may be made in high and low risk shares√, which spread the risk throughout the fund and lowers the risk for all the investors/fund members.√
- Fund managers are able to manage the risk level of the fund√ on behalf of the investors.√
- Any other relevant answer related to level of risk of unit trusts.

Name (2)  
Description (2)  
Risk (2)  
Submax (6)

### 8.4.2 Managed portfolio√√

- An investor instructs a financial institution/bank/financial advisor√ to manage his/her various investments/assets in one portfolio.√
- If the portfolio does not perform well/as expected√, the portfolio/parts thereof may be changed with/without informing the investor.√
- Any other relevant answer related to a description of a managed portfolio.

#### Risk

- Risk is lower√ over a longer term/period.√
- Investments are made in various sectors/companies√, therefore the risk is spread and better managed by the portfolio manager.√
- Money is usually invested in the capital market√ and unforeseen circumstances may impact negatively on the value of the portfolio on the short term√/High risk√ over the short term.√
- Any other relevant answer related to level of risk of a managed portfolio.

Name (2)  
Description (2)  
Risk (2)  
Submax (6)

### 8.4.3 Shares√√

- Companies sell/issue portions of its ownership to shareholders in the form of shares on the open market√ to obtain capital/funds to operate its core business.√
- Shares give the holder one vote per share√ and the right to receive a dividend (portion of the profit).√
- Companies do not have to repay share capital√ and is therefore risk avoiding capital.√
- Shares of listed companies√ are traded on the JSE.√
- Shares can be bought/sold through stock/share brokers√ to whom a brokerage/fee will be paid by the investor.√

- Types of shares differ with respect to the claims to profits/dividends/voting rights/claims to assets√ should the company be liquidated.√
- Ordinary shares can be divided into different types√, e.g. blue chip/bonus/growth/income/defensive shares.√
- Ordinary shares have no special rights or restrictions√ and may yield/earn higher dividends, but also have higher risk.√
- Types of preference shares√ are cumulative/non-cumulative/participating/non-participating/redeemable/non-redeemable/convertible/non-convertible shares.√
- Preference shareholders mostly receive a fixed dividend√ and are paid before other shareholders.√
- Any other relevant answer related to a description of shares.

**Risk**

- Shares have low/medium risk√ over a long term/investment period.√
- Ordinary shares have the highest risk√ as the investor may lose the full or part of the investment when the company is dissolved/bankrupt/liquidated.√
- Preference shareholders' risk is lower√, as they have preferential claims on the assets of the liquidated company/may receive some compensation before ordinary shareholders.√
- Share prices are linked to factors that investors cannot control√, e.g. economic conditions, operational success of the company√, etc.
- Share prices are volatile/unstable/unpredictable/share values may increase/decrease sharply within hours√ which contribute to the uncertainty of the value of an investment on the short term.√
- Any other relevant answer related to level of risk of shares.

Name (2)  
Description (2)  
Risk (2)  
Submax (6)

**8.4.4 Debentures√√**

- It is issued to raise borrowed capital√ from the public.√
- The lender/debenture holder agrees to lend money to the company√ on certain conditions for a certain period.√
- Debenture holders are creditors√, as the company is liable to repay the amount of the debentures.√
- Most types of debentures√ can be traded on the JSE.√
- Debenture holders receive annual interest payments√ based on the terms/amount of debentures held.√
- Any other relevant answer related to a description of debentures.

**Risk**

- Debentures have a low risk√ as they need to be paid back.√
- Companies are liable to repay the amount of the debenture plus interest√, which decrease the risk for the investor.√
- Investors may earn a steady income in the form of interest√ while preserving their principal amount.√
- Any other relevant answer related to the level of risk of debentures.

Name (2)  
Description (2)  
Risk (2)  
Submax (6)

**8.4.5 RSA Retail Savings Bonds**

- To encourage saving, the SA Government offers SA citizens the opportunity to invest in saving bonds.
- Two different types of bonds are available, i.e. fixed rate/inflation linked retail savings bonds.
- A market related interest rate is determined when investment is made and remains fixed for the whole term of the investment.
- Interest is earned half-yearly on 31 March and 30 September and paid out into the bond holder's/investor's bank account.
- It cannot be used as security to obtain loans, so creditors cannot have any claim on it.
- It can be inherited by a nominated beneficiary/when the investor dies.
- Any other relevant answer related to a description of RSA Retail Savings Bonds.

**Risk**

- Risk is very low, as an investment is made in the government who cannot disappear/go bankrupt.
- It is a safe investment, as it cannot be sold on the open market/not exposed to market risks.
- Any other relevant answer related to the level of risk of RSA Retail Savings Bonds.

Name (2)  
Description (2)  
Risk (2)  
Submax (6)

**8.4.6 Fixed Property**

- Buying a house/piece of land is usually suitable as a long term investment only.
- Large fees/taxes are payable on these transactions, so property cannot be bought/sold every year.
- Return on property is earned in the form of rental/sales/capital gains at a higher price than what it was bought for (including the transfer costs and taxes).
- The location/size of the property may also influence the growth in value over time.
- Any other relevant answer related to a description of fixed property.

**Risk**

- Low risk over a long term.
- Risk may be determined by economic conditions and may influence the value of property.
- Any other relevant answer related to the level of risk of fixed property.

Name (2)  
Description (2)  
Risk (2)  
Submax (6)

**8.4.7 Mutual funds/Stokvels**

- It is an informal savings scheme to which a relatively small group of people contribute.
- Each member takes a turn to draw from the scheme/fund/stokvels for their own personal gain.
- No/Small return on investment, as contributions are distributed monthly to one of the members.
- It encourages people to save each month for a specific reason.
- Banking fees are shared by the members, resulting in low cost of investment per member.
- In times when it is hard to get bank loans, stokvel pay-outs may come in handy.
- A stokvel is usually managed by a trustworthy chairman/treasurer, who will be responsible for keeping records and managing the bank account.
- Members usually discuss how the money will be invested and agree on the risks they are willing to take.
- Any other relevant answer related to a description of mutual funds/stokvels.

**Risk**

- Schemers who claim to be running stokvels may actually be running illegal pyramid schemes and pay-outs may not be possible as cash has run out/ members may lose their savings.
- Money in a savings account is a safe investment, but with low interest rates/the returns are low.
- Any other relevant answer related to the level of risk of mutual funds/stokvels.

Name (2)  
Description (2)  
Risk (2)  
Submax (6)

**8.4.8 Business Ventures/Venture capital**

- Venture capital is given by an investor/businesses to start up/expand a business in return to have a share in the new/expanded business.
- Investor(s) should know the type of business/market/economic conditions before a business is bought/started.
- Buying a franchise/existing businesses will be successful, if the investors has done proper research/understand exactly what he/she is investing in.
- Any other relevant answer related to a description of business ventures/venture capital.

**Risk**

- High risk for the investor(s), if research is not properly done.
- Inexperienced business owners that make wrong business decisions may experience big losses/closing down of an existing business.
- Any other relevant answer related to the level of risk of business ventures/venture capital.

Name (2)  
Description (2)  
Risk (2)  
Submax (6)

**8.4.9 Endowment/Life insurance policies/Retirement Annuities**

- A monthly payment is paid to an insurance company with the expectancy of receiving a pre-determined amount on a date in the future.
- To provide for a future expenses/give peace of mind to the dependants of the insured.
- Any other relevant answer related to a description of endowment/life insurance policies/retirement annuities

**Risk**

- Low risk, as the insured amount will be paid out regardless of circumstances.
- Only the closing down/bankruptcy of the insurance company may result in losing the monthly contributions made up to the close down date.
- Any other relevant answer related to the level of risk of endowment/life insurance policies/retirement annuities.

Name (2)  
Description (2)  
Risk (2)  
Submax (6)

**8.4.10 Fixed deposit**

- It is a very conservative method of investment at a fixed rate for a fixed period/at a financial institution/bank.
- Money cannot be withdrawn/added during the period of the deposit.
- Investors have to be certain that they will not access/need the money for the period of the deposit.
- Any other relevant answer related to a description of fixed deposit.

**Risk**

- Very low as the investor will receive what was promised.
- As the interest rate is usually fixed, the return will not be affected by market fluctuations.
- Any other relevant answer related to the level of risk of fixed deposit.

Name (2)  
Description (2)  
Risk (2)  
Submax (6)

**8.4.11 32-day notice accounts/Call Deposits**

- Money is invested at a fixed rate, although withdrawals may be made provided the bank is given 32 days' notice of the withdrawal.
- It earns more interest than a current/cheque/savings account, but less interest than a fixed deposit.
- Any other relevant answer related to a description of 32-day notice accounts/call deposits.

**Risk**

- Low risk✓, as investment plus interest will be paid out on the maturity date of the investment.✓
- Interest is calculated on the daily balance✓, accelerating the value/return on the investment/lowering the risk.✓
- Interest rate may fluctuate with market conditions✓, increasing the risk.✓
- Any other relevant answer related to the level of risk of 32-day notice accounts/call deposits.

Name (2)  
Description (2)  
Risk (2)  
Submax (6)  
**Max (24)**

**8.5 CONCLUSION**

- Investors should always ensure that they do thorough research about the form of investment they want to use, before they make the investment.✓✓
- All possible factors, advantages and disadvantages must be compared before choosing the best option that will suit the investors' needs.✓✓
- Any relevant conclusion related to insurance, forms of investments and risk involved.

**Max (2)**  
**[40]**

**QUESTION 8: BREAKDOWN OF MARKS**

DETAILS	MAXIMU M	TOTAL
Introduction	2	<b>Max 32</b>
Importance of insurance	10	
Distinction between compulsory and non-compulsory insurance	12	
Types of investment and risk involved	24	
Conclusion	2	
<b>INSIGHT</b>		<b>8</b>
Layout	2	
Analysis, interpretation	2	
Synthesis	2	
Originality, examples	2	
<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 of the requirements are met.  
Allocate 0 marks where requirements are not met at all.

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

- Conflict is a situation in which there are opposing ideas, opinions, feelings/ a situation in which it is difficult to choose.√
- Conflict cannot always be resolved/avoided/eliminated, therefore people need to learn how to manage conflict within a team so that they continue to work harmoniously.√
- Managers should be well conversant with the causes of conflict in order to develop relevant strategies on how to deal with conflict in the workplace.√
- It is important for every professional to develop the skills to manage and deal with difficult people.√
- It is important to employ people from various backgrounds to break down stereotypes and prejudice.√
- Any other relevant introduction related to conflict in the workplace.

**Max (2)****9.2 Possible causes of conflict****9.2.1 Personal differences/Different personalities√√**

- Conflict is inevitable when people from different backgrounds/cultures/values races/gender√ work in the same environment.√
- When employees fail to understand or accept the differences in each other's personalities√, problems arise in the workplace.√
- Humour and sarcasm may be perceived as insulting behaviour√ by employees of other cultures/backgrounds.√
- Different personality types within a group can cause conflicts√ because some employees' may be introverts while others are extroverts resulting in different perceptions.√
- Different opinions√ may make it difficult to reach agreements.√
- Any other relevant answer related to personal differences/different personalities as a possible cause of conflict.

Cause (2)  
Discussion (2)  
Submax (4)**9.2.2 Poor communication√√**

- Poor communication can lead to all types of misunderstanding√ and can become very destructive.√
- If employees or management decide to sidestep each other's opinions√, team members may become unhappy.√
- Any other relevant answer related to poor communication as a possible cause of conflict.

Cause (2)  
Discussion (2)  
Submax (4)

**9.2.3 Competition**

- Although competition may be a good motivator, it can become negative if the focus is on competition only, as team members may lose their team spirit.
- Team members who always lose when competing, may feel incompetent/demotivated and may not complete their tasks/reach deadlines.
- Unhealthy workplace competition may spark conflict as it demoralises employees who cannot always meet targets.
- When salary is linked to employee productivity, a workplace may experience strong competition between employees.
- Any other relevant answer related to competition as a possible cause of conflict.

Cause (2)  
Discussion (2)  
Submax (4)

**9.2.4 Ignoring rules/procedures**

- Employees who do not follow the rules/procedures can cause conflict as tasks may not be performed according to the business specification.
- Team members who ignore/disobey rules/procedures may delay the completion of tasks.
- Any other relevant answer related to ignoring rules/procedures as a possible cause of conflict.

Cause (2)  
Discussion (2)  
Submax (4)

**9.2.5 Poor organisation/leadership/administrative procedures and systems**

- Poor systems and procedures cause stress to workers and makes them frustrated.
- If there are not enough guidelines for team members, they will be unorganised/uncoordinated in their work.
- Any other relevant answer related to poor organisation/leadership/administrative procedures and systems as a possible cause of conflict.

Cause (2)  
Discussion (2)  
Submax (4)

**9.2.6 Workload and stress/Unrealistic expectation**

- When employees are overloaded with work, they become stressed/feel unappreciated/burnt-out.
- Some employees may depend on their colleagues to help them to complete their work.
- Any other relevant answer related to workload and stress/unrealistic expectation as a possible cause of conflict.

Cause (2)  
Discussion (2)  
Submax (4)

**9.2.7 Confusion about scheduling and deadlines**✓✓

- Individual deadlines and the team schedules that are not clearly communicated/are not easily available✓ can cause confusion.✓
- Employees working in a team may be available at different times/finding a suitable time when everyone is available✓, which can be a challenge in reaching deadlines.✓
- Any other relevant answer related to confusion about scheduling and deadlines as a possible cause of conflict.

Cause (2)  
Discussion (2)  
Submax (4)

**9.2.8 Unclear responsibilities**✓✓

- Employees who are not clear about their responsibilities✓ are more likely to avoid and blame others for work not done.✓
- They may not effectively perform✓ their task as expected.✓
- Any other relevant answer related to unclear responsibilities as a possible cause of conflict.

Cause (2)  
Discussion (2)  
Submax (4)

**9.2.9 Distracted by personal objectives**✓✓

- Some employees may pursue their own personal objectives✓ and they will try to force their own desires onto the team.✓
- They may lose focus of the task at hand✓ and distract others from performing their tasks effectively.✓
- Any other relevant answer related to being distracted by personal objectives as a possible cause of conflict.

Cause (2)  
Discussion (2)  
Submax (4)

**9.2.10 Lack of/Insufficient resources**✓✓

- Limited resources may cause conflict, because employees may all✓ want to use the resources at the same time.✓
- Team members may fight over the limited resources available✓ to accomplish their/the team's tasks.✓
- Any other relevant answer related to insufficient resources as a possible cause of conflict.

Cause (2)  
Discussion (2)  
Submax (4)

**9.2.11 Constant changes**✓✓

- Constant changes in a business may cause instability/lack of clarity✓ regarding the roles and responsibilities of each employee/team member.✓
- Staff of businesses that continuously change✓, may experience 'change fatigue'.✓
- People may have less patience✓ and fail to understand the reasons for change.✓
- Any other relevant answer related to constant changes as a possible cause of conflict.

Cause (2)  
Discussion (2)  
Submax (4)

**Any other relevant answer related to causes of conflict.**

**Max (18)**

**9.3 Team development stage**

9.3.1 Storming√√ Submax (2)

**9.3.2 Explanation of storming**

- Teams go through a period of unease/conflict√ after formation.√
- Different ideas from team members√ will compete for consideration.√
- Team members open up to each other√ and confront each other's ideas/perspectives.√
- Tension, struggle/arguments occur√ and upset the team members√/There may be power struggles√ for the position of the team leader.√
- In some instances storming can be resolved quickly√ and in others, the team never leaves this stage.√
- Many teams fail during this stage√ as they are not focused on their task.√
- This phase can become destructive to the team/will lower motivation√ if allowed to get out of control.√
- Some team members tolerate each other√ just to survive this stage.√
- Any other relevant answer related to storming as a team development stage.

Submax (6)

**Max (8)****9.4 Dealing with difficult people****OPTION 1**

- Get perspective from others who have experienced the same kind of situation to be able to understand the difficult employee.√√
- Act pro-actively if possible, as a staff/personnel problem is part of a manager's responsibilities.√√
- Regular meetings with supervisors/departmental heads should help to identify difficult/problem behaviour.√√
- Ask someone in authority for their input into the situation.√√
- Identify the type of personality which is creating the problem.√√
- Meet privately with difficult employees, so that there are no distractions from other employees/issues.√√
- Make your intentions/reasons for your actions known, so that they will feel at ease.√√
- Employees should be told what specific behaviours are acceptable by giving details about what is wrong/unacceptable and also an opportunity to explain their behaviour.√√
- A deadline should be set for improving bad/difficult behaviour.√√
- The deadline date should be discussed with the employee and his/her progress should be monitored/assessed prior to the deadline.√√
- Guidelines for improvement should be given.√√
- Do not judge the employee, but try to understand him/her/Understand the person's intentions and why they react in a certain way.√√
- Keep communication channels open and encourage employees to communicate their grievances to management.√√
- Build rapport/sound relations by re-establishing personal connection with colleagues, instead of relying on e-mails/messaging/social media.√√
- Help difficult employees to be realistic about the task at hand.√√
- Remain calm and in control of the situation to get the person(s) to collaborate.√√

- Treat people with respect, irrespective of whether they are capable/competent or not.√√
- Sometimes it may be necessary to ignore but monitor a difficult person.√√
- Identify and provide an appropriate support program to address areas of weakness.√√
- Any other relevant answer related to dealing with difficult people.

**AND/OR****OPTION 2 (Personalities)**

<b>Type of personality</b>	<b>Strategy to deal with a personality</b>
- Complainer√	- Listen to the complaints but do not acknowledge them.√ - Interrupt the situation and move to the problem-solving process as soon as possible.√
- Indecisive√	- Guide them through alternatives.√ - Stay in control and emphasise the importance of making a decision.√ - Help them make the decision or solve the problem.√
- Over agree√	- Be firm and do not let them make promises that they cannot keep.√ - Follow up on their actions.√
- Negativity√	- Be firm with them and do not let them draw you into their negativity.√ - Listen to them but do not agree with them.√
- Experts√	- Be firm and assertive.√ - Do not accuse them of being incorrect and do not get caught in their game.√ - Know your facts.√
- Quiet√	- Do not fill their silence with words.√ - Wait for their response.√ - Prompt them through the process so that they give input.√ - Restrict the time of the discussion.√
- Aggressive√	- Allow them time to speak and blow off.√ - Be firm, but do not attack them.√ - Do not allow them to be hostile towards others.√

**NOTES (applicable to OPTION 2):**

1. **Allocate a maximum of THREE (3) marks for only identifying the type of personality without a strategy.**
2. **Allocate TWO (2) marks for indicating the strategy without identifying the type of the personality/Take particular note of overlap of strategies.**

**Max (10)****9.5 Benefits of a diverse workforce**

- Workforce diversity improves the ability of a business√ to solve problems/innovate/cultivate diverse markets.√
- Employees value each other's diversity√ and learn to connect/communicate across lines of difference.√
- Diversity in the workforce improves√ morale/motivation.√
- Employees demonstrate greater loyalty to the business√ because they feel respected/accepted/understood.√

- A diversified workforce can give businesses a competitive advantage√ as they can render better services.√
- Being respectful of differences/demonstrating diversity√ makes good business sense/improves profitability.√
- Diverse businesses ensure that its policies/practices√ empower every employee to perform at his/her full potential.√
- Customers increasingly evaluate businesses√ on how they manage diversity in the workplace.√
- Employees from different backgrounds√ can bring different perspectives to the business.√
- A diversified workforce stimulates debate√ on new and improved ways of getting things done.√
- Employees represent various groups√ and are therefore better able to recognise customer needs and satisfy consumers.√
- Businesses with a diverse workforce are more likely to have a good public image√ and attract more customers.√
- Any other relevant answer related to the benefits of a diverse work force.

**Max (10)**

**9.6 Conclusion**

- Conflict is inevitable in a workplace and can either pose a challenge or opportunity for the growth in a business.√√
- Businesses should immediately identify the causes of conflict and ensure that conflict is resolved amicably in the workplace.√√
- It is important that business understand the stages of team development so that they are able to manage conflict effectively.√√
- A diverse workforce enables employees to understand and tolerate each other's backgrounds/cultures/values resulting in better work relations.√√
- Any other relevant conclusion related to conflict in the workplace.

**Max (2)  
[40]**

**QUESTION 9: BREAKDOWN OF MARKS**

<b>DETAILS</b>	<b>MAXIMUM</b>	<b>TOTAL</b>
Introduction	<b>2</b>	<b>Max 32</b>
Causes of conflict	<b>18</b>	
Stage of team development	<b>8</b>	
Dealing with difficult employees	<b>10</b>	
Benefits of a diverse workforce	<b>10</b>	
Conclusion	<b>2</b>	
<b>INSIGHT</b>		<b>8</b>
Layout	<b>2</b>	
Analysis, interpretation	<b>2</b>	
Synthesis	<b>2</b>	
Originality, 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 of the requirements are met.  
 Allocate 0 marks where requirements are not met at all.

**QUESTION 10: BUSINESS OPERATIONS (HUMAN RESOURCES)****10.1 Introduction**

- The human resources manager (HRM) is responsible for selecting and appointing competent and skilled employees.√
- It is important that the HRM follows correct/fair procedures in selecting and interviewing.√
- The HRM can appoint the best candidate if the selection and interviewing procedures are properly applied.√
- Mr Amla should be well informed about reasons for terminating an employment contract to avoid unfair dismissal.√
- Any other relevant introduction related to the selection procedure/legal requirements an employment contract/reasons for terminating employment.

**Max (2)****10.2 Selection procedure****10.2.1 Receive documentation√√**

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

Step (2)

Explanation (2)

Submax (4)

**10.2.2 Evaluate CVs and create a shortlist/Screen applicants√√**

- Make a list of all applicants√ who qualify for a job√/Candidates who obviously meet the requirements are separated√ from those who do not.√
- Applicants are evaluated√ against pre-set criteria.√
- Applicants are ranked√ from the most suitable to less suitable candidates.√
- Candidates with the highest score√ are placed on a shortlist in ranked order.√
- The shortlist√ should contain between 3 and 5 candidates.√
- Any other relevant answer related to the evaluation of a CV/creating a short-list/screening applicants during the selection procedure.

Step (2)

Explanation (2)

Submax (4)

**10.2.3 Check information in the CVs/Contact references√√**

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

Step (2)

Explanation (2)

Submax (4)

**10.2.4 Conduct preliminary interviews**

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

Step (2)  
Explanation (2)  
Submax (4)

**10.2.5 Assess/Test candidates**

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

Step (2)  
Explanation (2)  
Submax (4)

**10.2.6 Conduct interviews**

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

Step (2)  
Explanation (2)  
Submax (4)

**10.2.7 Offer employment/Letter of appointment**

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

Step (2)  
Explanation (2)  
Submax (4)

**NOTE: Procedure can be in any order.**

**Max (24)**

**10.3 Legal requirements of the employment contract**

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

**Max (12)****10.4 Reasons for terminating an employment contract**

- Mr Amla may dismiss employees for valid reason(s), e.g. unsatisfactory job performance, misconduct✓✓, etc.
- Lonin Mine (employer) may no longer have work for redundant employees/ cannot fulfil the contract/is restructuring.✓✓
- Lonin Mine may retrench some employees due to insolvency/may not be able to pay the employees.✓✓
- Employees decided to leave and resign voluntarily.✓✓
- An employee may have reached the pre-determined age for retirement.✓✓
- Any other relevant answer related to the conditions for termination of an employment contract.

**Max (10)**

**10.5 Conclusion**

- The goals and objectives of businesses cannot be achieved without qualified and skilled employees.√√
- The employment conditions as set out in the BCEA legally binds the employer and the employee and both have legal rights/duties.√√
- Employees should clearly understand the reasons for terminating their employment contracts to avoid unnecessary legal actions.√√
- Any other relevant conclusion related to the selection procedure/legalities of the employment contract and the reasons for terminating it.

**Max (2)**  
**[40]**

**QUESTION 10: BREAKDOWN OF MARK ALLOCATION**

Details	Maximum	Total
Introduction	<b>2</b>	<b>Max 32</b>
Selection procedure	<b>24</b>	
Legalities of the employment contract	<b>12</b>	
Reasons for termination of employment contract	<b>10</b>	
Conclusion	<b>2</b>	
<b>INSIGHT</b>		<b>8</b>
Layout	<b>2</b>	
Analysis, interpretation	<b>2</b>	
Synthesis	<b>2</b>	
Originality, 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 some requirements are met.

Allocate 0 marks where requirements are not met at all.

**TOTAL SECTION C: 80**  
**GRAND TOTAL: 300**