basic education

Department:
Basic Education
REPUBLIC OF SOUTH AFRICA

NATIONAL SENIOR CERTIFICATE

GRADE 12

BUSINESS STUDIES P1

NOVEMBER 2022

MARKING GUIDELINE

MARKS: 150

This marking guideline consist of 28 pages.

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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:	Black/Blue
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 marking guideline has been provided but this is by no means exhaustive. Due consideration should be given to an answer that is correct but:

   - Uses a different expression from that which appears in the marking guideline
   - Comes from another credible source
   - Original
   - A different approach is used

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

4. Take note of other relevant answers provided by candidates and allocate marks accordingly. (In cases where the answer is unclear or indicates some understanding, part-marks should be awarded, for example, one mark instead of the maximum of two marks.)

5. The word 'Sub-max' is used to facilitate the allocation of marks within a question or sub-question.

6. The purpose of circling marks (guided by 'max' in the breakdown of marks) on the right-hand side is to ensure consistency and accuracy in the marking of scripts as well as for calculation and moderation purposes.

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

8. In an indirect question, the theory as well as the response must be relevant and related to the question.

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9. Correct numbering of answers to questions or sub questions is recommended in SECTIONS A and B. However, if the numbering is incorrect, follow the sequence of the candidate's responses. Candidates will be penalised if the latter is not clear.

10. No additional credit must be given for repetition of facts. Indicate with an 'R'.

11. The differentiation between 'evaluate' and 'critically evaluate' can be explained as follows:

    11.1 When 'evaluate' is used, candidates are expected to respond in either a positive/negative manner or take a neutral (positive and negative) stance, e.g., Positive: *'COIDA eliminates time and costs spent*√ *on lengthy civil court proceedings.'*√

    11.2 When 'critically evaluate' is used, candidates are expected to respond in either a positive/negative manner or take a neutral (positive and negative) stance. In this instance candidates are also expected to support their responses with more depth, e.g., 'COIDA eliminates time and costs spent√ on lengthy civil court proceedings√, because the employer will not be liable for compensation to the employee for injuries sustained during working hours as long as it can be proved that the business was not negligent.'√

    NOTE: 1. The above could apply to 'analyse' as well.
    2. Note the placing of the tick (√) in the allocation of marks.

12. The allocation of marks must be informed by the nature of the question, cognitive verb used, mark allocation in the marking guideline and the context of each question.

    Cognitive verbs, such as:

    12.1 Advise, name, state, outline, motivate, recommend, suggest, *(list not exhaustive)* do not usually require much depth in candidates' responses. Therefore, the mark allocation for each statement/answer appears at the end.

    12.2 Define, describe, explain, discuss, elaborate, distinguish, differentiate, compare, tabulate, analyse, evaluate, critically evaluate (*list not exhaustive*) require a greater depth of understanding, application and reasoning. Therefore, the marks must be allocated more objectively to ensure that assessing is conducted according to established norms so that uniformity, consistency and fairness are achieved.

13. Mark only the FIRST answer where candidates offer more than one answer for SECTION B and C questions that require one answer.

14. **SECTION B**

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

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

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

14.3 If candidates are required to provide their own examples/views, brainstorm this at the marking centre to finalise alternative answers and consult with the Internal Moderator at the DBE for approval.

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

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

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

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

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

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

15. **SECTION C**

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

Introduction	**Maximum: 32**
Content	
Conclusion	
Insight	**8**
TOTAL	**40**

15.2 Insight consists of the following components:

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

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

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

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

15.5 Mark all relevant facts until the SUB MAX/MAX mark in a subsection has been attained. Write SUB MAX/MAX after maximum marks have been obtained but continue reading for originality 'O'.

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

CONTENT	**MARKS**
Facts	**32 (max.)**
L	**2**
A	**2**
S	**2**
O	**2**
TOTAL	**40**

15.7 When awarding marks for facts, take note of the sub-maxima indicated, especially if candidates do not make use of the same subheadings. Remember, headings and subheadings are encouraged and contribute to insight (structuring/logical flow/sequencing) and indicate clarity of thought. (See MARKS BREAKDOWN at the end of each question.)

15.8 If the candidate identifies/interprets the question INCORRECTLY, then he/she may still obtain marks for layout.

15.9 If a different approach is used by candidates, ensure that the answers are assessed according to the mark allocation/subheadings as indicated in the marking guideline.

15.10 15.10.1 Award TWO marks for complete sentences. Award ONE mark for phrases, incomplete sentences and vague answers.

15.10.2 With effect from November 2015, the TWO marks will not necessarily appear at the end of each completed sentence. The ticks (√) will be separated and indicated next to each fact, e.g., 'Product development is a growth strategy √, where businesses aim to introduce new products into existing markets.'√

This will be informed by the nature and context of the question, as well as the cognitive verb used.

15.11 With effect from November 2017, the maximum of TWO (2) marks for facts shown as headings in the marking guidelines, will not necessarily apply to each question. This would also depend on the nature of the question.

SECTION A

QUESTION 1

1.1
1.1.1 B√√
1.1.2 D√√
1.1.3 B√√
1.1.4 C√√
1.1.5 A√√

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

1.2
1.2.1 choose√√
1.2.2 backward vertical√√
1.2.3 SWOT√√
1.2.4 specification√√
1.2.5 performance√√

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

1.3
1.3.1 D√√
1.3.2 E√√
1.3.3 F√√
1.3.4 G√√
1.3.5 B√√

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

TOTAL SECTION A: 30

BREAKDOWN OF MARKS

QUESTION 1	MARKS
1.1	10
1.2	10
1.3	10
TOTAL	30

SECTION B

Mark the answers to the FIRST TWO questions only.

QUESTION 2: BUSINESS ENVIRONMENTS

2.1 **Types of defensive strategies**
- Divestiture √
- Retrenchment √
- Liquidation √

NOTE: Mark the first TWO (2) only.

(2 x 1) (2)

2.2 **Advantages of diversification strategies**
- Increase sales and business growth. √√
- Improves the business brand and image. √√
- Reduces the risk of relying only on one product. √√
- More products can be sold to existing customers and additional new markets can be established. √√
- Businesses gain more technological capabilities through product modification. √√
- Diversification into several industries or product lines can help create a balance during economic fluctuations. √√
- Businesses produce more output using less inputs as one factory may be used to manufacture more products. √√
- Any other relevant answer related to the advantages of diversification strategies.

Max (6)

2.3 **PESTLE elements from the statements**

2.3.1 Social √√
2.3.2 Technological √√
2.3.3 Economical √√ **(6)**

2.4 **Steps in strategy evaluation**
- Examine the underlying basis√ of a business strategy. √
- Look forward and backwards√ into the implementation process. √
- Compare the expected performance√ with the actual performance. √
- Determine the reasons for deviations√ and analyse these reasons. √
- Take corrective action√ so that deviations may be corrected. √
- Set specific dates for control√ and follow up. √
- Draw up a table√ of the advantages and disadvantages of a strategy. √
- Decide on the desired outcome√ as envisaged when strategies were implemented. √
- Consider the impact of the strategic implementation√ in the internal and external environments of the business. √
- Any other relevant answer related to the steps in strategy evaluation.

NOTE: Accept steps in any order.

Max (6)

2.5 **National Credit Act**

2.5.1 **Consumer rights in terms of the National Credit Act/NCA from the scenario**

- EB ensures that their clients receive information in an understandable language. √
- They also allow clients to access and challenge their credit records. √

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

(2 x 1) (2)

2.5.2 **Impact of the National Credit Act/NCA on businesses**

Positives/Advantages

- The whole credit process is transparent √ as both businesses and customers know their responsibilities. √
- Lower bad debts √ resulting in better cash flow. √
- Protects businesses √ against non-paying consumers. √
- Authorised credit providers√ may attract more customers. √
- Increases cash sales √ because businesses only grant credit to qualifying customers/more customers are buying in cash. √
- Businesses do thorough credit checks √ and receive up-to-date documentation from the consumer as proof that they can afford the repayment. √
- Leads to more customers through credit sales √ as they are now protected from abuse. √
- Prevents reckless lending√ and businesses from bankruptcy. √
- Credit bureau information is made available to businesses √ to check the credit worthiness of consumers before granting credit. √
- Any other relevant answer related to the positive impact/advantages of the NCA on businesses.

AND/OR

Negatives/Disadvantages

- Businesses can no longer carry out√ credit marketing. √
- Businesses struggle to get credit√ such as bank loans/overdrafts. √
- Businesses that do not comply with the NCA√ may face legal action. √
- Debt collection procedures are more complex√ and expensive. √
- Fewer customers buy on credit√ as it is more difficult to obtain credit. √
- Increases the administration burden/paperwork√ which is costly/time consuming. √
- Businesses need to appoint additional staff√ to deal with the extra administration. √
- Leads to loss of sales√ as many consumers may no longer qualify to buy on credit. √
- Should the credit agreement be declared reckless√ businesses can forfeit the outstanding debt and the goods. √
- Businesses that are official credit providers√, must submit a compliance report every year. √
- Businesses must make sure that all attempts have been made to recover the debt√ before blacklisting the customer. √

- Credit providers cannot collect debt from consumers√ who are under debt review. √
- More working capital is needed as businesses cannot sell many goods on credit√ due to stringent credit application processes. √
- Any other relevant answer related to the negative impact/disadvantages of the NCA on businesses.

Max (6)

2.6 **Overtime as a provision of the Basic Conditions of Employment Act/BCEA**

- Workers must agree √ to work overtime. √
- Workers cannot work more than three hours√ overtime per day√/Workers cannot work more than 10 hours√ overtime per week√
- Workers must be compensated at least one and half times the normal rate of pay√ for overtime worked on weekdays/Saturdays. √
- Workers must be compensated double the normal rate of pay √ for overtime worked on Sundays/public holidays. √
- Overtime must be paid either at the specified rate√ or an employee may agree to receive paid time off. √
- The Minister of Labour may prescribe the maximum permitted working hours, including overtime√, for health and safety reasons for a certain category of work. √
- Any other relevant answer related to overtime as one of the provisions of the BCEA.

Max (4)

2.7 **Application of Porter's Five Forces model**

2.7.1 **Power of buyers**

- Assess how easy it is for buyers/customers to drive prices down. √√
- Determine the number of buyers/the importance of each buyer to the business and the cost of switching to other products. √√
- A few powerful buyers are often able to dictate their terms to the business. √√
- Buyers buying in bulk can bargain for prices in their favour. √√
- If buyers can do without the business's products, then they have more power to determine the prices and terms of sale. √√
- Conduct market research to gather more information about buyers/customers.√√
- Any other relevant answer related to how businesses could apply the power of buyers to analyse their position in the market environment.

Max (4)

2.7.2 **Threat/Barriers to new entrants to the market**

- If the barriers to enter the market are low, then it is easy for new businesses to enter the market/industry. √√
- If the business is highly profitable, it will attract potential competitors that want to benefit from high profits. √√
- New competitors can quickly/easily enter the market, if it takes little time/ money to enter the market. √√
- If there are a few suppliers of a product/service but many buyers, it may be easy to enter the market. √√
- Any other relevant answer related to how businesses could apply the threat/barriers to new entrants to the market to analyse their position in the market environment.

Max (4)
[40]

BREAKDOWN OF MARKS

QUESTION 2	MARKS
2.1	2
2.2	6
2.3	6
2.4	6
2.5.1	2
2.5.2	6
2.6.	4
2.7.1	4
2.7.2	4
TOTAL	40

QUESTION 3: BUSINESS OPERATIONS

3.1 **Examples of fringe benefits**

- Medical Aid Fund/Health Insurance Fund √
- Pension Fund √
- Provident Fund √
- Funeral benefits √
- Allowances/Car/Travel/Housing/Cell phone/Clothing √
- Performance based incentives √
- Issuing of bonus shares √
- Staff discount/Free or low-cost meal/Canteen facilities √
- Any other relevant examples of fringe benefits.

NOTE: Mark the first THREE (3) only.

(3 x 1) (3)

3.2 **Role of the interviewer before the interview**

- Book and prepare the venue for the interview. √√
- Inform all shortlisted candidates about the date and place of the interview. √√
- Set the interview date and ensure that all interviews take place on the same date, if possible. √√
- Notify all panel members conducting the interview about the date and place of the interview. √√
- Develop a core set of questions based on the skills/knowledge/ability required. √√
- Check/read the application/verify the CV of every candidate for anything that may need to be explained. √√
- Plan the programme for the interview and determine the time that should be allocated to each candidate. √√
- Allocate the same amount of time to interview each candidate on the program. √√
- Any other relevant answer related to the role of the interviewer before the interview.

Max (4)

3.3 **Method of recruitment**

3.3.1 **Method of recruitment from scenario**

Internal recruitment √√ (2)

Motivation

MC advertised a vacancy for a project manager on their business noticeboard. √ (1)

NOTE: Do not award marks for the motivation if the method of recruitment was incorrectly identified.

Max (3)

3.3.2 **Advantages of internal recruitment on a business**

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

NOTE: Accept relevant facts if the method of recruitment was incorrectly identified as an answer in QUESTION 3.3.1.

Max (4)

3.4 **Reasons for the termination of an employment contract**

- The employer may dismiss an employee for valid reason(s) √ such as unsatisfactory job performance and misconduct. √
- Employer may no longer have work√ for redundant employees/cannot fulfil the contract/is restructuring. √
- The employer may retrench some employees√ due to insolvency/may not be able to pay the employees. √
- Employees decided to leave/resign voluntarily √ for better job opportunities. √
- An employee may have reached the pre-determined age √ for retirement. √
- Incapacity to work √ due to illness/injuries. √
- The duration of the employment contract √ expires/comes to an end. √
- By mutual agreement √ between the employer and employee. √
- Any other relevant answer related to the reasons for the termination of an employment contract.

Max (6)

3.5 **Quality indicators of the financial function**

- Obtain capital from the most suitable/available/reliable sources. √√
- Negotiate better interest rates in order to keep financial cost down. √√
- Draw up budgets to ensure sufficient application of monetary resources. √√
- Keep financial records up to date to ensure timely/accurate tax payments. √√
- Analyse strategies to increase profitability. √√
- Invest surplus funds to create sources of passive income. √√
- Implement financial control measures/systems to prevent fraud. √√
- Implement credit granting/debt collecting policies to monitor cash flow. √√
- Draw up accurate financial statements timeously/regularly. √√
- Accurately analyse and interpret financial information. √√
- Invest in strategies that will assist the business to remain profitable. √√
- Avoid over/under-capitalisation so that financial resources will be utilised effectively. √√
- Any other relevant answer related to the quality indicators of the financial function.

Max (4)

3.6 **Ways in which TQM reduces the cost of quality**

3.6.1 **Ways in which TQM reduces the cost of quality from the scenario**

- The employees of RM attend regular training sessions to understand their role in quality management. √
- They also work closely with suppliers to improve the quality of their raw materials. √

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

(2 x 1) (2)

3.6.2 **Other ways in which TQM can reduce the cost of quality**

- Introduce quality circles/small teams of five to ten employees√, who meets regularly to discuss ways of improving the quality of their work. √
- Schedule activities √ to eliminate duplication of tasks/activities. √
- Share responsibility for quality output √ between management and workers. √
- Develop work systems that empower employees√ to find new ways of improving quality. √
- Improve communication about the quality challenges/deviations√, so that everyone can learn from past experiences. √
- Reduce investment on expensive, but ineffective inspection procedures √ in the production process. √
- Implement pro-active maintenance programmes√ for equipment/machinery to reduce/eliminate breakdowns. √
- Any other relevant answer related to other ways in which TQM can reduce the cost of quality.

NOTE: Do not award marks for responses that were quoted in QUESTION 3.6.1

Max (4)

3.7 **Impact of total quality management/TQM if poorly implemented**

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

Max (4)

3.8 **Advantages of adequate financing and capacity as a TQM element**

- Large businesses have sufficient financing to test everything before implementing. √√
- They can afford to have systems in place to prevent errors in processes/defects in raw materials/products. √√
- Able to afford product research/market researchers to gather information about products/customers. √√/Large businesses can fund programmes aimed at improving quality processes. √√
- Large businesses can afford to purchase quality raw materials and equipment. √√
- Any other relevant answer related to the advantages of adequate financing and capacity as a TQM element on large businesses.

Max (6)
[40]

BREAKDOWN OF MARKS

QUESTION 3	MARKS
3.1	3
3.2	4
3.3.1	3
3.3.2	4
3.4	6
3.5	4
3.6.1	2
3.6.2	4
3.7	4
3.8	6
TOTAL	40

QUESTION 4: MISCELLANEOUS TOPICS

BUSINESS ENVIRONMENTS

4.1 Business environments and extent of control

BUSINESS ENVIRONMENTS	EXTENT OF CONTROL
1. Micro environment√	Full control√
2. Market environment√	Partial/Some/Limited/Less/Little control√
3. Macro environment√	No control√
Submax (2)	Submax (2)

NOTE:
1. **Mark the first TWO (2) only.**
2. **The answer does not have to be in tabular format.**
3. **Award marks for the business environments even if the extent of control is not indicated/incorrect.**
4. **The extent of control must be linked to the business environment.**
5. **Accept responses in any order.**

Max (4)

4.2 Role of SETAs in supporting the Skills Development Act/SDA

- Develop sector skills plans in line with the National Skills Development Strategy. √√
- Draw up skills development plans for their specific economic sectors. √√
- Approve workplace skills plans and annual training reports. √√
- Allocate grants to employers, education and training providers. √√
- Pay out grants to companies that are complying with the requirements of the Skills Development Act. √√
- Monitor/Evaluate the actual training by service providers. √√
- Promote and establish learnerships. √√
- Register learnership agreements/learning programmes. √√
- Provide training material/programmes for skills development facilitators. √√
- Provide accreditation for skills development facilitators. √√
- Oversee training in different sectors of the South African economy. √√
- Identify suitable workplaces for practical work experience. √√
- Collect levies and pay out grants as required. √√
- Report to the Director General. √√
- Any other relevant answer related to the role of SETAs in supporting the SDA.

Max (4)

4.3 Business strategies

4.3.1 Type of intensive strategy from the scenario

Market development√√ (**2**)

4.3.2 Other types of intensive strategies

Market penetration √√

- New products penetrate an existing market at a low price, until it is well known to the customers and then the prices increases.√
- Businesses focus on selling existing products into existing market to increase their market share. √

- Businesses use market research on existing clients to decide how to improve their marketing mix. √
- Aggressive marketing campaigns such as lowering/reducing prices are used to attract potential/existing clients. √
- 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 market penetration as a type of intensive strategy.

Strategy (2)
Explanation (1)
Submax (3)

Product development √√

- It is a growth strategy where businesses aim to introduce new products into existing markets/modifies an existing product. √
- Businesses generate new ideas/develop new products/services. √
- Businesses 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 product development as a type of intensive strategy.

Strategy (2)
Explanation (1)
Submax (3)

NOTE: 1. Mark the first TWO (2) only.
2. Do not award marks for market development.

Max (6)

4.4 **Ways in which businesses could comply with the Employment Equity Act/EEA**

- Businesses should guard against discriminatory appointments. √√
- Assess the racial composition of all employees, including senior management. √√
- Ensure that there is equal representation of all racial groups in every level of employment. √√
- Clearly define the appointment process, so that all parties are well informed. √√
- Ensure that diversity/inclusivity in the workplace is achieved. √√
- Prepare an employment equity plan in consultation with employees. √√
- Compile employment equity plans that indicate how they will implement affirmative action. √√
- Ensure that affirmative action measures promote diversity in the workplace. √√
- Implement the employment equity plan. √√
- Implement affirmative action measures to redress disadvantages experienced by designated groups/Accommodate people from different designated groups. √√
- Submit the employment equity plan to the Department of Labour. √√
- Assign one or more senior managers to ensure implementation and monitoring of the employment equity plan. √√

- Eliminate barriers that have an adverse impact on designated groups. √√
- Regularly report to the Department of Labour on progress in implementing the plan. √√
- Display a summary of the Act where employees can clearly see/have access to the document. √√
- Conduct medical/psychological tests fairly to employees/when deemed necessary/Use certified psychometric tests to assess applicants/employees to ensure that suitable candidates are appointed. √√
- Ensure that the workplace represents the demographics of the country at all levels. √√
- Restructure/Analyse current employment policies/practices/procedures to accommodate designated groups. √√
- Retrain/Develop/Train designated groups through skills development programmes. √√
- Employees must be paid equal for work of equal value. √√
- Any other relevant answer related to ways in which businesses could comply with the EEA.

Max (4)

BUSINESS OPERATIONS

4.5 **Aspects that should be included in an employment contract**

- Personal details of the employee. √
- Details of the business/employer such as the name and address. √
- Job title/Position. √
- Job description such as duties and working conditions. √
- Job specification such as formal qualifications and willingness to travel. √
- Date of employment/Commencement of employment. √
- Place where employee will spend most of his/her working time. √
- Hours of work such as normal time and overtime. √
- Remuneration such as weekly or monthly pay. √
- Benefits/Fringe benefits/Perks/Allowances. √
- Leave such as sick/maternity/annual/adoption leave. √
- Employee deductions such as compulsory/non-compulsory. √
- Duration/Period of employment contract/Details of termination/Expiry date of employment contract. √
- Probation period. √
- Signatures of both the employer and employee. √
- List of documents that form part of the contract, such as appointment letter/code of conduct/ethics. √
- Disciplinary policies such as rules/procedures for unacceptable behaviour. √
- Any other relevant answer related to aspects that should be included in an employment contract.

NOTE: Mark the first FOUR (4) only.

(4 x 1) (4)

4.6 **Induction**

4.6.1 **Purposes of induction from the scenario**

- The management of TC agreed that Mandy will be offered in-service training to improve her skills. √
- Mandy will be given the opportunity to experience different departments. √

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

(2 x 1) (2)

4.6.2 **Benefits of induction for businesses**

- Allows new employees to settle in quickly√ and work effectively. √
- Ensures that new employees understand rules√ and restrictions in the business. √
- New employees may establish relationships√ with fellow employees at different levels. √
- Make new employees feel at ease in the workplace√, which reduces anxiety/ insecurity/fear. √
- The results obtained during the induction process√ provide a base for focussed training. √
- Increases quality of performance/productivity√ which promotes the effective use of working methods/resources. √
- Minimises/Decreases the need for on-going training√ and development. √
- Employees will be familiar with organisational structures√, such as who are their supervisors/low level managers. √
- Opportunities are created for new employees√ to experience/explore different departments. √
- New employees will understand their role/responsibilities√ concerning safety regulations and rules. √
- New employees will know the layout of the building/factory/offices/where everything is√, which saves production time. √
- Learn more about the business so that new employees understand√ their roles/ responsibilities in order to be more efficient. √
- Company policies regarding conduct/procedures/safety and security/employment contract/conditions of employment/working hours/leave√, are communicated. √
- Realistic expectations for new employees√ as well as the business are created. √
- New employees may feel part of the team√ resulting in positive morale/ motivation. √
- Employees may have a better understanding of business policies√ regarding ethical/professional conduct/procedures/CSR. √
- Reduces staff turnover √ as new employees have been inducted properly. √
- Any other relevant answer related to the benefits of induction for businesses.

Max (4)

4.7 **Application of the PDCA model/steps**

Plan√√

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

Step (2)
Explanation (1)
Submax (3)

Do√√
- Businesses should implement the change on a small scale. √
- Implement the processes and systems. √

Step (2)
Explanation (1)
Submax (3)

Check/Analyse√√
- Use data to analyse the results of change. √
- Determine whether it made a difference. √
- Check whether the processes are working effectively. √
- Assess/Establish if it is working/if things are going according to plan. √

Step (2)
Explanation (1)
Submax (3)

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

Step (2)
Explanation (1)
Submax (3)

- Any other relevant answer related to how businesses can apply the steps of the PDCA model to improve the quality of their products.

NOTE: 1. Mark the first TWO (2) only.
2. Accept the steps in any order.

Max (6)

4.8 **Quality indicators of the purchasing function**
- Businesses should buy raw materials/products in bulk at lower/discounted prices√√
- Select reliable suppliers that render the best quality raw materials/capital goods at reasonable prices. √√
- Place orders timeously and do regular follow-ups to ensure that goods are delivered on time. √√
- Effective co-ordination between the purchasing and production departments so that purchasing staff understand the production process/requirements. √√
- Required quantities should be delivered at the right time and place. √√
- Implement/Maintain stock control systems to ensure the security of stock. √√
- Maintain optimum stock levels to avoid overstocking/reduce out-dated stock. √√
- Monitor and report on minimum stock levels to avoid stock-outs. √√
- Effective use of storage space and maintain product quality while in storage. √√
- Involve suppliers in strategic planning/product design/material selection/quality control processes. √√
- Ensure that there is no break in production due to stock shortages. √√

- Establish relationships with suppliers so that they are in alignment with the business's vision/mission/values. √√
- Have a thorough understanding of supply chain management to apply the correct procurement procedures/processes. √√
- Any other relevant answer related to the quality indicators of the purchasing function.

Max (4)
[40]

BREAKDOWN OF MARKS

QUESTION 4	MARKS
4.1	4
4.2	4
4.3.1	2
4.3.2	6
4.4	4
4.5	4
4.6.1	2
4.6.2	4
4.7	6
4.8	4
TOTAL	40

TOTAL SECTION B: 80

SECTION C

Mark the answers to the FIRST question only.

QUESTION 5: BUSINESS ENVIRONMENTS (LEGISLATION)

5.1 **Introduction**

- The Labour Relations Act enables employees to apply their rights in the workplace. √
- LRA provides sound legal structures that promote labour peace in the workplace. √
- The correct implementation of this Act may prevent unnecessary labour disputes and unlawful industrial actions. √
- Businesses should try to comply with this Act to avoid wasting time attending court cases resulting in low productivity. √
- Any other relevant introduction related to the rights of employees in terms of the LRA/purpose of the LRA/impact of the LRA on businesses/penalties for non-compliance with the LRA.

Any (2 x 1) (2)

5.2 **Rights of employees in terms of the Labour Relations Act/LRA**

- Employees may join a trade union of their choice. √√
- May embark on legal strikes as a remedy for grievances. √√
- Refer unresolved workplace disputes to the CCMA. √√
- Refer unresolved CCMA disputes to the Labour Court on appeal. √√
- Request trade union representatives to assist/represent employees in the grievance/disciplinary hearing. √√
- Trade union representatives may take reasonable time off work with pay, to attend to trade union duties. √√
- Establish a workplace forum where a business has 100 or more employees to resolve work-related issues. √√
- Any other relevant answer related to the rights of employees in terms of the LRA.

Max (10)

5.3 **Purpose of the Labour Relations Act/LRA**

- Provides a framework/structure for labour relations √ between employers/employees/trade unions/employers organisations. √
- Promotes/Facilitates collective bargaining √ at the workplace/at sectorial level. √
- Promotes workplace forums√ to accommodate employees in decision making. √
- Provides for the right to lock-out by the employer √ as recourse to lengthy strikes. √
- Promotes fair labour practice √ between the employers and employees. √
- Promotes simple procedures √ for the registration of trade unions/employer organisations. √
- Clarifies the transfer of employment contracts √ between the existing and new employers. √
- Advances economic development/social justice/labour peace √ to ensure that the workplace maintains the basic rights of employees. √
- Establishes the Commission for Conciliation, Mediation and Arbitration/CCMA √ for dispute resolutions. √
- Establishes Labour Courts √ and Labour Appeal Courts. √
- Any other relevant answer related to the purpose of the LRA.

Max (14)

5.4 **Impact of the Labour Relations Act/LRA**

Positives/Advantages

- Promotes a healthy relationship √ between the employer and employees. √
- Protects the rights of businesses √ in labour relations issues. √
- Labour disputes are settled quicker √ and are less expensive. √
- Workplace forums can add value to businesses √ if it functions properly. √
- Protects employers who embark on lawful lock-outs √ when negotiations between parties fail. √
- LRA provides for the principles of collective bargaining √ and puts structures in place with which disputes in the workplace can be settled. √
- Provides specific guidelines for employers √ on correct and fair disciplinary procedures. √
- Employers and employees have guidelines √ regarding correct and fair dismissal procedures. √
- Provides a mechanism/framework √ such as statutory councils/collective bargaining/CCMA. √
- Employers are entitled to compensation from the Labour Court √ if they suffered damages as a result of unprotected strikes. √
- Any other relevant answer related to the positive impact/advantages of the LRA on businesses.

AND/OR

Negatives/Disadvantages

- Reduced global competitiveness √ due to lower productivity. √
- Productivity may decrease √ if employees are allowed to participate in the activities of trade unions during work time. √
- Costs of labour increases √ because of legal strikes. √
- Employers may not get a court interdict √ to stop a strike. √
- Employers may have to disclose information about workplace issues to union representatives √ that could be the core of their competitive advantage. √
- Employers may not dismiss employees at will √, as procedures have to be followed. √
- Many employees take advantage of the right to strike √ without acknowledging their responsibilities. √
- Many employees and employers √ do not understand/respect the Labour Relations Act. √
- Strike actions always result in loss of production √ for which employers may not claim. √
- Some trade unions may not promote the mandate of their members √ but embark on industrial action, which is harmful to labour relations between employers and employees. √
- Some businesses may feel that the LRA gives employees too much power √ as it creates lengthy procedures such as consulting with workplace forums. √
- Labour disputes and bargaining council processes become disruptive/ time-consuming √ and can lead to a decrease in productivity/profitability in businesses. √
- Any other relevant answer related to the negative impact/disadvantages of the LRA on businesses.

Max (14)

5.5 **Penalties for non-compliance with the Labour Relations Act/LRA**

- The employer may be forced to enter into a dispute resolution process. √√
- Businesses will be fined if they fail to comply with the agreements reached during the dispute resolution process. √√
- Businesses that fail to comply with this Act may risk financial costs such as legal/CCMA fees and fines. √√
- The Labour inspectors may investigate and ask questions about complaints. √√
- Businesses can be ordered to pay compensation and damages to the employee. √√
- The Labour inspector could order businesses to stop operating should the business be found guilty of illegal practices. √√
- Businesses may be taken for a ruling to the Labour Court. √√
- Any other relevant answer related to penalties that businesses may face for non-compliance with the LRA.

Max (8)

5.6 **Conclusion**

- The rights of the employees provide a legal framework for acceptable labour practices in the workplace. √√
- The collective bargaining process enable employer organisations and trade unions to agree on labour issues resulting in reduced labour disputes. √√
- Fair labour practices promote peace and harmony in the workplace. √√
- Businesses need to comply with the Act to avoid unnecessary financial burden and unhealthy working environment. √√
- Any other relevant conclusion related to the rights of employees in terms of the LRA/purpose of the LRA/impact of the LRA on businesses/penalties for non-compliance with the LRA.

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

QUESTION 5: BREAKDOWN OF MARK ALLOCATION

DETAILS	MAXIMUM	TOTAL
Introduction	**2**	**Max 32**
Rights of employees in terms of the LRA	**10**	
Purpose of the LRA	**14**	
Impact of the LRA on businesses	**14**	
Penalties for non-compliance with the LRA	**8**	
Conclusion	**2**	
INSIGHT		
Layout	**2**	**8**
Analysis, interpretation	**2**	
Synthesis	**2**	
Originality/Examples	**2**	
TOTAL MARKS		**40**

LASO - For each component:
Allocate 2 marks if all requirements are met.
Allocate 1 mark if only some of the requirements are met.
Allocate 0 marks where requirements are not met at all.

QUESTION 6: BUSINESS OPERATIONS (QUALITY OF PERFORMANCE)

6.1 **Introduction**

- Quality control plays an important role in the entire production process as it determines the results of the end product. √
- Quality assurance enables businesses to identify and correct product defects during the initial stage of production. √
- A good quality management system may allow businesses to continuously review their quality processes that are aimed at producing quality products. √
- A continuous effort of management to develop employees' skills may contribute to quality products. √
- Businesses should continuously analyse customers' needs and develop turn around strategies to satisfy their customers. √
- Quality circles offer good recommendations as they consist of specialists from different departments. √
- Any other relevant introduction related to the differences between quality control and quality assurance/benefits of a good quality management system/impact of continuous skills development and total client/customer satisfaction/role of quality circles.

Any (2 x 1) (2)

6.2 **Differences between quality control and quality assurance**

QUALITY CONTROL	QUALITY ASSURANCE
- System that ensures the desired quality is met by inspecting the final product. √√	- Checks carried out during and after the production process. √√
- Ensure that finished products meet the required standards. √√	- Ensure that required standards have been met at every stage of the process. √√
- Process of ensuring that products are consistently manufactured to high standards. √√	- Processes put in place to ensure that the quality of products/services/ systems adhere to pre-set standards with minimal defects/delays/shortcomings. √√
- Checking raw materials/employees/ machinery/workmanship/products to ensure that high standards are maintained. √√	- Ensuring that every process is aimed to get the product 'right the first time' and prevent mistakes from happening. √√
- Includes setting targets/measuring performance and taking corrective measures. √√	- The 'building in' of quality as opposed to 'checking of' quality. √√
- Any other relevant answer related to quality control.	- Any other relevant answer related to quality assurance.
Submax (4)	Submax (4)

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

Max (8)

6.3 **Benefits of a good quality management system**

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

Max (12)

6.4 **Impact of total quality management/TQM elements on large businesses**

6.4.1 **Continuous skills development/Education and training**

Positives/Advantages

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

AND/OR

Negatives/ Disadvantages

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

Submax (8)

6.4.2 **Total client/customer satisfaction**

Positives/Advantages

- Large businesses use market research/customer surveys √ to measure/monitor customer satisfaction/analyse customers' needs. √
- Continuously promote √ a positive company image. √
- May achieve a state of total client/customer satisfaction √, if businesses follow sound business practices that incorporate all stakeholders. √
- Strive to understand and fulfil customer expectations √ by aligning cross-functional teams across critical processes. √
- Ensures that cross-functional teams understand their core competencies √ and develop/strengthen it. √
- May lead to higher customer retention/loyalty √ and businesses may be able to charge higher prices. √
- Large businesses may be able to gain access √ to the global market. √
- May lead to increased √ competitiveness/profitability. √
- Any other relevant answer related to the positive impact/advantages of total client/customer satisfaction as a TQM element on large businesses.

AND/OR

Negatives/Disadvantages

- Employees who seldom meet customers √ often do not have a clear idea of what will satisfy their needs. √
- Monopolistic companies have an increased bargaining power √ so they do not necessarily have to please customers. √
- Not all employees may be involved /committed √ to total client/customer satisfaction. √
- Any other relevant answer related to the negative impact/disadvantages of total client/customer satisfaction as a TQM element on large businesses.

Submax (8)
Max (14)

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

- Solve problems related to quality and implement improvements. √√
- Investigate problems and suggest solutions to management. √√
- Ensure that there is no duplication of activities/tasks in the workplace. √√
- Make suggestions for improving processes and systems in the workplace. √√
- Improve the quality of products/services/productivity through regular reviews of quality processes. √√
- Monitor/Reinforce strategies to improve the smooth running of business operations. √√
- Increase employees' morale and motivation. √√
- Discuss ways of improving the quality of work/workmanship. √√
- Contribute towards the improvement and development of the organisation. √√
- Reduce costs of redundancy and wasteful efforts in the long run. √√
- Increase the demand for products/services of the business. √√
- Create harmony and high performance in the workplace. √√
- Build a healthy workplace relationship between the employer and employee. √√
- Improve employees' loyalty/commitment to the organisational goals. √√
- Improve employees' communication at all levels of the business. √√

- Develop a positive attitude/sense of involvement in decision making processes of the services offered. √√
- Any other relevant answer related to the role of quality circles as part of continuous improvement to processes and systems.

Max (12)

6.6 **Conclusion**

- Quality control enables businesses to avoid fruitless expenditure due to low sales resulting from poor products. √√
- Quality assurance minimises the number of products that customers will return for a replacement item or to get a refund. √√
- Businesses should always review the implementation of quality control and quality assurance to continuously enjoy the benefits of a good quality management system. √√
- The correct implementation of continuous skills development may enable employees to work effectively and meet targets. √√
- Total client/customer satisfaction helps businesses to effectively implement total quality and ensure they meet all requirements of its customers. √√
- Quality circles enable businesses to put operational systems and guidelines in place aimed at achieving high customer satisfaction. √√
- Any other relevant conclusion related to the differences between quality control and quality assurance/benefits of a good quality management system /impact of continuous skills development and total client/customer satisfaction/role of quality circles.

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

QUESTION 6: BREAKDOWN OF MARK ALLOCATION

DETAILS	MAXIMUM	TOTAL
Introduction	**2**	**Max 32**
Differences between quality control and quality assurance	**8**	
Benefits of a good quality management system	**12**	
Impact of TQM elements on large businesses: o Continuous skills development/Education and training o Total client/customer satisfaction	**14**	
Role of quality circles as part of continuous improvement to processes and systems	**12**	
Conclusion	**2**	
INSIGHT		**8**
Layout	**2**	
Analysis/Interpretation	**2**	
Synthesis	**2**	
Originality/Examples	**2**	
TOTAL MARKS		**40**

LASO – For each component:
Allocate 2 marks if all requirements are met.
Allocate 1 mark if some requirements are met.
Allocate 0 marks where requirements are not met at all

TOTAL SECTION C: 40
GRAND TOTAL: 150

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