



**NATIONAL  
SENIOR CERTIFICATE**

**GRADE 12**

**SEPTEMBER 2023**

**BUSINESS STUDIES P1  
MARKING GUIDELINE**

**MARKS: 150**

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This marking guideline consists of 27 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
School moderation:	Green
District moderation:	Orange
Provincial moderation:	Purple

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.
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:** *'COVIDA 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. *'COVIDA 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 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 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	<b>Maximum: 32</b>
Content	
Conclusion	
Insight	<b>8</b>
<b>TOTAL</b>	<b>40</b>

15.2 Insight consists of the following components:

Layout/Structure	Is there an introduction, a body, and a conclusion?	<b>2</b>
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')	<b>2</b>
Synthesis	Are there relevant decisions/facts/responses made based on the questions?  Marks to be allocated using this guide:  Option 1: <b>Only relevant facts: 2 marks (No '-S')</b> 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: <b>Some relevant facts: 1 mark (One '-S')</b> 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: <b>Some relevant facts: 1 mark (One '-S')</b> Where a candidate writes FOUR questions, but one sub-question of the question with no relevant facts; one '-S' appears in the left margin. Award a maximum of ONE (1) mark for synthesis.  Option 4: <b>No relevant facts: 0 marks (Two '-S')</b> Where a candidate answers less than 50% (only one sub-question) of the question with no relevant facts; two '-S' appear in the left margin. Award a ZERO mark for synthesis.	<b>2</b>
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?	<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 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/marketing 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.

<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 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 A ✓✓  
 1.1.3 D ✓✓  
 1.1.4 A ✓✓  
 1.1.5 C ✓✓  
 (5 x 2) (10)
- 1.2 1.2.1 BBBEE Act ✓✓  
 1.2.2 micro ✓✓  
 1.2.3 interview ✓✓  
 1.2.4 act as needed ✓✓  
 1.2.5 total quality management ✓✓  
 (5 x 2) (10)
- 1.3 1.3.1 F ✓✓  
 1.3.2 I ✓✓  
 1.3.3 G ✓✓  
 1.3.4 E ✓✓  
 1.3.5 B ✓✓  
 (5 x 2) (10)

**TOTAL SECTION A: 30****BREAKDOWN OF MARKS**

<b>QUESTION 1</b>	<b>MARKS</b>
<b>1.1</b>	<b>10</b>
<b>1.2</b>	<b>10</b>
<b>1.3</b>	<b>10</b>
<b>TOTAL</b>	<b>30</b>

**SECTION B**

Mark the answers to the **FIRST TWO** questions only.

**QUESTION 2: BUSINESS ENVIRONMENTS****2.1 Types of diversification strategies**

- Concentric diversification ✓
- Horizontal diversification ✓
- Conglomerate diversification ✓

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

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

**2.2 Advantages of intensive strategies**

- Increase in sales/income/profitability due to a variety of advertising campaigns ✓✓
- Regular sales to existing customers may increase. ✓✓
- Gain customer loyalty through effective promotion campaigns. ✓✓
- Improved service delivery may positively impact/increase sales. ✓✓
- Eliminates competitors and dominates market prices. ✓✓
- Decrease in price could influence customers to buy more products. ✓✓
- Businesses can have more control over the price of products/services. ✓✓
- Enables the business to focus on markets/well researched quality products that satisfy the needs of consumers. ✓✓
- Increased market share reduces the business's vulnerability to actions of competitors. ✓✓
- Any other relevant answer related to the advantages of intensive strategies.

**Max. (6)**

**2.3 Business strategies****2.3.1 Type of integration strategy from the scenario**

Backward integration/Backward vertical integration ✓✓

**(2)**

**2.3.2 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)**



## 2.4 Purpose of Compensation for Occupational Injuries and Diseases Amendment Act/COIDA

- Provides a comprehensive protection to employees ✓ who injured in the course of performing their duties. ✓
- 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. ✓
- Any other relevant answer related to the purpose of COIDA.

**Max. (6)**

## 2.5 Legislation

### 2.5.1 Ways to comply with Employment Equity Act/EEA from the scenario

- The management prepared an employment equity plan in consultation with employees. ✓
- They also implemented affirmative action measures promoting diversity in the workplace. ✓

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

**2. Only award marks for responses that were quoted from the scenario.**

(2 x 1) (2)

### 2.5.2 Impact of the Employment Equity Act/EEA on businesses Positives/Advantages

- Encourages consultation ✓ between employer and employees. ✓
- Promotes equal opportunity ✓ and fair treatment in the workplace. ✓
- Impacts positively ✓ on BEE ratings for businesses. ✓
- Appointment process is clearly defined, ✓ so all parties are well informed. ✓
- Motivates employees because the workforce ✓ is more diverse/representative/inclusive. ✓
- Motivates employees because everyone has ✓ the same employment opportunities. ✓
- Promotes the implementation of affirmative action measures ✓ to redress the imbalances in employment. ✓
- Provides employees with legal recourse, ✓ if they have been unfairly discriminated against. ✓
- Provides all employees with an equal opportunity ✓ to be selected/appointed/promoted in a position. ✓
- Prevents unfair discrimination ✓ as it ensures that the workforce represents the demographics of the country. ✓
- Creates a framework ✓ of acceptable employment practices/affirmative action measures. ✓
- Encourages diversity in business ✓ by employing people from various racial backgrounds. ✓
- Businesses are in a better position ✓ to negotiate contracts with the government. ✓

- Certified psychometric tests may be used ✓ to assess applicants/employees to ensure that they are suitable for the vacancy. ✓
- Any other relevant answer related to the positive impact/ advantages of the EEA on businesses.

### AND/OR

#### Negatives/Disadvantages

- Expensive to train/employ ✓ someone who knows little about the Act. ✓
- Fines/Penalties for non-compliant businesses ✓ may be expensive for the business. ✓
- Diversity in the workplace ✓ may lead to conflict/unhappiness. ✓
- Often positions go unfilled ✓ because there are no suitable Employment Equity candidates. ✓
- Skilled people from designated groups may demand higher salaries, ✓ which increase salary expenses. ✓
- Job hopping of skilled/trained Employment Equity appointees ✓ may increase staff turnover. ✓
- Increased administration burden, ✓ as businesses must compile/submit employment equity reports every two years. ✓
- 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 Employment Equity person ✓ to meet Employment Equity requirements. ✓
- Other groups may not respect the knowledge/skills/experience of an Employment Equity appointment ✓ and it may lead to conflict. ✓
- Any other relevant answer related to the negative impact/ disadvantages of the EEA on businesses.

**Max. (6)**

#### 2.6 Penalties that businesses may face for non-compliance with the NCA

- Businesses may not demand payment, ✓ sue or attach the clients/consumers salaries/assets. ✓
- Business may not charge any fee/interest ✓/other charges ✓ under that specific credit agreement. ✓
- Court may declare the granting of credit by the business reckless ✓ and may order consumers not to repay the credit/or part thereof to the business. ✓
- National Credit Regulator may impose a fine/penalty ✓ on the business for non-compliance. ✓
- Business will bear all costs of removing the negative information of clients ✓/ consumers who were blacklisted as a result of reckless lending. ✓
- Any other relevant answer related to penalties that businesses may face for non-compliance with the National Credit Act.

**Max. (6)**

2.7 **Application of power of the suppliers as a force of the Porter's Five Forces model**

- Suppliers that deliver high quality products, may have power over the business. ✓✓
- Assess the power of the suppliers in influencing prices. ✓✓
- The more powerful the suppliers, the less control the business has over them. ✓✓
- The smaller the number of suppliers, the more powerful they may be as the choice of suppliers may be limited. ✓✓
- Assess the kind of power suppliers' have in terms of quality services/reliability/ability to make prompt deliveries. ✓✓
- Any other relevant answer related to how businesses could apply power of suppliers as a force of Porter's Five Forces model to analyse their position in the market environment.

Max. (4)  
[40]

**BREAKDOWN OF MARKS**

QUESTION 2	MARKS
2.1	2
2.2	6
2.3.1	2
2.3.2	6
2.4	6
2.5.1	2
2.5.2	6
2.6	6
2.7	4
<b>TOTAL</b>	<b>40</b>

**QUESTION 3: BUSINESS OPERATIONS****3.1 Sources of external recruitment**

- Recruitment agencies ✓
- Billboards ✓
- Printed media such as newspapers/flyers/pamphlets/magazines/posters/  
government gazette ✓
- Electronic media such as radio/internet/TV ✓
- Social media/Social networks/Business websites ✓
- Walk-ins ✓
- Head hunting ✓
- Professional associations ✓
- Networking ✓
- Educational/Training institutions ✓
- Word-of-mouth ✓
- Any other relevant answer related to sources of external recruitment.

**NOTE: Mark the first THREE (3) only.** (3 x 1) (3)

**3.2 Placement procedure as a human resource activity**

- Businesses should outline the specific responsibilities of the new position, including the expectations/skills required for this position. ✓✓
- Determine the successful candidates' strengths/weaknesses/interests/skills by subjecting him/her to a range of psychometric tests. ✓✓
- Determine the relationship between the position and the competencies of the new candidate. ✓✓
- Any other relevant answer related to the placement procedure as a human resource activity.

**Max. (4)**

**3.3 Methods of recruitment****3.3.1 Method of recruitment from the scenario**

Internal recruitment ✓✓ (2)

**Motivation**

Hope Logistics advertised a vacancy for a 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 fringe benefits for businesses**

- Attractive fringe benefit packages ✓ may result in higher employee retention/reduces employee turnover. ✓
- Attracts qualified/skilled/experienced employees ✓ who may positively contribute towards the business goals/objectives. ✓
- Improves productivity ✓ resulting in higher profitability. ✓
- It increases employee satisfaction/loyalty/morale, ✓ as they may be willing to go the extra mile. ✓
- Businesses save money ✓ as benefits are tax deductible. ✓
- Fringe benefits can be used as leverage ✓ for salary negotiations. ✓
- Any other relevant answer related to the advantages of fringe benefits for businesses.

**Max. (4)**

**3.4 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. (6)****3.5 Quality indicators of the production function**

- Provide high quality services/products according to specifications. ✓✓
- The production/operating processes of a business should be done correctly through proper production planning and control. ✓✓
- Products and services should be produced at the lowest possible cost to allow for profit maximisation. ✓✓
- Businesses should clearly communicate the roles and responsibilities to the production workforce. ✓✓
- Products must meet customers' requirements by being safe, reliable and durable. ✓✓
- Businesses should have good after-sales services and warranties. ✓✓
- Empower workers so that they can take pride in their workmanship. ✓✓
- Get accreditation from the SABS/ISO 9001 to ensure that quality products are being produced. ✓✓
- Specify the product or service standards and take note of the factors that consumers use to judge quality. ✓✓
- Monitor processes and find the root causes of production problems. ✓✓
- Implement quality control systems to ensure that quality products are consistently being produced. ✓✓
- Utilise machines and equipment optimally. ✓✓
- Accurately calculate the production costs. ✓✓
- Select the appropriate production system such as mass/batch/jobbing. ✓✓
- Any other relevant answer related to the quality indicators of the production function.

**Max. (4)**

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

**3.6.1 Impact of TQM if poorly implemented from the scenario**

- The reputation of RS is suffering because of poor quality products. ✓
- RS is also experiencing a high staff turnover because of poor skills development. ✓

**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 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. ✓
- 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. ✓
- Undocumented/Uncontrolled quality control processes/systems ✓ could result in errors/deviations from pre-set quality standards. ✓
- Any other relevant answer related to other impact of TQM if poorly implemented by businesses.

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

**Max. (4)**

**3.7 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.
Sub-max. (2)	Sub-max. (2)

- 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 TWO (2) marks if the differences are not clear/Mark either quality control or quality assurance only.

**Max. (4)**

**3.8 Impact of continuous skills development as a total quality management/ TQM element**

**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 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 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
<b>TOTAL</b>	<b>40</b>

**QUESTION 4: MISCELLANEOUS TOPICS****BUSINESS ENVIRONMENTS****4.1 Provisions of the Basic Conditions of Employment Act/BCEA**

- Regulation of working time/Ordinary hours of work/overtime/meal intervals and rest periods/Sunday work/public holidays. ✓
- Leave/annual/sick/family responsibility/maternity/paternity/parental. ✓
- Particulars of employment and remuneration. ✓
- Termination of employment. ✓
- Prohibition of employment of children and forced labour. ✓
- Any other relevant answer related to the provisions of the BCEA.

**NOTE: Mark the first FOUR (4) only.****(4 x 1) (4)****4.2 Strategic management process****OPTION 1**

- Have a clear vision/mission statement/measurable/realistic objective in place. ✓✓
- Identify opportunities/weaknesses/strengths/threats by conducting environmental scanning/situational analysis. ✓✓
- Tools available for environmental scanning may include a SWOT analysis/Porter's Five Forces model/PESTLE analysis/industrial analysis tools. ✓✓
- Formulate alternative strategies to respond to the challenges. ✓✓
- Develop (an) action plan(s), including the tasks to be done/deadlines to be met/ resources to be procured. ✓✓
- Implement selected strategies by communicating it to all stakeholders/organising business resources/motivating staff. ✓✓
- Continuously evaluate/monitor/measure strategies in order to take corrective action. ✓✓
- Any other relevant answer related to the strategic management process.

**OR****OPTION 2**

- Review/Analyse/Re-examine their vision/mission statement. ✓✓
- Conduct an environmental analysis using models such as SWOT/PESTLE/Porter's Five Forces. ✓✓
- Formulate a strategy, such as a defensive/retrenchment strategy. ✓✓
- Implement a strategy, using a template such as an action plan. ✓✓
- Control/Evaluate/Monitor the implemented strategy to identify gaps/deviations in implementation. ✓✓
- Take corrective action to ensure goals/objectives are met. ✓✓
- Any other relevant answer related to the strategic management process.

**Max. (6)**



**4.3 PESTLE elements from statements**

4.3.1 Environmental ✓✓

4.3.2 Economical ✓✓

4.3.3 Technological ✓✓

(3 x 2) (6)

**4.4 Implications of management control as a BBEE pillar for businesses**

- Businesses must ensure that transformation is implemented at all levels. ✓✓
- Appoint black people in senior executive positions/to management. ✓✓
- Involve black people in the strategic decision-making processes. ✓✓
- Ensure that black females are represented in management. ✓✓
- Businesses score points in management when selling more than 25% of their shares to black investors, so that some of them can become directors. ✓✓
- Due to a shortage of skilled black managers/directors, some businesses find it difficult to make appointments. ✓✓
- Businesses are directly penalised for not implementing this pillar. ✓✓
- Any other relevant answer related to the implications of management control as a BBEE pillar for businesses.

**Max. (4)****BUSINESS OPERATIONS****4.5 Aspects that should be included in an induction programme**

- Safety regulations and rules. ✓
- Overview of the business. ✓
- Information about the business products/services. ✓
- Meeting with senior management who will explain the company's vision/values/job descriptions/daily tasks. ✓
- Tour of the premises. ✓
- Introduction to key people and close colleagues. ✓
- Conditions of employment, e.g. working hours/leave application process/disciplinary procedures, ✓ etc.
- Administration details on systems/processes/logistics. ✓
- Discussion of the employment contract and conditions of service. ✓
- Discussion on personnel policies, e.g. making private phone calls/using the internet, ✓ etc.
- Discussion on employee benefits. ✓
- Corporate social responsibility programmes. ✓
- Any other relevant answer related to aspects that should be included in an induction programme.

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

(4 x 1) (4)

**4.6 Link between salary determination and the Basic Conditions of the Employment Act**

- BCEA outlines legalities, such as the employment contract, which may affect salary determination. ✓✓
- Payment of salaries should be based on whether the employee is permanent or employed on a fixed contract. ✓✓
- The BCEA sets out conditions that ensure fair labour and human resources practices. ✓✓
- According to the BCEA, businesses may use different remuneration methods to pay their employees. ✓✓
- Businesses are supposed to deduct income tax (PAYE) from the employees' taxable salaries. ✓✓
- Any other relevant answer related to the link between salary determination and the Basic Conditions of the Employment Act.

**Max. (6)**

**4.7 Quality indicators of the administration function**

**4.7.1 Quality indicators of the administration function from the scenario**

- They use modern technology efficiently. ✓
- The administration department also make reliable information available to management on time. ✓

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

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

**4.7.2 Other quality indicators of the administration function**

- Fast and reliable data capturing ✓ and processing systems. ✓
- Make relevant information available ✓ for quick decision-making. ✓
- Handle complaints quickly ✓ and effectively. ✓
- Implement effective risk management policies ✓ to minimise business losses. ✓
- Quality assurance/Control/Evaluation is recorded ✓ accurately. ✓
- All documentation is kept neatly ✓ and orderly in a safe place. ✓
- Easy to recall ✓ and find information/documentation. ✓
- Financial documents are kept up to date ✓ and recorded accurately. ✓
- All systems and processes ✓ are documented. ✓
- Any other relevant answer related to quality indicators of the administration function.

**NOTE: Do not award marks for responses that were quoted in QUESTION 4.7.1**

**Max. (4)**

4.8 **Ways in which TQM can reduce the cost of quality**

- Introduce quality circles to discuss ways of improving the quality of their work/workmanship. ✓✓
- Schedule activities to eliminate duplication of tasks. ✓✓
- Share responsibility for quality output amongst management and workers. ✓✓
- Train employees at all levels, so that everyone understands their roles in quality management. ✓✓
- Develop work systems that empower employees to find new ways of improving quality. ✓✓
- Work closely with suppliers to improve the quality of raw materials/ inputs. ✓✓
- 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 ways in which TQM can reduce the cost of quality.

Max. (4)  
[40]

**BREAKDOWN OF MARKS**

<b>QUESTION 4</b>	<b>MARKS</b>
<b>4.1</b>	<b>4</b>
<b>4.2</b>	<b>6</b>
<b>4.3</b>	<b>6</b>
<b>4.4</b>	<b>4</b>
<b>4.5</b>	<b>4</b>
<b>4.6</b>	<b>6</b>
<b>4.7.1</b>	<b>2</b>
<b>4.7.2</b>	<b>4</b>
<b>4.8</b>	<b>4</b>
<b>TOTAL</b>	<b>40</b>

**TOTAL SECTION B: 80**

**SECTION C**

Mark the answers to the **FIRST** question only.

**QUESTION 5: BUSINESS ENVIRONMENTS (LEGISLATION)****5.1 Introduction**

- SETAs are responsible for identifying skills shortages and develop strategies to overcome these challenges. ✓
- All SETAs operate through a levy-grant system, as determined by the Skills Development Levies Act. ✓
- The SDA aims to link learning to the demands of the labour market. ✓
- Businesses should make an effort to comply with this Act to avoid penalties. ✓
- Any other relevant introduction related to the role of SETAs/purpose of the SDA/impact of the SDA on businesses/ways in which businesses could comply with the SDA.

(Any 2 x 1) (2)

**5.2 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. (12)

### 5.3 Purpose of Skill Development Act/SDA

- Develops the skills of South Africans ✓ in order to improve productivity in the workplace. ✓
- Encourages businesses to improve ✓ the skills of new and existing workers. ✓
- Invests in the education and training ✓ of the South African workforce. ✓
- Purposefully redresses imbalances of the past ✓ through education and training. ✓
- Improves the job prospects ✓ of previously disadvantaged people. ✓
- Provides the systematic implementation of strategies ✓ on a national, sector and workplace basis. ✓
- Any other relevant answer related to the purpose of the Skill Development Act.

**Max. (8)**

### 5.4 Impact of Skills Development Act/SDA on businesses Positives/Advantages

- Increases the number of skilled employees ✓ in areas where these skills are scarce. ✓
- Trains employees ✓ to improve productivity in the workplace. ✓
- Increases global ✓ competitiveness. ✓
- On-going skills development/learning/acquisition of new skills are encouraged ✓ to sustain the improvement of skills development. ✓
- Increases investment in education and training ✓ in the labour market. ✓
- Increases the return on investment ✓ in education and training. ✓
- Improves employment opportunities ✓ and labour movement. ✓
- Self-employment ✓ and entrepreneurship are promoted. ✓
- Workplace discrimination ✓ can be addressed through training. ✓
- Workplace is used as an active learning environment ✓ where employees can gain practical job experience. ✓
- Businesses may claim back some of the costs of training ✓ as a refund from relevant SETA's. ✓
- Improves quality products/service delivery ✓ as business employ more skilled workers. ✓
- Any other relevant answer related to the positive impact/advantages of the SDA on businesses.

**AND/OR**

### Negatives/Disadvantages

- The SDA process is prescriptive/requires a large amount of paperwork/administration ✓ which can cost time/money. ✓
- Skills Development Levy could be an extra burden ✓ to financially struggling businesses. ✓
- It may be monitored/controlled by government departments ✓ that do not have education/training as their key priorities. ✓
- Many courses offered by companies may not have unit standards ✓ that relate to the course content. ✓
- Many service providers that offer training services ✓ are not SAQA accredited. ✓
- Many businesses may not support ✓ this government initiative. ✓
- Implementation of the SDA can be difficult ✓ to monitor and control. ✓

- Employees are expected to attend learnerships during work hours ✓ which could affect the production process/productivity. ✓
- It can be costly for businesses to employ a person ✓ to implement/ manage/control learnerships. ✓
- The time/money spent on improving employee skills is wasted, ✓ if they leave the business. ✓
- Only companies with a staff payroll over R500 000 per annum ✓ can claim the Skills Development levy. ✓
- Any other relevant answer related to the negative impact/disadvantages of the SDA on businesses.

**Max. (14)**

#### 5.4 **Ways in which businesses could comply with the SDA**

- Businesses/Employers who collect PAYE should register with the relevant SETAs. ✓✓
- One per cent (1%) of an employer's payroll has to be paid over to the SETA. ✓✓
- Businesses should register with SARS in the area in which their business is classified (in terms of the SETA). ✓✓
- Employers should submit a workplace skills plan and provide evidence that it was implemented. ✓✓
- Businesses with more than 50 employees must appoint a skills development facilitator. ✓✓
- Assess the skills of employees to determine areas in which skills development are needed. ✓✓
- Encourage employees to participate in learnerships and other training programmes. ✓✓
- Provide all employees with the opportunity to improve their skills. ✓✓
- Any other relevant answer related to ways in which businesses could comply with the SDA.

**Max. (12)**

#### 5.6 **Conclusion**

- SETAs were established to ensure that the workplace training and skills development are approved by the South African Qualifications Authority (SAQA). ✓✓
- Businesses must register for and pay their skills development levy to the SARS, which then allocates this money to the SETA that each specific company has registered with. ✓✓
- The Skills Development Act plays an important role in contributing to the economic growth of the country. ✓✓
- Businesses should strive to comply with the SDA to avoid unnecessary penalties. ✓✓
- Any other relevant conclusion related to the role of SETAs/purpose of the SDA/impact of the SDA on businesses/ways in which businesses could comply with the SDA.

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

**[40]**

**QUESTION 5: BREAKDOWN OF MARKS**

<b>DETAILS</b>	<b>MAXIMUM</b>	<b>TOTAL</b>
Introduction	2	<b>Max. 32</b>
Role of SETAs in supporting the SDA	12	
Purpose of SDA	8	
Impact of SDA on businesses	14	
Ways in which businesses could comply with the SDA	12	
Conclusion	2	
<b>INSIGHT</b>		
Layout	2	<b>8</b>
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 6: BUSINESS OPERATIONS (HUMAN RESOURCES FUNCTION)****6.1 Introduction**

- The best candidate for the position can be chosen from the pool of applicants as a result of a clear job description and job specification. ✓
- The human resources manager is responsible for selecting and appointing qualified employees. ✓
- The aim of induction is to familiarise the new employee with their position and surroundings. ✓
- An employment contract sets out the legal conditions of employment that must be observed by both the employer and the employee. ✓
- Any other relevant introduction related to the differences between job description and job specification/selection procedure/benefits of induction for businesses/legal requirements of the employment contract.

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

## 6.2 Differences between job description and job specification

JOB DESCRIPTION	JOB SPECIFICATION
- Describes the duties/responsibilities of a specific job. ✓✓	- Describes the minimum acceptable personal qualities/skills/qualifications needed for the job. ✓✓
- Written description of the job and its requirements/Summary of the nature/type of the job. ✓✓	- Written description of specific qualifications/skills/experience needed for the job. ✓✓
- Describes key performance areas/tasks for a specific job such as job title/working conditions/relationship of the job with other jobs in the business. ✓✓	- Describes key requirements for the person who will fill the position such as formal qualifications/willingness to travel/work unusual hours. ✓✓
- Any other relevant answer related to job description.	- Any other relevant answer related job specification.
Sub-max. (4)	Sub-max. (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 job description or job specification only.

**Max. (8)**

## 6.3 Selection procedure

### OPTION 1

- Determine fair assessment criteria ✓ on which selection will be based. ✓
- Applicants must submit ✓ the application forms/curriculum vitae and certified copies of personal documents/IDs/proof of qualifications. ✓
- Sort the received documents/CVs ✓ according to the assessment/selection criteria. ✓
- Screen/Determine which applications meet the minimum job requirements ✓ and separate these from the rest. ✓
- Preliminary interviews are conducted ✓ if many suitable applications were received. ✓
- Reference checks should be made ✓ to verify the content of CVs such as contacting previous employers to check on their work experience. ✓
- Compile a shortlist ✓ of potential candidates identified. ✓
- Shortlisted candidates may be subjected ✓ to various types of selection tests such as skills tests. ✓
- Invite shortlisted candidates ✓ for an interview. ✓
- A written offer ✓ is made to the selected candidate. ✓
- Inform unsuccessful applicants ✓ about the outcome of their application. ✓/Some adverts indicate the deadline ✓ for informing only successful candidates. ✓
- Any other relevant answer related to the selection procedure.

**OR**



**OPTION 2**

- Receive documentation such as application forms ✓ and sort it according to the criteria of the job. ✓
- Evaluate CVs ✓ and create a shortlist/Screen the applicants. ✓
- Check information in the CVs ✓ and contact references. ✓
- Conduct preliminary sifting interviews ✓ to identify applicants who are not suitable for the job, although they meet all requirements. ✓
- Assess/Test candidates who have applied for senior positions ✓ to ensure the best candidate is chosen. ✓
- Conduct interviews ✓ with shortlisted candidates. ✓
- Offer employment in writing ✓ to the selected candidate(s). ✓
- Any other relevant answer related to the selection procedure.

**Max. (14)****6.4 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. (14)**

**6.5 Legal requirements of the employment contract**

- The employer and employee/Both parties must sign the contract. ✓✓
- Employer and employee must agree to any changes to the contract. ✓✓
- No party may unilaterally change aspects of the employment contract. ✓✓
- The remuneration package/including benefits must be clearly indicated. ✓✓
- The employment contract may not contain any requirements that are in conflict with the BCEA. ✓✓
- Aspects of the employment contract can be renegotiated during the course of employment. ✓✓
- The employer must explain the terms and conditions of the employment contract to the employee. ✓✓
- Conditions of employment/duties/responsibilities of the employees must be stipulated clearly. ✓✓
- 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. ✓✓
- The employment contract should include a code of conduct and code of ethics. ✓✓
- Any other relevant answer related to the legal requirements of the employment contract.

**Max. (10)****6.6 Conclusion**

- A detailed job analysis is crucial to avoiding the unnecessary expense of re-advertising the vacancy. ✓✓
- A well-organised selection process will result in identifying and appointing the most suitable candidate. ✓✓
- A good induction programme enables new employees to have a fundamental understanding of what is expected in the new job/position. ✓✓
- Businesses should align the employment contract according to the requirements of the BCEA to avoid unnecessary legal actions. ✓✓
- Any other relevant conclusion related to the differences between job description and job specification/selection procedure/benefits of induction for businesses/legal requirements of the employment contract.

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

**QUESTION 6: BREAKDOWN OF MARK ALLOCATION**

<b>DETAILS</b>	<b>MAXIMUM</b>	<b>TOTAL</b>
Introduction	<b>2</b>	<b>Max. 32</b>
Differences between job description and job specification	<b>8</b>	
Selection procedure	<b>14</b>	
Benefits of induction for businesses	<b>14</b>	
Legal requirements of the employment contract	<b>10</b>	
Conclusion	<b>2</b>	
<b>INSIGHT</b>		
Layout	<b>2</b>	<b>8</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.

**TOTAL SECTION C: 40**

**GRAND TOTAL: 150**