



# basic education

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

**NATIONAL  
SENIOR CERTIFICATE**

**GRADE 12**

**BUSINESS STUDIES P2**

**NOVEMBER 2020(2)**

**MARKING GUIDELINE**

**MARKS: 150**

**This marking guideline consist of 30 pages.**

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

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

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

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

Marker:	Red
Senior Marker:	Green
Deputy Chief Marker:	Brown/Black
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 responses provided by candidates, that are relevant within the context of a particular question, 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:** *'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 assessment 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 only 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 DBE for approval.

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

14.4.1 If the number of facts is 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, require 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: No relevant facts: 0 (Two '-S') Some relevant facts: 1 (One '-S') Only relevant facts: 2 (No '-S') Option 1: Where a candidate answers 50% or more 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: Where a candidate answers less than 50% 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: Where a candidate answers less than 50% 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 example per topic/subtopic based on recent information, current trends and developments not older than one (1) year?	<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/ marking guideline to each question.

- 15.5 Mark all relevant facts until the SUBMAX/MAX mark in a subsection has been attained. Write 'SUBMAX'/'MAX' after maximum marks have been obtained, 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   C√√  
             1.1.2   B√√  
             1.1.3   D√√  
             1.1.4   B√√  
             1.1.5   A√√  
(5 x 2)    **(10)**
- 1.2      1.2.1   founders'√√  
             1.2.2   co-operative. √√  
             1.2.3   privacy√√  
             1.2.4   unfair√√  
             1.2.5   decision-making. √√  
(5 x 2)    **(10)**
- 1.3      1.3.1   G√√  
             1.3.2   E√√  
             1.3.3   F√√  
             1.3.4   I√√  
             1.3.5   H√√  
(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 FIRST TWO answers only.****QUESTION 2: BUSINESS VENTURES****2.1 Examples of non-insurable risks**

- Nuclear weapons/war/political disturbances✓
- Changes in fashion✓
- Improvement/Changes in technology✓
- Irrecoverable debts✓
- Financial loss due to bad management✓
- Possible failure of a business✓
- Shoplifting during business hours✓
- Loss of income if stock is not received in time/ Time that elapses between the placing of orders and delivery✓
- Losses caused by the marketing malpractices of the business✓
- Changes in price levels from one place to another/Different prices in different places✓
- Any other relevant examples of non-insurable risks.

**NOTE: Mark the first THREE (3) only.****(3 x 1) (3)****2.2 Functions of the Johannesburg Securities Exchange/JSE**

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

**Max (6)**



2.3 **Insurance**

2.3.1 Average clause ✓✓

(2)

2.3.2 **Calculation of average clause**

Insured amount

Market value X Loss/Damage ✓

$\frac{R300\ 000}{R400\ 000} \quad \checkmark \quad \times \quad R30\ 000 \checkmark$

= R 22 500 ✓✓✓✓

- NOTE:**
1. Award full marks (4) if the answer is correct and no workings are shown.
  2. If the formula and workings were shown correctly but the final answer is wrong, award a maximum of THREE (3) marks.
  3. If the workings and the answer are incorrect, award a maximum of ONE mark for the formula.

Max (4)

2.4 **Difference between limited and unlimited liability**

LIMITED LIABILITY	UNLIMITED LIABILITY
- Losses are limited ✓ to the amount that the owner invested in the business. ✓	- The liability of the owner to pay debts/claims ✓ is not limited to the business only. ✓
- The owner's personal assets are protected ✓ against the debts of the business. ✓	- The owner's personal assets may be seized ✓ to pay for the debts of the business. ✓
- Applicable to forms of ownership/companies ✓ that have a separate legal entity/ personality ✓.	- Applicable to a sole proprietorship and partnership ✓ as they do not have a separate legal entity/personality. ✓
Any other relevant answer related to limited liability.	Any other relevant answer related to unlimited liability.
Submax (2)	Submax (2)

- NOTE:**
1. The answer does not have to be in a tabular format
  2. The difference does not have to link, but must be clear.
  3. Award a maximum of TWO (2) marks if the difference is not clear/Mark either limited or unlimited liability only.

Max (4)

2.5 **Role of personal attitude in successful leadership**

- Positive attitude releases ✓ leadership potential. ✓
- A leader's good/bad attitude ✓ can influence the success/failure of the business. ✓
- Leaders must know their strengths and weaknesses ✓ to apply their leadership styles effectively. ✓
- Great leaders understand that the right attitude ✓ will set the right atmosphere. ✓
- Leaders' attitude ✓ may influence employees'/teams' thoughts/behaviour. ✓
- Leaders should model the behaviour ✓ that they want to see in team members. ✓

- Successful leaders consider the abilities/skills of team members√ to allocate tasks/roles effectively.√
- Enthusiasm√ produces confidence in a leader.√
- A positive attitude is critical for good leadership√ because good leaders will stay with the task regardless of difficulties/challenges.√
- Successful employees and leaders have a constant desire to work√ and achieve personal/professional success.√
- Leaders with a positive attitude know√ that there is always more to learn/space to grow.√
- Any other relevant answer related to the role of personal attitude in successful leadership.

**Max (6)****2.6 Leadership styles****2.6.1 Leadership style from the scenario**

Democratic leadership style√√

**(2)****Motivation**

He requested his employees to give inputs on how they could reduce NM's production costs.√

**(1)**

- NOTE:**
1. Award marks for the leadership style even if the quote is incomplete.
  2. Do not award marks for the motivation if the leadership style was incorrectly identified.

**Max (3)****2.6.2 Situations in which a democratic leadership style can be applied in the workplace**

This leadership style can be used when:

- Group members are skilled and eager to share their ideas.√√
- The leader does not have all the information needed to make a decision and employees have valuable information to contribute.√√
- Cooperation is needed between the leader and the team.√√
- Decisions need to be looked at from several perspectives.√√
- Small dynamic companies rely on innovative and creative ideas.√√
- Any other relevant answer related to the situations in which a democratic leadership style can be applied in the workplace.

**NOTE: Mark the first THREE (3) only.****(3 x 2) (6)****2.7 Impact of video conferencing as a visual aid****Positives/Advantages**

- People can see and hear each other√ during their communication.√
- Can be used when a presenter wants to refer to documents√ such as graphs/relationships/diagrams and process steps.√
- Can be used√ for international meetings.√
- There is no need to spend time and money√ travelling to meetings.√/Can conduct meetings√ without being in the same room.√
- Documents can be viewed√ on the screen at the same time.√
- Ideas and knowledge can be communicated√ between all those at the meeting very quickly and responses gathered.√

- Brings remote workers together√ without clustering them in one venue resulting in less exposure to contagious diseases. √
- Any other relevant answer related to the positive impact/advantages of video conferencing as a visual aid.

**AND/OR**

**Negatives/Disadvantages**

- Takes away the personal aspect√ of the conversation.√
- The environment/surrounding may limit people√ to retain information effectively.√
- It may be difficult to get everyone at the same time√ when scheduling a session.√
- Workers that do not know how to use the equipment must be trained√ which may be costly/time consuming. √
- Conferencing facilities can be expensive√ and everyone who is going to attend the meeting needs access to suitable hardware and software.√
- There might be a slight delay between responses√ especially from one side of the planet to the other. √
- Bad weather/Load shedding/Data/Internet connectivity √ can disrupt/ruin the presentation on the day. √
- The webcam/video camera might not be able to view all parts of the room at the same time√.
- Some people might not be easy to see √ at the meeting. √
- Any other relevant answer related to the negative impact/disadvantages of video conferencing as a visual aid.

**Max (6)**  
**[40]**

**BREAKDOWN OF MARKS**

QUESTION 2	MARKS
<b>2.1</b>	<b>3</b>
<b>2.2</b>	<b>6</b>
<b>2.3.1</b>	<b>2</b>
<b>2.3.2</b>	<b>4</b>
<b>2.4</b>	<b>4</b>
<b>2.5</b>	<b>6</b>
<b>2.6.1</b>	<b>3</b>
<b>2.6.2</b>	<b>6</b>
<b>2.7</b>	<b>6</b>
<b>TOTAL</b>	<b>40</b>

**QUESTION 3: BUSINESS ROLES****3.1 King Code principles for good corporate governance**

- Transparency√
- Accountability√
- Responsibility√

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

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

**3.2 Team performance and conflict resolution****3.2.1 Stage of team development from the scenario**

Storming√√

(2)

**Motivation**

Team members constantly criticise each other's ideas which delays their progress.√

(1)

- NOTE:**
1. Award marks for the stage of team development even if the quote is incomplete.
  2. Do not award marks for the motivation if the stage of team development was incorrectly identified.

**Max (3)**

**3.2.2 Handling of conflict in the workplace**

- Acknowledge that there is conflict in the workplace.√√
- Candice should identify the cause of the conflict.√√
- Arrange pre-negotiations where workers/complainants will be allowed to state their case/views separately.√√
- Arrange a time and place for negotiations where all employees involved are present.√√
- Candice should arrange a meeting between conflicting employers/employees.√√
- Make intentions for intervention clear so that parties involved may feel at ease.√√
- Each party has the opportunity to express his/her own opinions/feelings.√√
- Conflicting parties may recognise that their views are different during the meeting.√√
- Analyse/Evaluate the cause(s) of conflict by breaking it down into different parts.√√
- Blame shifting should be avoided and a joint effort should be made.√√
- Direct conflicting parties towards finding/focusing on solutions.√√
- Devise/Brainstorm possible ways of resolving the conflict.√√
- Conflicting parties agree on criteria to evaluate the alternatives.√√
- Select and implement the best solution.√√
- Provide opportunities for parties to agree on the best solution.√√
- Evaluate/Follow up on the implementation of the solution(s).√√
- Monitor progress to ensure that the conflict has been resolved.√√
- Source experts on handling conflict from outside the business.√√
- Any other relevant answer related to how Candice/businesses could handle conflict in the workplace.

**NOTE: Accept the steps in any order**

**Max (6)**

**3.3 Challenges posed by abuse of work time**

- It may result in many employees√ often abusing work time.√
- Abuse of work time could result in losing customers√ or not meeting the deadlines/conflict amongst workers.√
- Wasting time costs the business money√ and affects productivity.√
- Abuse of work time results in a decline in profits√ which could damage the financial wealth of the business. √
- Effective customer services may not be rendered √ resulting in the negative image of the business. √
- Any other relevant answer related to how abuse of work time poses challenges to businesses.

**Max (6)**

**3.4 Triple bottom line**

**3.4.1 Elements of Triple bottom line from the scenario**

<b>TRIPLE BOTTOM LINE ELEMENTS</b>	<b>MOTIVATIONS</b>
1. Profit/Economic/People/Social√√	Asanda Dairies invested some of their surplus funds in the community. √
2. People/Social√√	They offer bursaries to previously disadvantaged students/Asanda Dairies invested some of their surplus funds in the community. √
3. Planet/Environment√√	AD also uses recycled containers to package their dairy products.√
Submax (4)	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 triple bottom line elements even if quotes were incomplete.**
  4. **Do not award marks for the motivations if the triple bottom line elements were incorrectly identified.**

**Max (6)**

**3.5 Ways in which businesses could contribute time and effort to improve the well-being of their employees**

- A business should pay fair wages/salaries to the workers√ based on the nature of their work/ the prevailing economic conditions in the market.√
- Pay fair bonuses, based on business earnings√, as acknowledgement for hard work and commitment.√
- Offer financial assistance in the case of any hardship√ caused by unexpected medical costs.√
- Working conditions should include safety/medical/canteen facilities benefits√ like housing/leave/retirement√, etc.
- A business could offer annual physical/medical assessments√ to workers.√
- Make trauma debriefing/counselling/assistance available√ to any employee who requires these services.√
- Offer support programmes√ for employees infected and affected by HIV/Aids. √

- Start a nutritional programme√ so that employees can enjoy one meal per day to keep them in a healthy condition.√
- Encourage employees to stay fit and healthy√ by getting them involved in health activities to minimise stress/substance abuse/obesity.√
- Provide recreational facilities√ for employees.√
- Provide for employees' participation in decision-making√ that affects them.√
- Allow flexible working hours√ to enhance productivity.√
- Make childcare facilities available on the premises√ for working mothers in the business.√
- Give time to staff√ to get involved in projects they choose√/Allow staff to use some of the working hours√ to participate in the projects of their choice.√
- A business can provide transport for employees√ who work unusually long hours.√
- Establish coaching and mentoring programmes√ for junior employees.√
- Conduct team-building sessions√ to improve employees' morale.√
- Encourage employees √ to attend capacity-building workshops/training programmes/staff-development programmes/team-development programmes.√
- Any other relevant answer related to ways in which businesses could contribute time and effort to improve the well-being of their employees. **Max (6)**

### 3.6 Advantages of the Delphi technique in solving complex business problems

- Businesses may use a group of experts√ without bringing them together.√
- The experts will give the business clear ideas/solutions√ on how to improve on productivity/profitability.√
- Information received from experts can be used√ to solve complex business problems.√
- Experts may give honest/credible opinions√ as they do not have a direct/personal interest in the business.√
- Conflict may be avoided√ especially if all employees are knowledgeable and well qualified.√
- Dominating employees may not take over the process√ as they do not form part of the problem-solving process.√
- It reduces noise levels in an office environment√ since there is no group discussion.√
- Any other relevant answer related to the advantages of the Delphi technique in solving complex business problems.

**Max (4)**

### 3.7 Ways in which businesses could protect the environment and human health in the workplace

- Laws and regulations should be adhered to so that profits are not generated at the expense of the environment.√√
- Pollution and other environmental issues should always be considered in all business activities, e.g. safe disposal of waste/dumping of toxic waste√√.
- Become involved in environmental awareness programs.√√
- The environment can be protected by altering production techniques in favour of cleaner and greener technologies.√√
- Water for human consumption should be tested before it is used.√√
- Promote nature conservation by looking after natural resources.√√
- Minimise pollution, by re-using, reducing and recycling.√√

- Reduce consumption of goods/services which are environmentally unfriendly.√√
- Register/Engage with recognised institutions/bodies that promote green peace.√√
- Physical working conditions should always be worker friendly, safe and promote occupational health.√√
- Physical working conditions such as adequate lighting/ventilation should be available and functional.√√
- Machines must be serviced/maintained regularly.√√
- Educate employees about hygiene issues.√√
- Encourage employees to do regular health checks.√√
- Conduct regular inspections on buildings/machinery to minimise potential dangers to human health. √√
- Any other relevant answer related to ways in which businesses could protect the environment and human health in the workplace.

**Max (6)**  
**[40]**

**BREAKDOWN OF MARKS**

QUESTION 3	MARKS
<b>3.1</b>	<b>3</b>
<b>3.2.1</b>	<b>3</b>
<b>3.2.2</b>	<b>6</b>
<b>3.3</b>	<b>6</b>
<b>3.4</b>	<b>6</b>
<b>3.5</b>	<b>6</b>
<b>3.6</b>	<b>4</b>
<b>3.7</b>	<b>6</b>
<b>TOTAL</b>	<b>40</b>

**QUESTION 4: MISCELLANEOUS TOPICS****BUSINESS VENTURES****4.1 Types of leadership theories**

- Situational leadership✓
- Transitional leadership✓
- Transformational leadership✓
- Leaders and followers✓

**NOTE: Mark the first TWO (2) only.****(2 x 1) (2)****4.2 Types of preference shares for the statements**

- 4.2.1 Redeemable preference shares✓✓
- 4.2.2 Non-cumulative preference shares/Ordinary preference shares ✓✓
- 4.2.3 Participating preference shares✓✓

**(6)****4.3 Advantages of insurance for businesses**

- Transfers the risk from businesses/insured✓ to an insurance company/insurer.✓
- Transfer of risk is subject to the terms and conditions✓ of the insurance contract.✓
- Protects businesses against theft/loss of stock and/or damages✓ caused by natural disasters such as floods, storm damage✓, etc.
- Businesses will be compensated for insurable losses✓, e.g. destruction of property through fire.✓
- Businesses' assets, e.g. vehicles/equipment/buildings need to be insured✓ against damage and/or theft.✓
- Businesses are protected against the loss of earnings✓, e.g. strikes by employees which result in losses worth millions.✓
- Protects businesses✓ against dishonest employees.✓
- Life insurance can be taken on the life of partners in a partnership✓ to prevent unexpected loss of capital.✓
- Should the services of key personnel be lost due to accidents/death✓, the proceeds of an insurance policy can be paid out to businesses/beneficiaries.✓
- Replacement costs for damaged machinery/equipment are very high✓, therefore insurance can reduce/cover such costs.✓
- Protects businesses from claims made by members of the public for damages✓ that the business is responsible for.✓
- Protects businesses against losses✓ due to death of a debtor.✓
- Any other relevant answer related to the advantages of insurance for businesses.

**Max (4)****4.4 Presentation****4.4.1 Factors that must be considered when preparing for a presentation from the scenario**

- He is fully conversant with the objectives of the presentation.✓
- Zama also created visual aids that will support and enhance his information.✓

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

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



#### 4.4.2 Factors that must be considered while presenting

- Establish credibility by introducing yourself as the presenter at the start.√√
- Mention/Show the most important information first.√√
- Make the purpose/main points of the presentation clear at the start of the presentation.√√
- Use suitable section titles/headings/sub-headings/bullets.√√
- Zama should summarise the main points of the presentation to conclude the presentation.√√
- Stand in a good position/upright, where the audience can clearly see the presenter/presentation.√√
- Avoid hiding behind equipment.√√
- Do not ramble on at the start, to avoid losing the audience/their interest.√√
- Capture listeners' attention/Involve the audience with a variety of methods, e.g. short video clips/sound effects/humour, etc.√√
- Maintain eye contact with the audience.√√
- Be audible/loud and clear to all listeners/audience.√√
- Vary the tone of voice/tempo within certain sections to prevent monotony.√√
- Make the presentation interesting with visual aids/anecdotes/examples/Use visual aids effectively.√√
- Use appropriate gestures to emphasize certain points.√√
- Speak with energy and enthusiasm.√√
- Pace yourself/Do not rush or talk too slowly.√√
- Keep the presentation short and simple.√√
- Zama should conclude/end with a strong/striking ending that will be remembered.√√
- Ensure that the audience will leave with/take away specific information/benefits.√√
- Manage time effectively to allow time for questions.√√
- Any other relevant answer related to factors that Zama must consider while presenting.

**Max (6)**

### BUSINESS ROLES

#### 4.5 Social rights of employees in the workplace

- Access to clean water/Social security √
- Education√
- Protection√
- Health care√

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

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

#### 4.6 Communication as criteria for successful team performance

- A clear set of processes/procedures for team work√ ensures that every team member understands his/her role.√
- Efficient/Good communication between team members√ may result in quick decisions.√
- Quality feedback improves√ the morale of the team.√
- Open/Honest discussions lead√ to effective solutions of problems.√
- Continuous review of team progress ensures that team members can rectify mistakes/act pro-actively√ to ensure that goals/targets are reached.√
- Any other relevant answer related to communication as one of the criteria for successful team performance.

**Max (4)**

**4.7 Problem-solving and creative thinking****4.7.1 Problem-solving technique from the scenario**

Force field analysis√√

(2)

**Motivation**

They asked employees to evaluate the advantages and disadvantages of the proposed change.√ (1)

**NOTE: 1. Award marks for the problem-solving technique even if the quote is incomplete.****2. Do not award marks for the motivation if the problem-solving technique was incorrectly identified.****Max (3)****4.7.2 Advantages of creative thinking in the workplace**

- Better/Unique/Unconventional ideas/solutions√ are generated.√
- May give the business a competitive advantage√ if unusual/unique solutions/ideas/strategies are implemented.√
- Complex business problems√ may be solved.√
- Productivity increases√ as management/employees may quickly generate multiple ideas which utilises time and money more effectively.√
- Managers/Employees have more confidence√ as they can live up to their full potential.√
- Managers will be better leaders√ as they will be able to handle/manage change(s) positively and creatively.√
- Managers/Employees can develop a completely new outlook√, which may be applied to any task(s) they may do.√
- Leads to more positive attitudes√ as managers/employees feel that they have contributed towards problem solving.√
- Improves motivation√ amongst staff members.√
- Managers/Employees have a feeling of great accomplishment√ and they will not resist/obstruct the process once they solved a problem/contributed towards the success of the business.√
- Management/employees may keep up√ with fast changing technology.√
- Stimulates initiative from employees/managers√, as they are continuously pushed out of their comfort zone.√
- Creativity may lead to new inventions√ which improves the general standard of living.√
- Any other relevant answer related to the advantages of creative thinking in the workplace.

**Max (4)****4.8 Dealing with unemployment as a socio-economic issue**

- Provide skills development programmes through learnerships.√√
- Offer bursaries to the community to improve the level of education.√√
- Create jobs for members of the community.√√
- Provide entrepreneurial programmes that can promote self-employment.√√
- Support government/stakeholders' initiatives/small businesses in addressing issues of unemployment.√√
- Any other relevant answer related to ways in which businesses could deal with unemployment as a socio-economic issue.

**Max (6)**  
**[40]**

**BREAKDOWN OF MARKS**

<b>QUESTION 4</b>	<b>MARKS</b>
4.1	2
4.2	6
4.3	4
4.4.1	2
4.4.2	6
4.5	3
4.6	4
4.7.1	3
4.7.2	4
4.8	6
<b>TOTAL</b>	<b>40</b>

**TOTAL SECTION B: 80**

**SECTION C****Mark the FIRST question only.****QUESTION 5: BUSINESS VENTURES (FORMS OF OWNERSHIP & INVESTMENT)****5.1 Introduction**

- A partnership has two or more partners that share the responsibilities and management of the business. ✓
- Entrepreneurs should conduct research on the criteria that contributes to the success and/or failure of a private company. ✓
- Investors have a range of investment opportunities to choose from. ✓
- Investors should have sound knowledge of the factors that must be considered when making investment decisions. ✓
- A fixed deposit is one of the investment opportunities that enable a business to seize business opportunities. ✓
- Any other relevant introduction related to disadvantages of a partnership/criteria that could contribute to success and/or failure of a private company /investment decisions/ impact of fixed deposits.

**Any (2 x 1) (2)****5.2 Disadvantages of a partnership**

- A partnership has unlimited liability as partners' personal belongings can be sold to pay off debts. ✓✓
- Each partner is legally responsible for the joint liability of the partnership. ✓✓
- Different personalities and opinions of partners can lead to conflict or disagreements. ✓✓
- Partners might not all contribute equally. ✓✓
- Loss in profits and stability of the business can occur if a partner resigns/ dies/loses interest in the partnership or is declared bankrupt. ✓✓
- There can be lack of capital and cash flow. ✓✓
- The partnership has limited/lack of continuity, as a new partnership must be formed when a partner dies/leaves. ✓✓
- The wrongful actions of one partner will affect all other partners/ Partners serve as agents for a partnership and bind all other partners through their actions ✓✓
- If the profits of the partnership are too big, the partners may end up paying high income tax in their personal capacity. ✓✓
- Decision making can be delayed as all parties should be consulted/In a larger partnership, partners may struggle to agree on business issues. ✓✓
- Profits are divided between partners according to their partnership agreement and not according to income generated. ✓✓
- Any other relevant answer related to the disadvantages of a partnership.

**Max (10)**

**5.3 Criteria contributing to the success and/or failure of a private company**

5.3.1	SUCCESS FACTORS	AND/OR	FAILURE FACTORS
<b>Management</b>	- Shareholders can vote for/appoint the most capable directors to manage their company.		- Some shareholders may not exercise their voting rights resulting in choosing the wrong person as a director.
	- Managed by at least one competent highly skilled director.		- Directors may sometimes act in their own interest, not in the company's best interest/ which can hamper growth and profit maximisation
	- The management of the company can improve since directors are accountable to shareholders.		- Large management structures can result in decision-making taking time.
			- Directors may not be motivated to work very hard because shareholders determine their remuneration.
			- Director's fees increase the company's expenses which reduces the net profit.
	- Any other relevant answer related to the contribution of management to the success of a private company.		- Any other relevant answer related to the contribution of management to the failure of a private company.

Submax (4)

5.3.2	SUCCESS FACTORS	AND/OR	FAILURE FACTORS
<b>Legislation</b>	- Procedures to form a private company have been simplified by the new Companies Act 71 of 2008.		- Formation procedures are time consuming/complicated/ expensive, as many legal documents need to be prepared/submitted.
	- Limited liability allows for greater risk taking, which may lead to growth of the business.		- High formation/establishment expenses require a large start-up capital.
	- Auditing of financial statements (if required), gives shareholders the assurance that the business is being properly managed and supports raising additional finance.		- Annual audit of financial statements (if required) is costly.
	- There is no longer a limit on the number of shareholders in a private company.		If a private company does not comply with legislation, its licence maybe withdrawn by the Companies and Intellectual Property Commission (CIPC).
	- A private company can benefit from government programmes if they comply with the relevant legislation.		Directors' fees increase the company's expenses which reduces the cash flow/net profit.

	- Personal liability of shareholders√ does not affect the company's assets. √	
	- Companies which comply with legislation√ build a positive image/may attract investors. √	
	- Continuity of existence√ due to the legal personality of the company. √	
	- Any other relevant answer related to the contribution of legislation to the success of a private company.	- Any other relevant answer related to the contribution of legislation to the failure of a private company.

Submax (4)

5.3.3	SUCCESS FACTORS	AND/OR	FAILURE FACTORS
<b>Capital</b>	- Large amount of capital can be raised√ since there is no limit on the number of shareholders.√		- It cannot grow into a very large business√ since it cannot invite the public to buy shares.√
	- The company can access long term capital√ and therefore has good long term growth opportunities.√		- Restrictions on transferability of shares√ may not attract financially strong investors.√
	- Even though shares are not freely transferable√, large private companies can raise considerable amount of capital.√		- Large amount of capital cannot be obtained√ as capital contribution is only limited to private shareholders.√
	- Any other relevant answer related to the contribution of capital to the success of a private company.		- Any other relevant answer related to the contribution of capital to the failure of a private company.

Submax (4)

**NOTE: 1. The answer does not have to be in tabular format.**

**2. Mark either success AND/OR failure of EACH factor.**

**Max (12)**

**5.4 Factors to be considered when making investment decisions**

**Return on Investment (ROI) √√**

- Refers to income from the investment√, namely interest/dividends/increased capital growth on the original amount invested.√
- The return should be expressed as net after-tax gains√ on the investment.√
- High risk investments √ yield higher returns.√
- Generally, there will be a direct link√ between the risk and the return.√
- Returns can be in the form of capital gains√ where the asset appreciates in value over time.√
- Any other relevant answer related to return on investment as a factor to be considered when making investment decisions.

Factor (2)  
 Discussion (2)  
 Submax (4)

**Risk**√√

- Refers to the chance that the invested amount may be reduced in value/lost in total over a period of time√, due to unforeseen circumstances.√
- The higher the potential return√, the higher the risk of a potential loss.√
- Investing in shares has a higher risk√ than investing in a fixed deposit.√
- Shares have low/medium risk√ over a longer investment period. √
- Shares with higher risks √ have a greater potential for higher returns. √
- Ordinary shares have the highest risk√ as the investor may lose the full/part of the investment when the company is dissolved/bankrupt/liquidated. √
- Preference shareholders' risk is lower√, as they have preferential claims on the assets of the liquidated company/may receive some compensation before ordinary shareholders. √
- Share prices are linked to factors such as economic conditions/operational success of the company√ which investors cannot always control. √
- Share prices are volatile/unstable/unpredictable/may increase/decrease sharply within hours√ which contribute to the uncertainty of the value of an investment in shares on the short term. √
- Any other relevant answer related to risk as a factor to be considered when making investment decisions.

Factor (2)  
Discussion (2)  
Submax (4)

**Liquidity**√√

- An amount could be invested in a type of investment√ that can easily be converted to cash.√
- It is used to describe the ease and speed√ with which investors can convert an investment into cash.√
- Example: An investment in a savings account/unit trust will be easier to convert into cash√ than an investment in a fixed deposit which is usually deposited for a fixed period of time.√
- Any other relevant answer related to liquidity as a factor to be considered when making investment decisions.

Factor (2)  
Discussion (2)  
Submax (4)

**Taxation**√√

- Refers to a compulsory payment√ made by citizens to the government. √
- A good investment√ will yield good after-tax returns.√
- Income tax implications must be considered√ in order to ensure a high net after-tax return.√
- Tax rates are not necessarily the same√ for different investments.√
- Any other relevant answer related to taxation as a factor to be considered when making investment decisions.

Factor (2)  
Discussion (2)  
Submax (4)

**Inflation rate**√√

- Investors/People are affected by a high inflation rate√, because their money/purchasing power decreases.√
- The return on investment should be higher√ than the inflation rate. √
- Inflation has a positive effect on some investments√ such as property/shares where the income will increase as inflation increases. √
- Any other relevant answer related to inflation rate as a factor to be considered when making investment decisions.

Factor (2)  
Discussion (2)  
Submax (4)

**Investment term/period**√√

- This refers to the duration of the investment√ which may influence the return on investment.√
- It can be short/medium/long term√ depending on the nature of an investment option.√
- The investment period will depend√ on an investor's personal needs/goals. √
- The longer the investment period√ the higher the returns. √
- Short term investments enable investors to access√ their money on a short period if needed. √
- Any other relevant answer related to investment term/period as a factor to be considered when making investment decisions.

Factor (2)  
Discussion (2)  
Submax (4)

**Investment planning factors**√√

- Investors should always consider the safest√ possible investment opportunities.√
- Some investments offer a low income on invested capital√, but it could be a safer investment than one that promises a higher income.√
- Examine opportunities√ with a history of good return.√
- Divide investments√ between various investment options.√
- The method of calculating the interest/return on investment√ should be considered.√
- Any other relevant answer related to investment planning factors as a factor to be considered when making investment decisions.

Factor (2)  
Discussion (2)  
Submax (4)

**Personal budget**√√

- Investors can determine the amount of surplus money√ that can be invested.√
- Investors must budget√ for unforeseen costs.√
- Budgets should provide√ for contingency plans/investments/savings.√
- Any other relevant answer related to personal budget as a factor to be considered when making investment decisions.

Factor (2)  
Discussion (2)  
Submax (4)



**Volatility/Fluctuations on investment markets**√√

- Fluctuations in national√ and international economic trends should be considered.√
- The level of volatility√ will determine the amount of returns.√
- Any other relevant answer related to volatility/fluctuations on investment markets as a factor to be considered when making investment decisions.

Factor (2)  
Discussion (2)  
Submax (4)  
**Max (16)**

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

**5.5 Impact of fixed deposits as a form of investment****Positives/Advantages**

- Interest is earned at a fixed rate regardless of changes in the economic climate.√√
- The period of investment can be over a short/medium/long term.√√
- Ensures financial discipline as investors cannot withdraw their funds before the maturity date.√√
- Investors can choose the investment period that suits them.√√
- Investors earn a better return on investment than on an ordinary savings account.√√
- The principal amount plus interest earned is paid out on the maturity date.√√
- It has a low risk as investors are guaranteed of the final payment.√√
- The higher the principal amount/The longer the investment period, the higher the interest rate offered by a financial institution.√√
- Any other relevant answer related to the positive impact/advantages of fixed deposits as a form of investment.

**AND/OR**

**Negatives/Disadvantages**

- The investor cannot withdraw their funds before the maturity date.√√
- May not outperform the effect of inflation over the long term.√√
- Low return compared to other investments.√√
- Any other relevant answer related to the negative impact/disadvantages of fixed deposits as a form of investment.

**Max (8)**

**5.6 Conclusion**

- The partners should make the correct decisions in running the partnership in order to protect their personal possessions.√√
- The directors of a private company should keep abreast of the latest legislation on the management of companies.√√
- Choosing an investment opportunity should be informed by research findings on the investment decision factors.√√
- Businesses should invest surplus funds in fixed deposits for expansion/unexpected expenses.√√

- A business that is managed successfully will make a number of investments over a period of time. √√
- Any other relevant conclusion related to disadvantages of partnership/criteria that contribute to success and/or failure of a private company /investment decisions/impact of fixed deposits.

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

**QUESTION 5: BREAKDOWN OF MARK ALLOCATION**

DETAILS	MAXIMUM	TOTAL
Introduction	<b>2</b>	<b>Max 32</b>
Disadvantages of a partnership	<b>10</b>	
Criteria contributing to the success and/or failure of a private company: <ul style="list-style-type: none"> <li>○ Management</li> <li>○ Legislation</li> <li>○ Capital</li> </ul>	<b>12</b>	
Factors to consider when making an investment decision	<b>16</b>	
Impact of fixed deposits	<b>8</b>	
Conclusion	<b>2</b>	
<b>INSIGHT</b>		
Layout	<b>2</b>	
Analysis/Interpretation	<b>2</b>	
Synthesis	<b>2</b>	
Originality/Examples	<b>2</b>	
<b>TOTAL MARKS</b>		<b>40</b>

LASO – For each component:

Allocate 2 marks if all requirements are met.

Allocate 1 mark if only some of the requirements are met.

Allocate 0 marks where requirements are not met at all.

**QUESTION 6: BUSINESS ROLES (HUMAN RIGHTS, INCLUSIVITY & ENVIRONMENTAL ISSUES)****6.1 Introduction**

- Economic rights are one of the fundamental rights contained in the Bill of Rights that should be respected in the workplace.√
- The health and safety representatives keep their members informed about the workplace health and safety issues.√
- Economic rights form part of human rights that must be observed in the workplace. √
- Diversity in the workplace means that employees are different in terms of age/race/gender/ethnic groups/disabilities etc.√
- Successful businesses develop suitable strategies that are aimed at addressing different diversity issues in the workplace.√
- Business operations may have a negative impact on the environment if there are no preventative measures put in place. √
- Any other relevant introduction related to employees' economic rights/roles of the health and safety representatives/benefits of diversity/dealing with diversity issues in the workplace.

**Any (2 x 1) (2)****6.2 Economic rights of employees in the workplace**

- Free from forced labour.√√
- Free to accept or choose work.√√
- Fair wages/Equal pay/Equal pay for work of equal value.√√
- Reasonable limitation of working hours√√
- Fair labour practice.√√
- Safe and healthy working conditions.√√
- Join/form trade unions.√√
- Right to participate in a legal strike.√√
- Any other relevant answer related to the economic rights of employees in the workplace.

**Max (8)****6.3 Roles of the health and safety representatives in protecting the workplace environment**

- Ensure that protective clothing√ is provided/available to all workers.√
- Identify potential dangers√ in the workplace.√
- Initiate/Promote/Maintain/Review measures√ to ensure the health and safety of workers.√
- Check/Monitor the effectiveness of health and safety measures√ with management.√
- Ensure that all equipment√ that is necessary to perform the work is provided/maintained regularly.√
- Promote safety training√ so that employees may avoid potential dangers/act pro-actively.√
- Ensure that dangerous equipment√ is used under the supervision of trained/qualified workers.√
- Ensure that workers' health and safety is not endangered√ by hazards resulting from production/processing/storage/transportation of material/equipment.√

- Work together with the employer, to investigate any accidents/complaints from the workers√ concerning health and safety in the workplace.√
- Ensure that employers comply√ with COIDA.√
- Any other relevant answer related to the roles of health and safety representatives in protecting the workplace environment.

**Max (12)****6.4 Benefits of diversity in the workplace**

- Workforce diversity improves the ability of a business√ to solve problems/innovate/cultivate diverse markets.√
- Employees value each other's diversity√ and learn to connect/communicate across lines of difference.√
- Diversity in the workforce improves√ morale/motivation.√
- Employees demonstrate greater loyalty to the business√ because they feel respected/accepted/understood.√
- Diversified workforce can give businesses a competitive advantage√, as they can render better services.√
- Being respectful of differences/demonstrating diversity√ makes good business sense/improves profitability.√
- Diverse businesses ensure that its policies/practices√ empower every employee to perform at his/her full potential.√
- Stakeholders increasingly evaluate businesses√ on how they manage diversity in the workplace.√
- Employees from different backgrounds√ can bring different perspectives to the business.√
- A diversified workforce stimulates debate√ on new/improved ways of getting things done.√
- Employees represent various groups√ and are therefore better able to recognise customer needs and satisfy consumers.√
- Businesses with a diverse workforce are more likely to have a good public image√ and attract more customers.√
- Any other relevant answer related to the benefits of diversity in the workplace.

**Max (14)****6.5 Ways in which businesses could deal with diversity issues in the workplace****6.5.1 Dealing with gender in the workplace**

- Males and females should be offered equal employment opportunities.√√
- Business directors should promote both men and women in managerial positions.√√
- Women should be employed to comply with EEA.√√
- Targets may be set for gender equity in the business.√√
- New appointments should be based on skills and ability.√√
- Introduce affirmative action by ensuring that male and female employees are remunerated fairly/equally.√√
- Any other relevant answer related to ways in which businesses could deal with gender as a diversity issue in the workplace.

Submax (6)

**6.5.2 Dealing with disability in the workplace**

- Businesses should provide employment opportunities for people who are physically challenged.√√
- Accommodate people who are physically challenged by providing facilities/ ramps for wheelchairs√√, etc.
- Ensure that workers with special needs are not marginalised/feel excluded from workplace activities.√√
- Businesses should be well informed on how to deal with disabled employees.√√
- Policies and programs should accommodate the needs of people with disabilities.√√
- Create an organisational culture and climate that is conducive for people with disabilities.√√
- Employees should be trained on how to deal with colleagues with disabilities.√√
- Businesses should bring in external experts to help with disability and accommodation issues.√√
- Ensure that employees with disabilities are treated fairly.√√
- Focus on the skills/work performance of the disabled worker, rather than his/her disability/possible problems he/she may pose in the future.√√
- Any other relevant answer related to ways in which businesses could deal with disability as a diversity issue in the workplace.

Submax (6)  
**Max (12)**

**6.6 Conclusion**

- Observing economic rights of employees in the workplace may promote a healthy relationship between employers and employees.√√
- The health and safety representatives should be provided with assistance/training needed to perform their duties effectively.√√
- Diversity in the workplace enables businesses to respond positively to the needs/queries of customers.√√
- Dealing with diversity issues in the workplace enables businesses to utilise the skills/knowledge/expertise of a diverse workforce.√√
- Any other relevant conclusion related to employees' economic rights/roles of the health and safety representatives/benefits of diversity/dealing with diversity issues in the workplace.

**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>
Economic rights of employees in the workplace	<b>8</b>	
Roles of the health and safety representatives in protecting the workplace environment	<b>12</b>	
Benefits of diversity in the workplace	<b>14</b>	
Ways to deal with the following diversity issues in the workplace: ○ Gender ○ Disability	<b>12</b>	
Conclusion	<b>2</b>	
<b>INSIGHT</b>		<b>8</b>
Layout	<b>2</b>	
Analysis/Interpretation	<b>2</b>	
Synthesis	<b>2</b>	
Originality/Examples	<b>2</b>	
<b>TOTAL MARKS</b>		<b>40</b>

LASO – For each component:

Allocate 2 marks if all requirements are met.

Allocate 1 mark if only some of the requirements are met.

Allocate 0 marks where requirements are not met at all.

**TOTAL SECTION C: 40**  
**GRAND TOTAL: 150**