



education

Department:
Education
North West Provincial Government
REPUBLIC OF SOUTH AFRICA

PROVINCIAL ASSESSMENT

GRADE 12

BUSINESS STUDIES P1 JUNE 2025 MARKING GUIDELINE

MARKS: 150

This marking guideline consists of 27 pages.

NOTES TO THE 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
Departmental Head: Green
LEO/Cluster moderator: Black
Provincial moderator: Pink
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:** 'COIDA eliminates time and costs spent√ on lengthy civil court proceedings.'√
- 11.2 When 'critically evaluate' is used, candidates are expected to respond in either a positive/negative manner or take a neutral (positive and negative) stance. In this instance candidates are also expected to support their responses with more depth, e.g. 'COIDA eliminates time and costs spent√ on lengthy civil court proceedings√, because the employer will not be liable for compensation to the employee for injuries sustained during working hours as long as it can be proved that the business was not negligent.'√
- NOTE:**
1. The above could apply to 'analyse' as well.
 2. Note the placing of the tick (√) in the allocation of marks.
12. The allocation of marks must be informed by the nature of the question, cognitive verb used, mark allocation in the marking guideline and the context of each question.
- Cognitive verbs, such as:
- 12.1 Advise, name, state, outline, motivate, recommend, suggest, (*list not exhaustive*) do not usually require much depth in candidates' responses. Therefore, the mark allocation for each statement/answer appears at the end.
- 12.2 Define, describe, explain, discuss, elaborate, distinguish, differentiate, compare, tabulate, analyse, evaluate, critically evaluate (*list not exhaustive*) require a greater depth of understanding, application and reasoning. Therefore, the marks must be allocated more objectively to ensure that assessing is conducted according to established norms so that uniformity, consistency and fairness are achieved.
13. Mark only the FIRST answer where candidates offer more than one answer for SECTION B and C questions that require one answer.

14. SECTION B

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

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

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

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

14.4 Use of the cognitive verbs and allocation of marks:

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

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

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

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

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

15. SECTION C

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

Introduction	Maximum: 32
Content	
Conclusion	
Insight	
TOTAL	40

15.2 Insight consists of the following components:

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

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

- 15.3 Indicate insight in the left-hand margin with a symbol e.g. ('L, A, -S and/or O').
- 15.4 The breakdown of marks is indicated at the end of the suggested answer/ marking guideline to each question.
- 15.5 Mark all relevant facts until the SUB MAX/MAX mark in a subsection has been attained. Write SUB MAX/MAX after maximum marks have been obtained, but continue reading for originality "O".
- 15.6 At the end of each essay indicate the allocation of marks for facts and marks for insight as follows: (L – Layout, A – Analysis, S – Synthesis, O – Originality) as in the table below.

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

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

1.1

- 1.1.1 C✓✓
- 1.1.2 D✓✓
- 1.1.3 B✓✓
- 1.1.4 D✓✓
- 1.1.5 A✓✓

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

1.2

- 1.2.1 National Skills ✓✓
- 1.2.2 opportunity ✓✓
- 1.2.3 paternity ✓✓
- 1.2.4 time related ✓✓
- 1.2.5 total quality management✓✓

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

1.3

- 1.3.1 D✓✓
- 1.3.2 A✓✓
- 1.3.3 H✓✓
- 1.3.4 J✓✓
- 1.3.5 B✓✓

(5 x 2) **(10)****TOTAL SECTION A: 30****BREAKDOWN OF MARKS**

QUESTION 1	MARKS
1.1	10
1.2	10
1.3	10
TOTAL	30

SECTION B

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

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

- Market development✓
- Product development✓
- Market penetration✓

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

(2 x 1) (2)

2.2 Strategic management process**OPTION 1**

- There must be a clear vision/mission statement/measurable/realistic goal in place.✓✓
- Identify opportunities/weaknesses/strength/threats by doing an environmental/situation analysis✓✓
- Instruments available for environmental analysis may include a SWOT analysis/Porter's Five Forces model/PESTLE analysis/industrial analysis tool.✓✓
- Formulate alternative strategies to respond to the challenges.✓✓
- Develop (an) action plan (s) that must include the tasks to be performed/deadlines to be met/resources to be obtained. ✓✓
- Implement selected strategies by passing them on to all stakeholders/organising business resources/motivating staff. ✓✓
- Continuous evaluation/monitoring/measurement of strategies to take affirmative action. ✓✓
- Any other relevant answer related to the strategic management process.

OR

OPTION 2

- Businesses must review/analyse/retest their vision/mission statement. ✓✓
- Perform 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, use a template as an action plan. ✓✓
- Control/Evaluate/Monitor the implemented strategy to identify gaps/deviations in the implementation. ✓✓
- Take corrective steps to ensure that goals/objectives are achieved. ✓✓
- Any other relevant answer related to the strategic management process.

Max (6)

2.3 PESTLE factor**2.3.1 Legal✓✓**

(2)

2.3.2 Ways in which businesses can deal with challenges posed by the legal factor

- Comply with all relevant legislation that may impact on businesses. ✓✓
- Comply with the legal requirements for operating businesses, e.g. licence/trade mark registration/patents. ✓✓
- AT/Businesses must budget for high legal establishment costs. ✓✓
- AT/Businesses must know the legalities of business contracts so that they comply with all the requirements. ✓✓
- Any other relevant answer related to ways in which AT/businesses can deal with the challenges posed by legal factors as a PESTLE factor.

Max (4)**2.4 Funding of SETAs**

- Skills Development levies are paid by employers ✓ to SARS as a collecting agency for the government. ✓
- Employers who have a salary bill that exceeds R500 000 per annum, ✓ should pay one percent (1%) of their annual salaries as a levy. ✓
- The different SETAs receive eighty percent (80%) of the levy for organisational expenses ✓ and the remaining twenty percent (20%) is paid to the National Skills Fund. ✓
- Donations/Grants received ✓ from the public/businesses/CSI programmes. ✓
- Surplus funds received ✓ from government institutions. ✓
- Funds received ✓ from rendering their services. ✓
- Any other relevant answer related to how SETAs are funded.

Max (4)**2.5 Purpose of the Employment Equity Act/EEA**

- The EEA allows employees who do the same work ✓ to be paid equally. ✓
- Eliminates discrimination ✓ on grounds of gender/race/disability in the workplace. ✓
- Promotes equal opportunity ✓ and fair treatment in the workplace. ✓
- Promotes diversity in the workplace ✓ by ensuring that people of diverse backgrounds are appointed. ✓
- Protects employees from victimisation ✓ if they exercise the rights given to them by the EEA. ✓
- Ensures equal representation in the workplace ✓ through the implementation of affirmative action. ✓
- Any other relevant answer related to the purpose of the EEA.

Max (6)**2.6 Strategy evaluation****2.6.1 Steps in strategy evaluation from the scenario**

- The management of CI has to consider the impact of strategy implementation on the internal and external environment as part of their inspection programme. ✓
- They also implement corrective actions when deviations occur. ✓

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

(2 x 1) (2)

2.6.2 Other 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.
- Determines the reasons for deviations √ and analyse this reasons.√
- Draw up a table of advantages and the disadvantages√ of a strategy. √
- Set specific dates for control √ and follow up. √
- Decide on the desired outcome√ as envisaged when strategies were implemented.√
- Any other relevant answer related to other steps in strategy evaluation.

NOTE: 1. Do not award marks for responses that were quoted in QUESTION 2.6.1.
2. Accept steps in any order.

Max (6)**2.7 Application of Porter's Five Forces model****2.7.1 Power of buyers**

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

Max (4)**2.7.2 Threat/Barriers of new entrants to the market**

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

Max (4)

BREAKDOWN OF MARKS

QUESTION 2	MARKS
2.1	2
2.2	6
2.3.1	2
2.3.2	4
2.4	4
2.5	6
2.6.1	2
2.6.2	6
2.7.1	4
2.7.2	4
TOTAL	40

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

- Recruitment agencies✓
- Bill boards✓
- 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✓
- Headhunting✓
- Professional associations✓
- Networking✓
- Educational/Training institutions✓
- Word-of-mouth✓
- Any other relevant answer related to sources of external recruitment.

NOTE: Mark the first TWO (2) only.**(2 x 1) (2)****3.2 Reasons for termination of employment contract**

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

Max (4)

3.3 Selection procedure**3.3.1 Selection procedure from the scenario**

- SSP sorted the applications forms according to the assessment criteria. ✓
- During the procedure, shortlisted candidates were subjected to various skill tests. ✓

NOTE:

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

(2 x 1) (2)

3.3.2 Other options in the selection procedure**OPTION 1**

- Applicants must submit the application forms/curriculum vitae✓ and certified copies of personal documents/IDs/proof of qualifications. ✓
- 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/to identify suitable applicants. ✓
- Reference checks/Vetting process should be made/followed ✓ to verify work experience/criminal records/credit records/qualifications on the CV.✓
- Compile a shortlist ✓ of potential candidates identified. ✓
- 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 as a human resource activity.

OR

OPTION 2

- Evaluate CVs✓ and create a shortlist/screen the applicants. ✓
- Check information in the CVs✓ and contact references. ✓
- Conduct interviews✓ with shortlisted candidates. ✓
- Conduct preliminary sifting interviews✓ to identify applicants who are not suitable for the job, although they meet all requirements. ✓
- Any other relevant answer related to other steps in the selection procedure.

NOTE:

- 1. The procedure may be in any order.**
- 2. Do not award marks for responses that are quoted from the scenario in QUESTION 3.3.1.**

Max (4)

3.4 The impact of fringe benefits**Positives/Advantages**

- Attractive fringe benefits packages✓ may results in high 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✓ 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 positive impact/advantages of fringe benefits on businesses.

Max (6)**3.5 Quality indicators of the marketing function**

- Winning customers by satisfying their needs/wants and building positive relationships. ✓✓
- Adhering to ethical advertising practices when promoting products/services. ✓✓
- Identifying a competitive advantages to focus/improve on marketing strengths. ✓✓
- Differentiating products in order to attract more customers. ✓✓
- Constantly reviewing value issues. ✓✓
- Communicating effectively with customers to get feedback about their experience of products sold/services rendered. ✓✓
- Co-ordinating distribution with production and advertising strategies. ✓✓
- Using pricing techniques to ensure a competitive advantage. ✓✓
- Determine gaps between customer expectations and actual experiences, so that problems/unhappiness may be diagnosed and addressed. ✓✓
- Making adjustments/changes to products/services based on feedback from customers/results of market research. ✓✓
- Using aggressive advertising campaigns to sustain/increase the market share. ✓✓
- Any other relevant answer related to quality indicators for the marketing function

NOTE: Mark the first THREE (3) only.**(3 x 2) (6)****3.6 Total quality management/TQM****3.6.1 TQM elements from the scenario**

TQM ELEMENTS	MOTIVATIONS
1. Adequate financing and capacity ✓✓	SCB expanded in various geographical areas; hence, they have enough funds to employ experts in brand management. ✓
2. Total client/customer satisfaction ✓✓	The management of SCB ensures that customer complaints are handled within 24 hours. ✓
Submax (4)	Submax (2)

- NOTE:**
1. Mark the first TWO (2) only.
 2. Award marks for the TQM elements even if the motivations were incomplete.
 3. Do not award marks for the motivations if the TQM elements were incorrectly identified.

Max (6)

3.6.2 Impact of the TQM elements on businesses**Adequate financing and capacity****Positive/Advantages**

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

OR/AND**Negatives/Disadvantages**

- If the demand for company's product increases, orders begin coming in faster than expected✓, and the company lacks the capital required to fund the production of the stock to fill the orders.✓
- These rapidly growing companies can consume large amounts of capital✓ as they try to balance normal operations and expansion.✓
- Any other relevant answer related to the negative impact/disadvantages of adequate financing and capacity as a TQM element on large businesses.

OR**Total client/customer satisfaction****Positives/Advantages**

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

OR/AND**Negatives/Disadvantages**

- Employees who seldom meet customers ✓ often do not have a clear idea of what will satisfy their needs. ✓

- Monopolistic companies have an increased bargaining power ✓ so they do not necessarily have to please customers. ✓
- Not all employees may be involved /committed ✓ to total client/customer satisfaction. ✓
- Any other relevant answer related to the negative impact/disadvantages of total client/customer satisfaction as a TQM element on large businesses.

Max (4)**3.7 Importance of quality circles**

- Solve problems related to quality and implement improvements. ✓✓
- Investigate problems and suggest solutions to management. ✓✓
- Ensure that there is no duplication of activities/tasks in the workplace. ✓✓
- Make suggestions for improving processes and systems in the workplace. ✓✓
- Improve the quality of products/services/productivity through regular reviews of quality processes. ✓✓
- Monitor/Reinforce strategies to improve the smooth running of business operations. ✓✓
- Increase employees' morale/motivation to boost the team spirit in achieving organisational goals. ✓✓
- Contribute towards the improvement and development of the organisation. ✓✓
- Reduce costs of redundancy and wasteful efforts in the long run. ✓✓
- Increase the demand for products/services of the business. ✓✓
- Create harmony and high performance in the workplace. ✓✓
- Build a healthy workplace relationship between the employer and employee. ✓✓
- Improve employees' loyalty/commitment to the organisational goals. ✓✓
- Improve employees' communication at all levels of the business. ✓✓
- Develop a positive attitude/sense of involvement in decision making processes of the services offered. ✓✓
- Any other relevant answer related to the role of quality circles.

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

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

QUESTION 4: MISCELLANEOUS TOPICS**BUSINESS ENVIRONMENTS****4.1 Business environments and extent of control**

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

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

Max (4)**4.2 Types of diversification strategies**4.2.1 Horizontal diversification ✓✓ **(2)**4.2.2 Conglomerate diversification ✓✓ **(2)****4.3 Right to fair and honest dealings as stipulated in the Consumer Protection Act (CPA)**

- Suppliers may not use physical force✓ or harass customers.✓
- Suppliers may not give misleading/false information.✓
- Businesses may not promote pyramid schemes✓ and/or chain-letter schemes.✓
- Businesses may not overbook/oversell goods/services✓ and then not honour the agreement.✓
- Any other relevant answer related to the right to fair and honest dealings as stipulated in the Consumer Protection Act (CPA)

Max (6)**4.4 Penalties for non- compliance with COIDA**

- Businesses can be fined for refusing to lodge the claim/contravening the Act.✓✓
- Businesses can be forced to make large payments if it did not take the necessary precautions according to the Act.✓✓

- They may be forced to pay any recovery costs required by the Compensation Fund. ✓✓
- Employees may take businesses to court for not registering them with the Commissioner of the Compensation Fund. ✓✓
- If businesses are found guilty of any misconduct, they will have to pay large penalties/face imprisonment. ✓✓
- Any other relevant answer related to penalties regarding non-compliance to COIDA.

Max (6)**BUSINESS OPERATIONS****4.5 Aspects that should be included in an employment contract**

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

NOTE: Mark the first TWO (2) only.**(2 x 1) (2)****4.6 Placement procedure**

- Businesses should outline the specific responsibilities of the new positions, ✓ including the expectations/skills required for this position. ✓
- Determine the successful candidate's strengths/weaknesses/interest/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)

4.7 **Quality concepts from the scenario**

QUALITY CONCEPTS	MOTIVATIONS
Quality assurance ✓✓	The management of AC ensures that every process is aimed at getting the product right the first time and prevents mistakes from happening. ✓
Quality management ✓✓	AC aims to ensure that the quality of goods and services are consistent. ✓
Submax (4)	Submax (2)

- NOTE:**
- The answers do not have to be in tabular format.**
 - Award marks for the quality concepts even if the quotes were incomplete.**
 - Do not award marks for the motivations if the quality concepts were incorrectly identified.**
 - Accept responses in any order.**

Max (6)4.8 **Impact of TQM if poorly implemented by businesses**

- 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 of products/services✓ to satisfy the needs of customers. ✓
- Business reputation/image may suffer✓ because of poor quality/defective goods. ✓
- Customers will have many alternatives to choose from✓ and the impact could be devastating to businesses. ✓
- Investors might withdraw investment, ✓ if there is a decline in profits. ✓
- Decline in sales✓ as more goods are returned by unhappy customers. ✓
- High staff turnover, ✓ because of poor skills development. ✓
- Undocumented/Uncontrolled quality control systems/processes✓ could result in errors/deviations from pre-set quality standards. ✓
- Any other relevant answer related to the impact of TQM if poorly implemented by businesses.

Max (6)4.9 **Ways in which total quality management (TQM) can reduce the cost of quality**

- Introduce quality circles to discuss ways of improving the quality of 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 role 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 quality challenges/deviations, so that everyone can learn from experience. ✓✓
- 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 total quality management (TQM) can reduce the cost of quality.

Max (4)
[40]

BREAKDOWN OF MARKS

QUESTION 4	MARKS
4.1	4
4.2.1	2
4.2.2	2
4.3	6
4.4	6
4.5	2
4.6	4
4.7	6
4.8	6
4.9	4
TOTAL	40

TOTAL SECTION B: 80

SECTION C

Mark the answers to the FIRST question only.

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

- The National Credit Act regulates the terms and conditions for all goods and services that are sold/delivered on credit. ✓
- The Act enables businesses and consumers to enter into transparent credit agreements. ✓
- Businesses must receive assistance from legal experts to ensure compliance with the NCA. ✓
- Penalties/Consequences for non-compliance compel businesses to put systems in place that will improve their compliance status. ✓
- Any other relevant introduction related to the rights of consumers in terms of the NCA/impact of the NCA/ways to comply with NCA/penalties for non-compliance.

Any (2 x 1) (2)

5.2 Rights of consumers in terms of the National Credit Act/NCA

Consumers have a right to:

- Apply for credit and to be free from discrimination. ✓✓
- Receive Information in plain and understandable language. ✓✓
- Receive documents as required by the Act. ✓✓
- Receive pre-agreement documentation before concluding any credit transaction ✓✓
- Obtain reasons for credit being refused. ✓✓
- Fair and responsible marketing. ✓✓
- Access and challenge credit records and information. ✓✓
- Choose which goods they will buy and return such goods if they are not satisfied. ✓✓
- Surrender/Return goods to the credit provider in order to settle the outstanding amount/debt. ✓✓
- Apply for debts review/counselling if the consumers cannot afford to repay their debts. ✓✓
- Receive protection of their personal information. ✓✓
- Receive protection from being held accountable for the use of their credit facility after they reported the loss/theft. ✓✓
- Refuse a credit limit increase ✓✓
- Any other relevant answer related to the rights of consumers in terms of the NCA.

Max (10)

5.3 Ways in which businesses could comply with the NCA

- Offer applicants ✓ pre-agreement statements. ✓
- Disclose all costs ✓ of loan/ ✓ No hidden costs ✓ should be charged/added ✓
- Obtain credit records/checks of clients ✓ before granting loans. ✓
- Businesses should be registered ✓ with the National Credit Regulator. ✓
- Submit an annual compliance report ✓ to the National Credit Regulator. ✓

- Conduct affordability assessment✓ to ensure the consumer has the ability to meet his/her obligation. ✓
- Conduct credit check with a registered credit bureau✓ and consult with National Credit Register. ✓
- Businesses must have procedures in place✓ to comply with the provision of the Financial Intelligence Centre Act (FICA). ✓
- Verify the clients' identity, report untrustworthy transactions/ train employees✓ in terms of their responsibility with reference to 'FICA'. ✓
- Any other relevant answer related to ways in which businesses could comply with the NCA.

Max (14)**5.4 The impact of the NCA on businesses****Positives/Advantages**

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

AND/OR**Negatives/Disadvantages**

- Businesses can no longer✓ carry out credit marketing. ✓
- Businesses struggle to get credit✓ such as bank loans/overdrafts✓
- Businesses that do not comply with the NCA✓ may face legal action. ✓
- Debt collection procedures are more complex✓ and expensive. ✓
- Fewer customers buy on credit✓ as it is more difficult to obtain credit. ✓
- Increases the administration burden✓ on credit providers. ✓
- Leads to loss of sales✓ as many consumers may no longer qualify to buy on credit. ✓
- The paperwork and administrative process required by the act are costly✓ and time consuming. ✓
- The business needs to appoint additional staff ✓to deal with the extra administration. ✓
- Should the credit agreement be declared reckless✓ the business can forfeit the outstanding debt and the goods.✓

- Businesses that are official credit providers, ✓ must submit a compliance report every year. ✓
- A business must make sure that all attempts have been made to recover the debt ✓ before blacklisting the customer. ✓
- Credit providers cannot collect from consumers ✓ who are under debt reviews. ✓
- More working capital is needed ✓ as businesses cannot sell many goods on credit due to stricter credit application processes. ✓
- Any other relevant answer related to the negative impact of the NCA.

Max (14)**5.5 Penalties they may face for non-compliance to the Act**

- The business may not demand payment, sue or attach the clients/consumers salaries/assets. ✓✓
- The business may not charge any fee/interest/other charges under that specific credit agreement. ✓✓
- The 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 ✓✓
- The National Credit Regulator may impose a fine/penalty on the business for non-compliance. ✓✓
- The 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 the penalties that businesses may face for non-compliance to the Act.

Max (14)**5.6 Conclusion**

- The NCA ensures that consumers are not exploited by providing guidelines on how they can exercise their rights in the credit market. ✓✓
- Businesses benefit through the debt restructuring as they receive part of the outstanding debt. ✓✓
- Businesses that comply with the NCA are more likely to receive good publicity and attract more customers. ✓✓
- Businesses should adhere to the regulations of the NCA to avoid penalties that could lead to financial obligation/constraints. ✓✓
- Any other relevant conclusion related to the rights of consumers in terms of the NCA/impact of the NCA/ways to comply with NCA/penalties for non-compliance to the NCA.

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

QUESTION 5: BREAKDOWN OF MARK ALLOCATION

DETAILS	MAXIMUM	TOTAL
Introduction	2	Max 32
Rights of consumers in terms of the NCA	10	
Ways in which business could comply with the NCA	14	
Impact of the NCA on businesses	14	
Penalties for non-compliance to the NCA	8	
Conclusion	2	8
INSIGHT		
Layout	2	
Analysis, interpretation	2	
Synthesis	2	
Originality/Examples	2	
TOTAL MARKS		40

LASO – For each component:

Allocate 2 marks if all requirements are met.

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

Allocate 0 marks where requirements are not met at all.

QUESTION 6: BUSINESS OPERATIONS (HUMAN RESOURCE FUNCTION)**6.1 Introduction**

- The human resource manager must be well conversant with the requirements of a vacancy to ensure that the job description and job specification is accurate. ✓
- Internal recruitment is a method where businesses advertise vacancies within the business. ✓
- The interviewer should be well conversant with the interview process to enable them to make necessary planning arrangements before the interview. ✓
- A proper induction process enables new employees to have a better understanding of businesses' standard operating procedures. ✓
- Any other relevant introduction related to the job description and job specification/impact of internal recruitment /role of the interviewer before interview/benefits of induction.

Any (2 x 1) (2)

6.2 **Differences between job description and job specification**

JOB DESCRIPTION	JOB SPECIFICATION
- Describes 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, e.g. job title/working conditions/relationship of the job with other jobs in the business, etc. ✓✓	- Describes key requirements of the person who will fill the position, e.g. formal qualifications/willingness to travel/work unusual hours, etc. ✓✓
- Any other relevant answer related to job description.	- Any other relevant answer related to job specification.
Submax (4)	Submax (4)

- NOTE:**
- 1. The 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 **Impact of internal recruitment on a business**
Positives/Advantages

- It is cheaper and quicker ✓ as this method focuses on promoting existing employees. ✓
- Provides opportunities for career paths ✓ within the business. ✓
- Reduces the chances of losing employees, ✓ as future career prospects are available. ✓
- Placement is easy, ✓ as management knows the employees' skills/personality/ experience/strengths. ✓
- The employee already has an understanding of how the business operates, ✓ induction/training is not always necessary. ✓
- Detailed, reliable information about candidates can be obtained ✓ from the supervisors/ employee records. ✓
- Any other relevant answer related to the positive/advantages of internal recruitment on a business.

AND/OR

Negatives/Disadvantages

- Current employees may not bring new ideas✓ into the business. ✓
- Promoting a current employee may cause resentment✓ amongst other employees. ✓
- Promotion may disrupt business operations ✓ as it creates open vacancies that need to be filled. ✓
- The number of applicants is limited✓ to current staff only.✓
- Employees who do not really have the required skills for the new job✓ may be promoted.✓
- Current employees may need to be trained/developed✓ before they can be promoted, which can be expensive.✓
- Staff that is not promoted may feel demotivated✓ which may hamper productivity.✓
- Any other relevant answer related to the negative impact/disadvantages of internal recruitment on businesses.

Max (14)**6.4 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. ✓
- The interviewer should 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. ✓
- Any other relevant answer related to role of the interviewer before the interview.

Max (12)**6.5 Benefits of induction**

- 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 (12)**6.6 Conclusion**

- The correct job analysis is important in order to avoid unnecessary cost of re-advertising the vacancy. ✓✓
- Business should remain objective when recruiting internally to ensure that the successful candidate makes a meaningful contribution in the workplace. ✓✓
- A well-prepared interviewer should conduct research on relevant questions that should be asked during the interview. ✓✓
- Businesses should be well conversant with the induction programme to ensure a purposeful/meaningful induction for new employees. ✓✓
- Any other relevant conclusion related to the job description and job specification/impact of internal recruitment /role of the interviewer before interview/benefits of induction.

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

QUESTION 6: BREAKDOWN OF MARK ALLOCATION

DETAILS	MAXIMUM	TOTAL
Introduction	2	Max 32
The difference between job description and job specification	8	
Impact of internal recruitment on a business	14	
The role of the interviewer before the interview	12	
Benefits of induction	12	
Conclusion	2	
INSIGHT		
Layout	2	8
Analysis, interpretation	2	
Synthesis	2	
Originality/Examples	2	
TOTAL MARKS		40

LASO – For each component:

Allocate 2 marks if all requirements are met.

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

Allocate 0 marks where requirements are not met at all.

TOTAL SECTION C: 40

GRAND TOTAL: 150