



education

Department:
Education
REPUBLIC OF SOUTH AFRICA

**NATIONAL
SENIOR CERTIFICATE**

GRADE 12

**BUSINESS STUDIES
FEBRUARY/MARCH 2010
MEMORANDUM**

MARKS: 300

This memorandum consists of 28 pages.

NOTES TO MARKERS:

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

Marker:	Red
Senior Marker	Green
Deputy Chief and Chief Marker	Black
Internal Moderator	Orange

2. The numbering of Assessment Standards is in accordance with the principle of progression from Grades 10 to 12, e.g., the first Assessment Standard is 12.1.2.
3. Candidates responses must be in full sentences for SECTIONS B and C. This would depend on the nature of the question.
4. A comprehensive memorandum has been provided but this is by no means exhaustive. Due consideration should be given to an answer that is correct but:
- uses a different expression from that which appears in the memorandum.
 - comes from another source.
 - is correct and original.
 - relates to another applicable LO or AS.
5. Please take careful note of other relevant answers provided by candidates and allocate marks accordingly.
6. In the case where an answer is vague or shows some understanding, allocate part marks e.g. 1 mark instead of the maximum mark of 2.
7. **SECTION B**

- 7.1 If for example, FIVE facts are required, mark the candidates' FIRST FIVE responses and ignore the rest of the responses. Indicate by drawing a line across the unmarked portion or use the word "Cancel"
- 7.2 If two facts are written in one sentence, award the candidate FULL credit.
- 7.3 If candidates are required to provide their own examples/views, brainstorm this at the marking centre to finalise alternative answers.

7.4 All questions that require candidates to "explain/discuss/describe" will be marked as follows:

- Heading/Fact 2 marks
- Explanation 1 mark or as indicated in the memorandum.

NB. The heading and explanation could be integrated into one sentence.

7.5 All questions that require candidates to "name / list /" etc, the answers of the candidates can be in phrases and not necessarily in full sentences.

8. SECTION C

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

Introduction	3	Maximum : 32
Content	27	
Conclusion	2	
Insight	8	
Total Marks	40	

8.2 Insight consists of the following components:

Layout/Structure. Is there an introduction, body using proper paragraphs and conclusion? Is there a logical flow/link in the discussion?	2
Analysis and interpretation. Did the learner break down the question so as to realise what is being asked?	2
Synthesis. Did the learner put together only the relevant parts to the question?	2
Originality. Has the learner been able to illustrate the concepts with examples, preferably his/her own? Originality in approach, ideas and response. Current trends and developments.	2
TOTAL FOR INSIGHT:	8
TOTAL MARKS FOR FACTS:	32
TOTAL MARKS FOR ESSAY (8 + 32)	40

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

8.4 The components of insight are indicated at the end of the suggested answer for each question. Note: The components may vary for each question.

8.5 Mark all relevant facts until the MAXIMUM mark in a sub-section has been attained. Write MAX after maximum marks have been obtained.

- 8.6 At the end of each essay indicate the allocation of marks for facts and marks for insight as follows:

CONTENT	MARKS
Facts	32
L	2
A	2
S	2
O	2
TOTAL MARKS	40

NOTE: The mark allocation for insight may vary for each essay.

- 8.7 When awarding marks for facts, take note of the sub-maxima indicated, especially if candidates do not make use of the same sub-headings.
Remember, headings and sub-headings are encouraged and contribute to insight (structuring/logical flow/sequencing) and indicate clarity of thought.
(See BREAKDOWN at the end of each question.)
- 8.8 If the candidate identifies/interprets the question **INCORRECTLY**, then he/she can still obtain marks for insight.
- 8.9 If a different approach is used by candidates, ensure that the answers are assessed according to the mark allocation/subheadings as indicated in the memorandum.
9. Take particular note of the repetition of facts. Indicate with a R.
10. Subtotals to questions must be written in the right margin. Encircle the Sub-totals, where applicable, as indicated in the breakdown of marks.
Only the total for each question should appear in the left margin next to the appropriate question.
11. Allocate TWO marks for complete sentences. Allocate ONE mark for phrases, incomplete sentences and vague answers.

SECTION A**QUESTION 1**

1.1.1	C		
1.1.2	A		
1.1.3	D		
1.1.4	B		
1.1.5	C		
1.1.6	B		
1.1.7	B		
1.1.8	C		
1.1.9	D		
1.1.10	C		
1.1.11	D		
1.1.12	B		
1.1.13	A		
1.1.14	A		
1.1.15	B	(15 x 2)	(30)
1.2.1	F		
1.2.2	G		
1.2.3	H		
1.2.4	B		
1.2.5	C	(5 x 2)	(10)
TOTAL SECTION A:			40

SECTION B**QUESTION 2****2.1.1 (LO3 AS6)**

- Suspicions of workers using drugs/alcohol. √√
- Dismissal of workers without evidence. √√
- Lack of policy guidelines. √√
- Wrong disciplinary procedures. √√ (any 2 x 2) (4)

2.1.2 (LO3 AS6)

- Acknowledge that there is conflict between the employees. √√
 - Identify the causes of conflict √√
 - Arrange a meeting between the conflicting parties and management√√
 - Devise strategies to resolve the conflict√√
 - Find a way forward by requesting parties to adhere to a memorandum of understanding√√
- (Any other relevant step in resolving conflicts. Accept any order.) (any 5 x 2) (10)

2.1.3 (LO3 AS6)

- Promote interests of all workers. √√
 - Strengthen workplace efficiency. √√
 - Consult with the employer. √√
 - Take part in decision-making. √√
 - Encourage worker participation in decision-making. √√
 - Prevent decision-making by employers on matters affecting employees. √√
- (Any other relevant answer related to functions of a workplace forum.) (any 5 x 2) (10)

2.1.4 (LO3 AS6 + LO4 AS5)

- The business must first set(formulate) written policy on drugs and alcohol usage during office hours. √√
 - Communicate this policy to all workers when they sign the employment contract. √√
 - If the worker uses drugs for the first time, he/she must be warned verbally in the presence of the workplace forum/union member. √√
 - Should the same worker repeat the offence, he/she must be served with charges and appear before the management of the company and workplace forum rep. √√
 - During the hearing the worker shall be given a chance to state his case.
 - If found guilty, the worker shall be dismissed. √√
 - If the worker is not satisfied he/she can refer the case to the CCMA. √√
- (Any other relevant answer related to dismissal procedures.) (any 5 x 2) (10)

2.2 (LO 3 AS 5)

LIASSEZ-FAIRE

- This form of management allows the subordinates complete freedom in decision making.√√
- The leader provides general goals and guidelines.√√
- The subordinates must ensure that company policy must be adhered to in their decision making process.√√
- Any other relevant answer related to laissez-faire management style.

(max. 2 x 2) (4)

DEMOCRATIC

- Leader involves employees in decision making√√
- Leader takes inputs from the workers but he/she makes the final decision√√
- Leader is responsible and accountable for his decision√√
- Any other relevant answer related to democratic management style.

(max. 2 x 2) (4)

Laissez-faire or Democratic (√ mark + with a valid reason √)(2)
(10)

2.3 (LO2AS7)

$$\begin{aligned}
 2.3.1 \quad \text{Interest} &= P \times R \times T \\
 &= R10\,000 \sqrt{} \times \frac{12}{100} \sqrt{} \times \frac{12}{12} \\
 &= R1\,200 \sqrt{}
 \end{aligned}$$

(4)

NOTE:**(a) ALLOCATE MAXIMUM MARKS IF ONLY THE ANSWER OF R1 200 IS GIVEN (MAX 4).****(b) ALLOCATE A MAXIMUM OF 2 MARKS IF PROCEDURE AND METHOD IS CORRECT BUT THE FINAL ANSWER IS INCORRECT.**

2.3.2 (LO2AS7)

- Low risk because return is guaranteed. √√
- The return of 12% may be better than other forms of investment. √√
(Any other relevant answer related to the reasons why the investment is good.)

(4)

2.4 (LO1 AS4) (LO2 AS8)

Yes. ✓✓

Motivation : Credit Provider

(2)

- Protects the credit provider against bad debts. ✓✓
- Allowed to charge interest and other fees for the provision of credit. ✓✓
- Credit providers will be controlled by a regulatory body. ✓✓
- The credit agreement must be in writing. ✓✓

(Any other relevant answer related to benefits of the NCA to credit providers.)

(any 3 x 2)

(6)

OR

Motivation: Consumer

- Right not to be discriminated against by credit providers when deciding to provide credit or not. ✓✓
- Consumers are entitled to be given reasons for credit refusal. ✓✓
- Consumers have right to information in any official language. ✓✓
- Consumers have rights to receive information free of charge. ✓✓
- They have rights to receive monthly statements of accounts. ✓✓
- All costs of credit such as documentation fees, administration fees must be disclosed to the consumer. ✓✓
- Any other relevant answer related to benefits of the NCA to consumers.

(any 3 x 2)

(6)

NOTE: If the motivation for both credit provider and consumer is given together allocate marks according to the maximum of 6 marks.

OR

No. ✓✓

Motivation: Credit provider

(2)

- Loss of business. ✓✓
- Must be NCA compliant. ✓✓
- Proper credit vetting (approval procedures) must be in place.
- Retrenchment of workers. ✓✓
- In the event of non payment by the consumer the credit provider could also bear the loss. ✓✓
- Must provide the credit agreement in the preferred language of the client. ✓✓
- Any other relevant answer related to disadvantages of NCA to the credit provider.

(any 3 x 2)

(6)

OR

Motivation: Consumer

- Cannot access credit easily. √√
- May affect (lower) his standard of living. √√
- Credit limit is based on net income and the ability to repay his debt (affordability) √√
- Any other relevant answer related to disadvantages of NCA to the consumer.

NOTE: If the motivation for both credit provider and consumer is given together allocate marks according to the maximum of 6 marks.

Yes/No (2)
(any 3 x 2) (6)
Max. (8)

Yes or No without motivation – No marks must be allocated

[60]

Breakdown of marks

QUESTION 2	MARKS
2.1.1	4
2.1.2	10
2.1.3	10
2.1.4	10
2.2	10
2.3.1	4
2.3.2	4
2.4	8
TOTAL	60

QUESTION 3**3.1 (LO1 AS5)****3.1.1 (LO1 AS5)**

- (a) √√ Macro environment. √√
- (b) √√ Market environment/Micro environment. √√
- (c) √√ Micro environment. √√

- NOTE: (a) If the course of action is written in full, it must match the correct business environment.**
- (b) If the business environment is incorrectly identified, allocate zero marks, that is no marks for course of action.**

Breakdown of marks	
Course of action:	2
Environment:	2
(3 x 4)	(12)

3.2 (LO1 AS2)**3.2.1 (LO1 AS2)**

- Horizontal integration √√ (2)

3.2.2 (LO1 AS2)

- Forward integration √√
(Accept vertical integration) (2)

3.2.3 (LO1 AS2)

- Backward integration √√
(Accept vertical integration) (2)

3.3 3.3.1 (LO1 AS3) (LO1 AS4)

- Preferential procurement to black business entrepreneurs. √√
 - Investment in enterprises managed or owned by black people. √√
 - Black entrepreneurs are advantaged by human resource and skills development legislation as well as training. . √√
 - Increasing the number of black people who own, manage and control productive assets and enterprises. √√
 - Promote the economic unity inclusive of all population groups in business in South Africa. √√
- (Any other relevant benefit related to BBBEE) (3 x 2) (6)

3.3.2 (LO1 AS3) (LO1 AS4)

Yes ✓✓

Justification:

There is an increase in the number of black people who manage and own businesses. ✓✓

No ✓✓

Justification

Not all businesses adhere to the provisions of the BBBEE Act. ✓✓

NOTE: (a) Yes/No without any justification allocate zero marks.**(b) Accept any other relevant answer justifying the implementation of the Act.**

(4)

3.4 (LO1 AS3)

3.4.1 Poor education facilities.

- Building new schools with technical subjects. ✓✓
- Providing resources. ✓✓
- Supporting School Governing Bodies (SGB's) by funding the appointment of additional educators. ✓✓
- Any other relevant answer related to poor education facilities.

(2 x 2)

(4)

3.4.2 High crime rate.

- Create jobs for the local people. ✓✓
- Support crime prevention structures, e.g. Sponsor cars to patrol the crime hot spots. ✓✓
- Any other relevant answer related to high crime rate.

(2 x 2)

(4)

3.4.3 Limited housing infrastructure.

- Building houses for poor families. ✓✓
 - Renovation of dilapidated houses. ✓✓
- (Any other relevant answer related to limited housing infrastructure.)

(2 x 2)

(4)

3.5 3.5.1 (LO2 AS7)

- Serves as a link between investors and entrepreneurs. ✓✓
- Serves as a barometer for economic conditions. ✓✓
- Enables financial institutions to invest their funds in shares. ✓✓
- Publishes share prices daily – so as to keep investors informed about tendencies in the market. ✓✓
- Encourages small investors to obtain a share in the economy by buying shares. ✓✓
- Employs experts who help in assessing company shares. ✓✓
- Any other relevant answer related to the functions of the JSE.

(4 x 2)

(8)

3.5.2 (LO2 AS4)

- Buy endowment policies that focus on investment in shares. √√
 - Invest in unit trusts. √√
 - Invest in accredited financial institutions. √√
 - Use brokers who are accredited financial service providers. √√
- (4)
(2 x 2)

3.6 (LO2 AS6)

3.6.1 Pie graph √√ (2)

3.6.2 (a) - Term 4 √√ (2)

- (b) - Learners come to school only to write exams and generally leave after the exam session. √√
- It is usually a shorter term. √√
- (Any other relevant answer related to possible reasons for decreased sales during this term.) (Any 1 reason x 2) (2)

- (c) Review the pricing structure to generate more sales. √√
Intensify advertising. √√
Any other relevant answer related to the strategy. (Any 1 x 2) (2)
- [60]**

Breakdown of marks

QUESTION 3	MARKS
3.1.1	12
3.2.1	2
3.2.2	2
3.2.3	2
3.3.1	6
3.3.2	4
3.4.1	4
3.4.2	4
3.4.3	4
3.5.1	8
3.5.2	4
3.6.1	2
3.6.2 (a)	2
(b)	2
(c)	2
TOTAL	60

QUESTION 4**4.1 (LO4 AS6)**

- fewer product defects√√
 - more consumer satisfaction√√
 - lower production costs√√
 - higher productivity√√
 - Increased sales by word of mouth that products are of good quality. √√
 - Increased profits√√
 - Possible expansion of the business√√
- (Any other relevant answer related to benefits of good quality control measures.) (Any 4 x 2) (8)

4.2 (LO3 AS7)

Consider:

- The risks associated with the career. √√
 - The moral issues regarding the chosen career. √√
 - Whether there will be a conflict between culture and the career.
 - The ethical issues regarding the career. √√
 - Religion in relation to the chosen career. √√
 - Family ties. √√
 - Relocation costs, etc.
- (Any other factor that must be taken into consideration when exploring a business career.) (Any 5 x 2) (10)

4.3 (LO4 AS5)

- Verbal complaint √ - the employee states his problem to his supervisor. √√
- Investigation √ - the supervisor listens, investigates the problem and suggests solutions. √√
- Formal written complaint √ - if the employee is not satisfied with the suggested solutions, he/she can make a formal written complaint to the next level of management. √√
- Further investigation by next level of management √ - this level investigates the problem again, suggests a solution and makes a recommendation. √√
- Resolution of the problem √ - grievance is solved and the employee is happy. √√
- If not satisfied, the employee declares a dispute √ - the matter is referred for mediation and arbitration. √√
- Any relevant answer related to steps in grievance procedures.

NOTE: Steps need not be in any particular order.

Mark allocation:
Steps - 1 mark
Explanation- 2 marks
(Any 4 x 3) (12)

4.4 (LO2 AS5)
Human rights

- Businesses must treat all stakeholders with dignity and respect. √√
- Employees must have the right to be a member of a trade union. √√
- Businesses can contribute towards human rights issues by implementing poverty alleviation programmes. √√
- Business policy should not be biased against employees. √√
- Providing health care facilities at the workplace. √√
- Any other relevant answer related to human rights. (any 3 x 2) (6)

Inclusivity

- No one should be discriminated against regarding race, gender, religion, etc. √√
- Give equal opportunities to all employees. √√
- Workplace must reflect the demographics of the country in terms of race, gender and disability. √√
- Needs and desires of all stakeholders must be appreciated and tolerated in the workplace. √√
- Any other relevant answer related to inclusivity. (any 3 x 2) (6)

Environmental issues

- Businesses must protect the environment by avoiding pollution. √√
 - Sustainable ecological development which cannot harm nature must be applied by businesses. √√
 - If damage to the environment occurs, businesses should take responsibility to rehabilitate it. √√
 - Any other relevant answer related to environmental issues. (any 3 x 2) (6)
- Max (12) (12)**

4.5 (LO4AS6)

Definition of Marketing:

Marketing refers to the activities that involves getting the right product to the right place, at the right price and advertising it in the best possible manner in order to satisfy the needs of consumers √√ (2)

Quality of performance:

- Marketing the product at a price that will attract the customers. √√
e.g. utility value √
- Continually changing the nature of the product, √√ e.g. to satisfy the needs of consumers based on feedback. √
- Marketing in such a manner so as to obtain a greater share of the market, √√ e.g. branding. √
- Advertising of the products must be in line with ethical advertising practices, √√ e.g. don't advertise second hand goods as new. √√
- Any other relevant answer related to the quality of performance of marketing.

Definition (2)
Quality of performance (any 3 x 3) (9)
Max. (10) (10)

4.6 (LO3 AS8)

Agree √√ (2)

Justification:

- The goals or objectives of the business are achieved through shared commitment and accountability by all team members. √√
- The time required to perform a job may be reduced. √√
- Team members with different experience and necessary skills can enhance creativity. √√
- Costs are reduced because decisions can be made faster. √√
- Teamwork improves motivation of employees. √√
- Any other answer relevant to the reasons/advantages for use of teams in the workplace. (any 3 x 2) (6)

Disagree √√ (2)

Justification:

- Team members may not share the same commitment towards the company hence poor team performance. √√
- Team members may not be adequately trained and experienced for the task. √√
- Team members may not perform the task effectively based on negative attitudes. √√
- Lack of trust amongst team members. √√
- Any other relevant answer regarding disagreement/disadvantages on teamwork. (any 3 x 2) (6)

NOTE: (a) Agree/Disagree without justification allocate no marks.

(b) Allocate the 2 marks for agree/disagree if it is integrated in the answer.

Agree/Disagree (2)
Justification (any 3 x 2) (6)
Max. (8)
[60]

Breakdown of marks

QUESTION 4	MARKS
4.1	8
4.2	10
4.3	12
4.4	12
4.5	10
4.6	8
TOTAL	60

TOTAL SECTION B: 180

SECTION C

QUESTION 5

(LO1 AS2)

5.1 Introduction

- A strategy is a creative plan for success. ✓
- The strategic plan is developed from the creative plan for success. ✓
- Generally, top management is responsible for preparing a strategic plan. ✓
(Any other relevant introduction based on the case study/question.) (Max 3)

5.2 Development of strategies

5.2.1 Vision Statement ✓✓

- Mandlas Sports shop wants to be one of the leading sports enterprises in Polokwane. ✓✓
- To develop his business into a franchise operation in the future. ✓✓
- Any other relevant answer related to vision statement. (Max 4)

5.2.2 Setting up the goals or objectives. ✓✓

- Selling quality soccer shirts and soccer balls during the Soccer World Cup and beyond. ✓✓
- To be a highly profitable organization. ✓✓
(Any other relevant answer related to goals and objectives.)
(Max 4)

5.2.3 SWOT Analysis

STRENGTHS ✓	WEAKNESSES ✓
- Highly skilled labour. ✓✓ - Mandla has efficient management and leadership skills. ✓✓ - Degree in Business Management. ✓✓ - Vast experience in sportswear business ✓✓ - Modern machinery. ✓✓ - Specialisation in sports clothing. ✓✓	- Lower worker morale. ✓✓ - Poor team spirit. ✓✓ - High rate of absenteeism. ✓✓ - High turnover rate of workers ✓✓ - Lack of communication between management and workers. ✓✓
Heading 1 Any (2 x 2) 4	Heading 1 Any (2 x 2) 4

OPPORTUNITIES ✓	THREATS ✓
- 2010 Soccer World Cup in South Africa. ✓✓ - Expansion of business because of this tournament. ✓✓ - High demand of soccer shirts during the Word Cup. ✓✓ - Franchise opportunity for the future ✓✓ - Host city for 2010 soccer world cup. ✓✓	- Competitors selling similar imported products at a cheaper price. ✓✓ - Trade Unions demanding higher salaries and wages (labour action/strikes) ✓✓ - Loss of skilled labour to competitor- and labour markets. ✓✓
Heading 1 Any (2 x 2) 4	Heading 1 Any (2 x 2) 4

NOTE: Responses must be extracted from the case study, but need not necessarily be verbatim.

Headings (4 x 1) (4) (4)
 Discussion (4 x 4) (16)
 Max 20

5.2.4 Formulation of Strategies in response to the above challenges/weaknesses/threats and Implementation.

- Offer incentives for good work done eg. bonuses, shopping vouchers, awards. ✓✓
- Team building. ✓✓
- Coaching and mentoring. ✓✓
- Conflict resolution. ✓✓
- Insist on doctors notes. ✓✓
- Draw up contract with employee – consider policy of no work no pay. ✓✓
- Review recruitment policy. ✓✓
- Send workers on training courses. ✓✓
- Advertise your product as a quality guaranteed product. ✓✓
- Register your product under a Trade Mark. ✓✓
- Source out quality raw materials at a cheaper price. ✓✓
- Offer higher wages/salaries. ✓✓
- Identify workers for further training to fill key positions. ✓✓
- Any other relevant strategies related to the challenges identified in the SWOT analysis.

Discussion (any 3 x 2) (6)
 Maximum (6)

5.2.5 Evaluation of Strategies

- After implementation of the abovementioned strategies, these must be evaluated to determine whether the strategies were successful or not. ✓✓
- Review those strategies that were not successful by implementing alternatives. ✓✓
- Set specific dates to conduct feedback on market research. ✓✓
 (Any other relevant answer related to evaluation of strategies.)

(Max 6)

5.3 Conclusion

- Strategic planning and implementation is a continuous process that needs to be revised by top management on an ongoing basis in order to ensure success and sustainability of the business. ✓
- In order for the strategic plan to be successful, workers must adopt a positive attitude ✓
- Any other relevant answer related to conclusion. (Max 2) (2)

Breakdown of mark allocation:

Details	Maximum	Subtotal	Total
Introduction		3	Max 32
Vision statement	4	40	
Setting up of goals and objectives	4		
Swot analysis	20		
Formulation/Implementation	6		
Evaluation of strategies	6		
Conclusion		2	
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 only if some of the requirements are met.
Allocate 0 marks where requirements are not met at all.

QUESTION 6

(LO2 AS4)

6.1 Introduction:

- Generally, most businesses have failed because of lack of good entrepreneurial qualities. ✓
- Therefore, quality entrepreneurial skills will lead to a successful business venture. ✓
- The following are some of the most important and significant qualities of a successful entrepreneur. ✓
(Any other relevant answer related to entrepreneurial qualities.) (Max 3) (3)

6.2 Qualities of a successful enterprise**6.2.1 Risk Taking** √√

- Able to take calculated risks. √√
- Should do a risk analysis on an ongoing basis to minimise losses. √√
- Risks taken should help the business to achieve its desired goals. √√ (Max 6) (6)

6.2.2 Vision/goals √√

- Must lay down clear vision/goals which is communicated to all employees. √√
- These must be constantly revised in line with the dynamics of the market environment √√ (Max 6) (6)

6.2.3 Creativity √√

- Must provide creative solutions for the business. √√
- Proactive in anticipating problems. √√
- Employees have the opportunity of experimenting with new ideas. √√ (Max 6) (6)

6.2.4 Good interpersonal relations √√

- Communicates and motivates workers. √√
- Have an open door policy. √√
- Willing to listen to employees. √√ (Max 6) (6)

6.2.5 Displays good leadership and management skills √√

- Ability to make sound decisions in line with the business. √√
- Coordinate all the activities of the various departments into a profitable unit. √√
- Highly committed to his work and is an example to others within the organisation. √√ (Max 6) (6)

6.2.6 Financial management √√

- Sound knowledge of financial systems and recording. √√
- Compile a budget for the enterprise based on previous financial results. √√
- Maintain proper control over business expenditure. √√ (Max.6) (6)

6.2.7 Economic conditions ✓✓

- Must be sensitive to changes in economic environment. ✓✓
- Economic recession may cause the business to fail. ✓✓
- High levels of inflation allow prices of goods to increase. ✓✓

(Max.6) (6)

Any other relevant answer regarding the entrepreneurial qualities of a successful enterprise.

(Any 5 x 6) (30)

6.3 Sustainability

- The entrepreneur must possess the necessary skill to ensure his business will be in operation for a long time. ✓✓
- Must be able to devise strategies to address the challenges and threats to his business. ✓✓
- Adequate provisions in his capital budget for funds to be used in future expansion. ✓✓

(Any other relevant answer related to sustainability.) ✓✓ (Max 4) (4)

6.4 Profitability

- Must ensure that he/she generates maximum profits every financial year end. ✓✓
- There is an improvement in profitability on a year on year basis. ✓✓
- Attract other investors into his/her business for expansion. ✓✓

(Any other relevant answer related to profitability.) (Max 4) (4)

6.5 Customer Base

- A business cannot make profits if it does not have any customers to sell its products to. ✓✓
- The entrepreneur must have on record a customer base which will enable constant contact through mail/SMS, etc. ✓✓
- Maintain and also increase customer base by providing goods/services of quality. ✓✓

(Any other relevant answer related to customer base.) (Max 4) (4)

6.6 Conclusion

- Entrepreneurs must also constantly update themselves by consulting with experts in business, reading resource material, interest on the most modern methods/qualities that bring success to entrepreneurs. ✓
- Strive to meet the needs of customers which are continuously challenging. ✓
(Any other relevant answer related to entrepreneurial qualities in relation to business success.)

(2)

Breakdown of mark allocation

Details	Maximum	Subtotal	Total
Introduction		3	Max 32
Qualities of a successful entrepreneur	Any 5 x 6 = 30	42	
Sustainability	4		
Profitability	4		
Customer Base	4		
Conclusion		2	
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 only if some of the requirements are met.
Allocate 0 marks where requirements are not met at all.

QUESTION 7

(LO3 AS10)

7.1 Introduction:

- The well-being of employees in the workplace is vital because it has a direct influence on the productivity of the worker and the results of the enterprise. ✓
- Management must play an effective role in implementing various initiatives that cater for the well-being of employees. ✓
- There are many programs that management can implement to uplift the well-being of employees. ✓
- These will be discussed below and illustrated with examples. ✓
(Any other relevant answer related to well-being and management support/incorporates an evaluation.) (any 3 x 1) (3)

7.2 Methods that contribute towards the advancement of the well-being of employees.

- 7.2.1 Motivation of employees. ✓✓**
- Rewards employees for job well done. ✓✓
 - Promotion of employees from within the organization. ✓✓
 - Providing staff with healthy working environment. ✓✓
(Any other relevant answer related to the motivation of employees.)
- Example**
- Provision of housing, travelling and cell phone allowances to employees. ✓✓
(Any other relevant example on motivation of employees.)

Heading	2
Discussion (any 2 x 2)	(4)
Example (any 1 x 2)	<u>2</u>
	8

- 7.2.2 Staff development programs. ✓✓**
- Sending staff for training and development courses. ✓✓
 - Develop staff skills through in service training. ✓✓
 - Contribute funds for skills development. ✓✓
(Any other relevant answer related to staff development programs.)
- Example**
- Obtaining professionals to coach staff on job related matters.
(Any other relevant example on staff development programs.)

Heading	2
Discussion (any 2 x 2)	(4)
Example (any 1 x 2)	<u>2</u>
	8

7.2.3 **Stress reduction programs.** √√

- Encourage employees to lead a healthy lifestyle. √√
- Giving stressed staff less complex work to do. √√
- Communication channels must be open. √√
- Any other relevant answer related to stress reduction programs.

Example

- Provision of recreational facilities e.g. gymnasium, clubhouse.
(Any other relevant example on stress reduction programs.)

Heading	2
Discussion (any 2 x 2)	(4)
Example (any 1 x 2)	<u>2</u>
	8

7.2.4 **Team building exercises.** √√

- Unites staff in the workplace. √√
- Enhances staff tolerance towards each other. √√
- Staff share job experiences and knowledge. √√
- Any other relevant answer related to team building exercises.

Example

- Take staff on an excursion to implement team building exercises.
- Any other relevant example on team building exercises.

Heading	2
Discussion (any 2 x 2)	(4)
Example (any 1 x 2)	<u>2</u>
	8

7.2.5 **Rehabilitation (Aids, substance abuse) and resolving personal problems of employees.** √√

- Giving staff with personal problems leave to sort out their problems. √√
- Helping staff with alcoholism and drug abuse. √√
- Encourage staff to talk about their problems with people they can trust. √√
(Any other relevant answer related to rehabilitation and personal problems.)

Example

- Referring workers with problems to counseling and rehabilitation centres. √√
(Any other relevant example on rehabilitation and personal problems.)

Heading	2
Discussion (any 2 x 2)	(4)
Example (any 1 x 2)	<u>2</u>
	8

NOTE:

- (a) Learners may provide other methods that contribute towards the advancement of the well-being of employees.
 (b) Accept any FIVE methods as long as it is relevant to the question.
 (c) Use the mark scheme, as allocated, if the situation arises.

7.3 Conclusion

- From the above discussion it is clear that the well-being of employees should come first before profit making. ✓
- Advancing the well-being of employees is not a favour but a right employees enjoy which is supported by policies and legislation. ✓
- Any other relevant conclusion relating to well-being and management contribution as well as evaluation. (Any 2 x 1) (2)

Breakdown of mark allocation

Details	Maximum	Subtotal	Total
Introduction		3	Max 32
Motivation of employees	8	40	
Staff development programs	8		
Stress reduction programs	8		
Team building exercises	8		
Rehabilitation (Aids, substance abuse) and resolving personal problem of employees.	8		
Conclusion		2	
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 only if some of the requirements are met.
 Allocate 0 marks where requirements are not met at all.

QUESTION 8**(LO4 AS3) (LO1 AS4)****8.1 Introduction**

- Human rights and fair labour practices have been the main basis for the passing of new labour legislation in South Africa. ✓
 - This was based on the fact that apartheid promoted unfair labour practices. ✓
 - The Bill of Rights sets out detailed rights and responsibilities for all citizens of the country. ✓
- (Any other relevant answer related to the introduction.) (Any 3 x 1) (3)

8.2 Basic Conditions of Employment, 1997 (Act 75 of 1997)

- The Act prescribes the minimum conditions of employment that employers must legally comply with. ✓✓
 - The Act protects workers from exploitation, respect for human rights and social justice.
- The following are the main provisions of the Act. ✓✓

8.2.1 Working Hours. ✓✓

- The maximum hours to be worked per day for a five day week is 9 hours **or** 45 hours – normal work time. ✓✓
- The maximum hours to be worked per day for a six day week is 8 hours **or** 48 hours – normal work time. ✓✓
- Overtime must be a maximum of 3 hours per day or 10 hours per week. ✓✓
- Payment for overtime is usually at one and half times the normal rate. ✓✓
- Meal breaks of at least 1 hour after 5 hours of work. ✓✓

(Max 4) (4)

8.2.2 Leave ✓✓

- The worker is entitled to 21 days annual paid leave for every 12 months of continuous employment. ✓✓
- Maternity leave is four months. ✓✓
- Family responsibility leave of 3 days per year is allowed for family death, illness etc. ✓✓
- Employees are allowed 36 days of sick leave in a 36 month/3 year cycle. ✓✓

(Max 4) (4)

8.2.3 Public Holidays ✓✓

- Employees must be paid for any public holiday that falls on a working day. ✓✓
- If the workers are required to work on a public holiday then they must receive double their normal rate. ✓✓

(Max 4) (4)

8.2.4 Notice of termination of employment. √√

- Employees must give 1 weeks notice during the first six months of being employed. √√
- Two weeks notice must be served if employed between 6 to 12 months. √√
- Four weeks notice if employed for more than a year. √√

(Max 4) (4)
(4 x 4) (16)
Max 12

Accept other conditions as stipulated in the BCEA Act.**8.3 Employment Equity Act (Act 55 of 1998)**

- This Act states that there must be no discrimination on the basis of race, age, gender, religion or disability in the workplace. √√
- Affirmative Action is used as a mechanism to correct the imbalances of the past with respect to access to employment, training, promotion and equitable remuneration especially for blacks, women and the disabled. √√
- Employers who employ 50 or more workers must develop specific affirmative action plans in consultation with the workers. √√
- Business enterprises must submit employment equity plans every two years to the Department of Labour. √√
- This Act also forces businesses to employ more people from disadvantaged groups and promote the same to managerial positions. √√
- The employment equity plan of the business must be built into its recruitment and selection process. √√

(Any other relevant answer related to employment equity act.)

Any (6 x 2) (12)
Max (12)

8.4 Skills Development Act, 1998 (Act 97 of 1998)

- This Act was passed to address the effects of discriminatory labour laws, employment policies and the education system of the apartheid regime. √√
- This has resulted in a severe shortage of skilled labour, high unemployment rate and the lack of transformation in the workplace. √√

Therefore, the Skills Development Act was passed to:

- Encourage workers to get involved in training programmes. √√
- Improve employment opportunities for disadvantaged people. √√
- The workplace should be transformed as a place of learning. √√
- Ensure that workers participate in learnerships. √√
- Provide quality education and training at the workplace. √√
- Reduce the high unemployment rate and skills shortage. √√

(Any other relevant answer related to Skills Development Act.)

Any (6 x 2) (12)
Max (12)

8.5 Success/Failure of the above Legislations

- Most of the business enterprises are successfully implementing the above legislations in their business operations. √√
- This is evident in the large number of successful empowerment companies established in South Africa. √√
- These companies are complying with the equity plans, affirmative action, employment of women and disabled people. √√
- The Advisory Commission for Employment Equity advises businesses on the formulation of Codes of Good Practice and Balanced Score Card. √√
- The government imposes fines on those companies that do not comply. √√
- Some businesses may not be familiar with the legislations. √√
- Training is necessary for the successful implementation. √√
- Companies would rather pay the fines, than obeying the rules and regulations. √√

(Any other relevant answer related to success/failure of above legislations.)

Any (6 x 2) (12)
Max (12)

NOTE: A maximum of 4 marks must be given if the success/failure is discussed under each Act.

8.6 Conclusion

- From the above discussion it is clear that the new policies for labour legislation in South Africa has provided a much happier workforce in the country. √
 - More people are being educated and skilled through the SETAs, etc. √
- (Any other relevant answer related to unfair labour practices.)

Sub Total: (45)
Max (32)

Breakdown of mark allocation

Details	Maximum	Reduced to	Subtotal	Total
Introduction			3	Max 32
Basic Conditions of Employment Act Facts	12	Max.40	40	
Employment Equity Act Facts	12			
Skills Development Act Facts	12			
Success/Failure of Legislation Facts	12			
Conclusion			2	
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 only if some of the requirements are met.
Allocate 0 marks where requirements are not met at all.

TOTAL SECTION C: 80

GRAND TOTAL: 300