



education

MPUMALANGA PROVINCE  
REPUBLIC OF SOUTH AFRICA

**NATIONAL  
SENIOR CERTIFICATE**

**GRADE 12**

**BUSINESS STUDIES P1  
SEPTEMBER 2023**

**MARKS: 150**

**DURATION: 2 HOURS**

*Stanmorephysics*

**This question paper consists of 10 pages.**

**INSTRUCTIONS AND INFORMATION**

Read the following instructions carefully before answering the questions.

- This question paper consists of **THREE** sections and covers **TWO** main topics.  
**SECTION A:** COMPULSORY  
**SECTION B:** Consists of **THREE** questions.  
 Answer any **TWO** of the three questions in this section.  
**SECTION C:** Consists of **TWO** questions.  
 Answer any **ONE** of the two questions in this section.
- Read the instructions for each question carefully and take particular note of what is required.
- Number the answers correctly according to the numbering system used in this question paper. No marks will be awarded for answers that are numbered incorrectly.
- Except where other instructions are given, answers must be written in full sentences.
- Use the mark allocation and nature of each question to determine the length and depth of an answer.
- Use the table below as guide for mark and time allocation when answering each question.

SECTION	QUESTION	MARKS	TIME(minutes)
<b>A: Objective-type questions COMPULSORY</b>	<b>1</b>	<b>30</b>	<b>20</b>
<b>B: THREE direct/indirect-type questions CHOICE (Answer any TWO.)</b>	<b>2</b>	<b>40</b>	<b>70</b>
	<b>3</b>	<b>40</b>	
	<b>4</b>	<b>40</b>	
<b>C: TWO essay-type questions CHOICE (Answer any ONE.)</b>	<b>5</b>	<b>40</b>	<b>30</b>
	<b>6</b>	<b>40</b>	
<b>TOTAL</b>		<b>150</b>	<b>120</b>

- Begin the answer to **EACH** question on a **NEW** page, for example **QUESTION 1** – new page, **QUESTION 2** – new page, et cetera.
- You may use a non-programmable calculator.
- Write neatly and legibly.

**SECTION A (COMPULSORY)****QUESTION 1**

1.1 Various options are provided as possible answers to the following questions. Choose the answer and write only the letter (A–D) next to the question number (1.1.1–1.1.5) in the ANSWER BOOK, for example 1.1.6E.

1.1.1 This Act prevents discrimination on grounds of gender and disability in the workplace.

- A National Credit Act, 2005 (Act 34 of 2005)
- B Employment Equity Act, 1998 (Act 55 of 1998)
- C Skills Development Act 1998, (Act 97 of 1998)
- D Broad Based Black Economic Empowerment 2003, (Act 53 of 2003)

1.1.2 Zall Aluminum windows implemented ... by adding aluminum doors in their product range in order to attract the new market.

- A horizontal diversification
- B concentric diversification
- C product development
- D conglomerate diversification

1.1.3 Walland Mining operate in the ... sector as they extract the best quality gold on the ground.

- A secondary
- B tertiary
- C mining
- D primary

1.1.4 The purpose of an interview is to ...

- A prepare the venue for the interview
- B avoid asking of discrimination questions
- C evaluate the skills and personal characteristics of the applicant
- D select the candidate who possess minimum qualifications

1.1.5 The ... function contributes to the success of the business by negotiating the best interest rate to reduce the cost.

- |   |   |                  |
|---|---|------------------|
| A |  | financial        |
| B |   | purchasing       |
| C |   | administration   |
| D |   | Public relations |

(5X2) (10)

1.2 Complete the following statements by using the word(s) provided in the list below. Write only the word(s) next to the question number (1.2.1–1.2.5) in the ANSWER BOOK.

specification; quality performance; threat; SETAs; trade union, quality management; organization; Director General; description; weakness

1.2.1 The role of ... is to draw up skills development plans for their specific economic sector.

1.2.2 High employee turnover is one of the ... in the SWOT analysis tool.

1.2.3 Employers have the right to form the employer ... in the workplace

1.2.4 The job ... outlines the duties and responsibilities of a specific job.

1.2.5 Total performance of each department measured against specified standards is known as...

(5x2) (10)



- 1.3 Choose a description from COLUMN B that matches a term in COLUMN A. Write only the letter (A–J) next to the question number (1.3.1–1.3.5) in the ANSWER BOOK, e.g. 1.3.6I.

COLUMN A		COLUMN B	
1.3.1	Collective bargaining	A	a PDCA model where change is implemented on a wider scale
1.3.2	Strategy	B	keep financial records up to date to ensure accurate tax payments
1.3.3	Compulsory benefits	C	make reliable information available to management on time
1.3.4	Do	D	Is a long term goal achieved by business
1.3.5	Administration function	E	a PDCA model where change is implemented on a small scale
		F	refers to compensation beyond a regular wage or salary to an employee
		G	is the negotiations between employers' association and trade unions on matters such as wages/conditions of employment.
		H	Is a long term plan of action to achieve business goals
		I	refers to benefits that businesses are legally required to offer its employees.
		J	is an agreement between the employer organisations and trade unions on matters such as wages/conditions of employment

(5x2) (10)

**TOTAL SECTION A (30)**

**SECTION B**

Answer ANY TWO questions in this section

**NOTE:** Clearly indicate the QUESTION NUMBER of each question that you choose. The answer to EACH question must start on a NEW page, for example QUESTION 2 on a new page, QUESTION 3 on a NEW page, et cetera.

**QUESTION 2: BUSINESS ENVIRONMENTS**

- 2.1 Name any TWO types of integration strategies. (2)
- 2.2 Outline the purpose of Consumer protection Act.(CPA),2008(Act 68 of 2008). (4)
- 2.3 Read the scenario below and answer questions that follow

**LUVUYO CHICKEN FARM(LCF)**

Luvuyo chicken farm is experiencing a delay in delivery of gaslights ordered from Alvin lights manufacturers.10 000 chickens died in the past two months because of load shedding LCF makes use of an outdated generator that occasionally breaks down.

- 2.3.1 Quote THREE business challenges for LCF from the scenario above. (3)
- 2.3.2 Classify LCF's challenges according to the business environments. (3)
- 2.3.3 State the extent to which a business can control the business environments from given scenario. (3)

Use the table below as GUIDE to answer QUESTIONS 2.3.1, 2.3.2 and 2.3.3

CHALLENGE(2.3.1)	BUSINESS ENVIRONMENT(2.3.2)	EXTENT OF CONTROL (2.3.3)
1.		
2.		
3.		

- 2.4 Explain to businesses on how they could apply the following Porter's Five Forces model to analyse their position in the market:
  - 2.4.1 Power of buyers (4)
  - 2.4.2 Power of competitors/Competitive rivalry (4)



- 2.5 Read the scenario below and answer the questions that follow.

**VUYO ENGINEERING (VE)**

Vuyo Engineering specialises in the manufacturing of windows and gates. The management at VE ensures that accidents and illnesses that occurred in the workplace are reported immediately.

- 2.5.1 Identify the Act that is applicable to VE. Motivate your answer by quoting from the scenario above. (3)
- 2.5.2 Describe other ways in which VE can comply with the Act identified in QUESTION 2.5.1 above. (4)
- 2.6 Explain how the Sector Education and Training Authorities (SETAs) is funded. (6)
- 2.7 Advise businesses on the implications of the management control as a pillar of Broad Based Black Economic Empowerment (BBBEE) 2003, (Act 53 of 2003). (4)

[40]

**QUESTION 3: BUSINESS OPERATIONS**

- 3.1 State any TWO sources of internal recruitment. (2)
- 3.2 Explain the recruitment procedure. (4)
- 3.3 Read the scenario below and answer the questions that follow:

**MARCUS GUEST HOUSE (MGH)**

MGH has appointed Onie as a chef. A discussion of the employment contract and condition of service was also included in the programme. MGH expects its employees to increase quality of performance.

- 3.3.1 Name TWO aspects of the induction programme that MGH applied in the scenario above. (2)
- 3.3.2 Explain the purpose of induction for the business. (6)
- 3.4 Discuss the positive impact of external recruitment. (6)
- 3.5 Outline the importance of quality circles as part of continuous improvement to processes and systems. (4)
- 3.6 Explain the difference between *quality control* and *quality assurance*. (4)

3.7 Read the scenario below and answer the question that follows.

**SHORT LEFT TOURS (SLT)**

Short Left Tours provides transport services. SLT have enough resources to check on quality performance in each unit. They also ensure that their employees attend workshops on a regular basis.

Identify TWO total quality management (TQM) elements, applied by SLT. Motivate your answer by quoting from the scenario above.

Use the table below as a GUIDE to answer QUESTION 3.7.

TQM ELEMENTS	MOTIVATIONS
1.	
2.	

(6)

3.8 Advise businesses on the benefit of a good quality management system.

(6)  
[40]

**QUESTION 4: MISCELLANEOUS TOPICS**

**BUSINESS ENVIRONMENTS**

4.1 Name TWO types of intensive strategies (2)

4.2 Outline actions regarded as non-compliance by businesses according to the Labour relations Act (LRA), 1995 (Act 66 of 1995). (4)

4.3 Read the scenario below and answer the questions that follow:

**HALLS TRADERS(HT)**

Halls traders sold two of the divisions that are no longer profitable because of elicit market of music in South Africa.

4.3.1 Identify the type of defensive strategy that HT applied. Motivate your answer by quoting from the scenario above. (3)

4.3.2 Describe ONE other type of defensive business strategy. (3)

4.4 Discuss the impact of the National Credit Act, 2005 (Act 34 of 2005) on businesses. (4)

4.5 Recommend ways in which businesses can comply with the Employment Equity Act, 1998 (Act 55 of 1998). (4)

**BUSINESS OPERATIONS**

4.6 Outline any FOUR aspects that must be included in the employment contract. (4)

4.7 Discuss the positive impact of fringe benefits. (6)

4.8 Read the scenario below and answer the question that follows.



**TSIAMO CAR WASH (TCW)**

TCW specialises in providing quality services to customers. They use techniques to improve the quality of its products. They also ensure that total performance of each department is measured against the specified standard.

Identify TWO quality concepts that are applicable to TCW. Motivate your answer by quoting from the scenario above.

Use the table below as a GUIDE to answer QUESTION 4.8

QUALITY CONCEPTS	MOTIVATIONS
1.	
2.	

(6)

4.9 Advise businesses on how quality of performance can contribute to the success of the purchasing function. (4)  
[40]

**TOTAL SECTION B [80]**



**SECTION C**

Answer ANY ONE question in this section.

**NOTE:**

Clearly indicate the QUESTION NUMBER of each question that you choose. EACH question must start on a NEW page, e.g. QUESTION 5 on a NEW page, QUESTION 6 on a NEW page.

**QUESTION 5: BUSINESS ENVIRONMENTS(BUSINESS STRATEGIES)**

Businesses are on daily basis challenged by changes in the business environment. Managers are forced to come up with strategies to overcome challenges posed by different business environment for businesses to remain profitable. Strategy used must also be continuously be evaluated to establish if planned outcomes is achieved.

- Outline the strategic management process.
- Explain the advantages of diversification strategies.
- Discuss ways in which businesses can deal with the challenges that are posed by the following PESTLE factors:
  - Political
  - Economical
- Advise businesses on the steps in strategy evaluation.

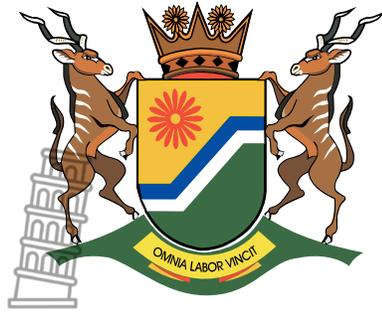
**(40)****QUESTION 6: BUSINESS OPERATION (HUMAN RESOURCES AND QUALITY OF PERFORMANCE)**

The application of job analysis will assist business to consider how employees' salaries will be determined. Human resources Function must properly adhere to the selection procedure in order to obtain the best candidate. Businesses must also find ways to reduce the cost of quality.

Write an essay on Human Resources and Quality of performance in which you address the following aspects:

- Outline the difference between *piecemeal* and *time-related* salary determination method.
- Explain the selection procedure.
- Discuss the quality indicators of the following business functions:
  - Production function
  - Marketing function
- Recommend ways in which TQM can reduce the cost of quality.

**TOTAL SECTION C [40]****GRAND TOTAL [150]**



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**BUSINESS STUDIES P1  
SEPTEMBER 2023  
MARKING GUIDELINES**

**MARKS: 150**

**This marking guideline consists of 31 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
School moderator	Green
Cluster moderator	Black
District moderator	Orange
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 guidelines have 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 guidelines
  - 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 guideline. 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 responses to questions is recommended in SECTION 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 guidelines 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, compare, distinguish, compare, tabulate, differentiate, analyse, evaluate, critically evaluate (list not exhaustive) require a greater depth of understanding, application and reasoning. Therefore, the marks must be allocated more objectively to ensure that assessing is conducted according to established norms so that uniformity, consistency and fairness are achieved.



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

14 **SECTION B**

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

- NOTE**
1. This only applies 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 13.1 above still applies.

- 14.3 If candidates are required to provide their own examples/views, brainstorm this to come up with alternative answers.

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

- 14.4.1. If the number of facts are specified, questions that require candidates to 'describe/discuss/explain' may be marked as follows:
- Fact 2 marks (or as indicated in the marking guidelines)
  - Explanation 1 mark (two marks will be allocated in Section C)

The 'fact' and 'explanation' are given separately in the marking guidelines 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 guidelines.

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



15. **SECTION C**

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

Introduction	<b>Maximum: 32</b>
Content	
Conclusion	
Insight	<b>8</b>
<b>TOTAL</b>	<b>40</b>



## 15.2 Insight consists of the following components:

<b>Layout/Structure</b>	Is there an introduction, body, proper paragraphs and a conclusion?
<b>Analysis and interpretation</b> 	Is the candidate able to break down the question into headings/sub-headings/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>Synthesis</b>	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: <b>Relevant facts only: 2 marks (No '-S')</b> Where a candidate answered 50% or more (two to four sub-questions) of the question with only relevant facts, no '-S' appears in the left margin. Allocate the maximum of TWO (2) marks for synthesis.
	Option 2: <b>Some relevant facts: 1 point (One '-S')</b> Where a candidate answered less than 50% (only one sub-question) of the question with only OR a few relevant facts, one '-S' appears in the left margin. Allocate a maximum of ONE (1) mark for synthesis.
	Option 3: <b>Some relevant facts: 1 point (One '-S')</b> Where a candidate answers FOUR sub-questions, but one / two / three sub-questions with no relevant facts; one '-S' appears in the left margin. Allocate a maximum of ONE (1) mark for synthesis.
	Option 4: <b>No relevant facts: 0 marks (Two '-S')</b> Where a candidate answered less than 50% (only one sub-question) of the question with no relevant facts, two '-S' appear in the left margin. Allocate a ZERO POINT for synthesis.
<b>Originality</b>	Is there evidence of examples, 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 allocated 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 guidelines 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.

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 sub-headings are encouraged and contribute to insight (structuring/logical flow/sequencing) and indicate clarity of thought.  
(See MARKS BREAKDOWN at the end of each question.)
- 15.8 If the candidate identifies/interprets the question INCORRECTLY, then he/she may still obtain marks for layout.
- 15.9 If a different approach is used by candidates, ensure that the answers are assessed according to the mark allocation/subheadings as indicated in the memorandum.
- 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 business 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 memo, will not necessarily apply to each question. This would also depend on the nature of the question.



**SECTION A (COMPULSORY)****QUESTION 1**

- 1.1
- |       |     |  |  |
|-------|-----|--|--|
| 1.1.1 | B✓✓ |  |  |
| 1.1.2 | B✓✓ |  |  |
| 1.1.3 | D✓✓ |  |  |
| 1.1.4 | C✓✓ |  |  |
| 1.1.5 | A✓✓ |  |  |
- (5x2)      **(10)**
- 1.2
- |       |                       |  |  |
|-------|-----------------------|--|--|
| 1.2.1 | SETA'S✓✓              |  |  |
| 1.2.2 | threat✓✓              |  |  |
| 1.2.3 | organisation✓✓        |  |  |
| 1.2.4 | Job description✓✓     |  |  |
| 1.2.5 | Quality performance✓✓ |  |  |
- (5x2)      **(10)**
- |       |     |  |  |
|-------|-----|--|--|
| 1.3.1 | G✓✓ |  |  |
| 1.3.2 | H✓✓ |  |  |
| 1.3.3 | I✓✓ |  |  |
| 1.3.4 | E✓✓ |  |  |
| 1.3.5 | C✓✓ |  |  |
- (5x2)      **(10)**
- TOTAL SECTION A      (30)**

**BREAKDOWN OF MARKS**

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



**SECTION B****QUESTION 2: BUSINESS ENVIRONMENTS****2.1 Types of integration strategies**

- Forward integration ✓
- Backward integration ✓
- Horizontal integration ✓

**NOTE: Mark the first TWO (2) only****(2)****2.2 Purpose of the Consumer Protection Act**

- Promotes responsible consumer behaviour. ✓✓
- Establishes national standards to protect consumers. ✓✓
- Establishes a National Consumer Commission (NCC) ✓✓
- Establishes national standards to protect consumers. ✓✓
- Promotes and protects the economic interests of consumers by providing access to information. ✓✓
- Promotes fair/accessible and sustainable places for people to sell their products. ✓✓
- Promotes consistent laws relating to consumer transaction and agreement. ✓✓
- Promotes the rights and full participation of historically disadvantaged individuals as consumers. ✓✓
- Promotes consumer safety by protecting them from hazardous products/services. ✓✓
- Provides guidelines for better consumer information and to prohibit unfair business practices. ✓✓
- Ensures that consumers have access to information they need to make informed choices ✓✓
- Ensures that consumers are not misled/deceived by suppliers of goods/services ✓✓
- Any other relevant answer related to the purpose of Consumer protection Act.

**Max****(4)**

2.3 **Challenges, business environments and extent of control**

<b>CHALLENGE(2.4.1)</b>	<b>BUSINESS ENVIRONMENT(2.4.2)</b>	<b>EXTENT OF CONTROL(2.4.3)</b>
1. Luvuyo chicken farm is experiencing a delay in delivery of gas lights ordered from Alvin lights manufacturers ✓	Market environment✓	Partial/some/Limited/Less/Little control✓
2. 1000 000 chickens died in past two months as a result of load shedding✓	Macro Environment✓	No Control✓
3. LCF makes use of an outdated generator that occasionally breaks down✓	Micro Environment✓	Full Control✓
Sub Max(3)	Sub Max(3)	Sub Max(3)

**NOTE**

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

**Max (9)**2.4 **Porter's Five forces model**2.4.1 **Power of buyers**

- Assess how easy it is for buyers/customers✓ to drive prices down. ✓
- Buyers buying in bulk✓ can bargain for prices in their favour✓
- Conduct market research✓ to gather more information about its buyers. ✓
- 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. ✓
- If buyers can do without the business's products✓ then they have more power to determine the prices and terms of sale. ✓
- Any other relevant answer related to power of buyers

**Max (4)**2.4.2 **Power of competitors/Competitive rivalry**

- If competitors have a unique product/service✓, then they will have greater power. ✓
- A business with many competitors in the same market✓ has very little power in their market. ✓

- Draw up a competitor's profile<sup>√</sup> so that they can determine their own strength as well as that of competitors. <sup>√</sup>
- Some businesses have necessary resources to start price wars<sup>√</sup> and continue selling at a loss until some/all competitors leave the market. <sup>√</sup>
- Any other relevant answer related to power of competitors/competitive rivalry

**Max (4)**

## 2.5 **Compensation for Occupational injuries and Diseases Act from the scenario**

### 2.5.1 **Compensation for Occupational injuries and Diseases Act(COIDA)<sup>√√</sup>**

Motivation: The management at VE ensures that accidents and illnesses that occurred in the workplace are reported immediately.<sup>√</sup>

**(3)**

### 2.5.2 **Other ways in which VE can comply with the COIDA**

- Businesses should provide a healthy/safe<sup>√</sup> working environment <sup>√</sup>
- Ensure that the premises/equipment/machinery<sup>√</sup> is in good working condition.<sup>√</sup>
- Register with the Compensation Commissioner <sup>√</sup> and provide the particulars of the business.<sup>√</sup>
- Levies must be paid to the Compensation Fund.<sup>√</sup>
- Keep records of employees' income and details <sup>√</sup> of work for four years.<sup>√</sup>
- Submit returns of earnings<sup>√</sup> by no later than 1 March annually.
- Allow regular assessment of the workplace by inspectors<sup>√</sup> in order to determine the level of risk their employees are exposed to. <sup>√</sup>
- Employers may not make deductions <sup>√</sup> for COIDA from employees' remuneration packages.<sup>√</sup>
- Businesses must ensure that claims are lodged<sup>√</sup> within twelve months of the date of the accident.<sup>√</sup>
- Any other relevant answer related to ways in which businesses can comply with the COIDA

**Max (4)**

## 2.6 **Funding of SETAs**

- Skills Development levies paid by employers <sup>√</sup> e.g. 80% is distributed to the different SETA and 20% is paid into the National Skills Fund. <sup>√</sup>
- Donations and grants <sup>√</sup> from the public<sup>√</sup>
- Surplus funds <sup>√</sup> from government institutions<sup>√</sup>
- Funds received<sup>√</sup> from rendering their services. <sup>√</sup>
- Any other relevant answer related to how Sector Education and Training Authority is funded.

**Max (6)**

2.7 **The implications of management control pillar of BBBEE on businesses.**

**Implication of management control on businesses**

- Business must ensure that transformation is implemented at all levels. √√
- Appoint black people in senior executive positions/to management. √√
- Involve black people in the decision-making processes. √√
- Ensure that black females are represented in management. √√
- Businesses score points in both management and ownership when selling more than 25 % of their shares to black investors so that some of them can become directors. √√
- Due to a shortage of skilled black managers/directors, some businesses find it difficult to make appointments. √√
- Businesses are directly penalised for not implementing this pillar. √√
- Any other relevant answer related to the implications of management control as a pillar of Broad Based Black Economic Empowerment(BBBE) 2003,(Act 53 Of 2003).

**Max**

**(4)**

**BREADOWN OF MARK ALLOCATION**

QUESTION	MARKS
2.1	2
2.2	4
2.3.1	3
2.3.2	3
2.3.3	3
2.4.1	4
2.4.2	4
2.5.1	3
2.5.2	4
2.6	6
2.7	4
<b>TOTAL</b>	<b>40</b>



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

- Internal e-mails/Intranet/web sites to staff.√
- Word of mouth.√
- Business newsletter/circulars.√
- Internal/management referrals.√
- Notice board of the business.√
- Internal bulletins.√
- Recommendation of current employees.√
- Head hunting within the business/organisational database.√
- Any other relevant answer related to sources internal recruitment.

**NOTE: Mark the first TWO (2) only****(2)****3.2 Recruitment procedure**

- The human resource manager should evaluate the job/prepare a job analysis, √ that includes the job specification/job description/in order to identify recruitment needs.√
- The human resource manager (HRM) should prepare the job description√ in order to identify recruitment needs.√
- HRM should indicate the job specification/description/key performance areas√ to attract suitable candidates.√
- Choose the method of recruitment, e.g. internal/external, √ to reach/target the suitable applicants/candidates.√
- Vacancies can be internally advertised √ via internal email/word of mouth/ posters/staff notices.√
- If the external recruitment is chosen, the relevant recruitment sources should be selected, √ e.g. recruitment agencies/tertiary institutions/newspapers, etc.√
- If internal recruitment is unsuccessful, √ external recruitment should be considered.√
- If the external recruitment is done, the relevant recruitment source should be selected, √ e.g. recruitment agencies, tertiary institutions, newspapers,√
- Any other relevant answer related to the recruitment procedure

**NOTE : Steps could be in any order.****Max (4)****3.3 Induction****3.3.1 Aspects of induction program from the scenario**

- A discussion of the employment contract. √
- Condition of service was also included in the program√.

**(2)**

### 3.3.2 Purpose of induction for the business

- Introduce new employees to management/colleagues.√  
to establish relationships with fellow colleagues at different levels.√
- Give new employees a tour/information√ about the layout of the building/office.√
- Make new employees feel welcome.√ by introducing them to their physical work space.√
- Improve skills√ through in-service training.√
- Familiarise new employees.√ with the organisational structure/their supervisors.√
- Allow new employees the opportunity to ask questions.√ that will put them at ease/reduce insecurity/anxiety/fear.√
- Create opportunities for new employees.√ to experience/explore different departments.√
- Explain safety regulations and rules.√, so that new employees will understand their role/responsibilities in this regard.√
- Ensure that employees understand their roles/responsibilities.√ so that they will be more efficient/productive.√
- Communicate information.√ about the products/services offered by the business. √
- Communicate business policies.√ regarding ethical/professional conduct/procedures/employment contract/conditions of employment, etc. √
- Any other relevant answer related to the purposes of induction.

**Max (6)**

### 3.4 Positive impact of external recruitment

- New candidates bring new talents√/ideas/experiences/skills into the business.√
- There is a larger pool of candidates√ to choose from.√  
It may help the business to meet affirmative action √ and BBBEE targets.√
- Minimises unhappiness/conflict amongst current employees √ who may have applied for the post.√
- There is a better chance of getting a suitable candidate with the required skills√/qualifications/competencies who do not need much training/development which reduce costs.√
- Any other relevant answer related to the positive impact of external recruitment.

**Max (6)**

### 3.5 The Importance of quality circles as part of continuous improvement to processes and systems

- Solve problems related to quality and implement improvements. √√
- Investigate problems and suggest solutions to management. √√
- Ensure that there is no duplication of activities/tasks in the workplace. √√

- Make suggestions for improving systems and processes 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. ✓✓
- Reduce costs of redundancy in the long run. ✓✓
- Increase employees' morale/motivation. ✓✓
- Quality circles discuss ways of improving the quality of work/workmanship. ✓✓
- Contribute towards the improvement and development of the organisation. ✓✓
- Reduce costs/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 and commitment to the organisation and its 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. ✓✓

**Max (4)****3.6 Difference between quality Control and quality assurance**

<b>Quality Control</b>	<b>Quality assurance</b>
- Inspection of the final product ✓ to ensure that it meets the required standards ✓.	- Carried out during and after the production process ✓ to ensure that required standards have been met at every stage of the process. ✓
- Includes setting targets/measuring performance ✓ and taking corrective measures. ✓	- Ensures that every process is aimed at getting the product right the first time ✓ and prevents mistakes from happening again. ✓
- Checking raw materials/employees/ Machinery/ workmanship/products ✓ to ensure that high standard are maintained ✓	- The 'building in' of quality ✓ as opposed to 'checking for' quality ✓
Sub max (2)	Sub max (2)

**NOTE**

- 1 **The answer does not have to be in 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 quality management or quality performance only.**

**Max (4)**

**3.7 Total quality management elements**

<b>TQM ELEMENTS</b>	<b>MOTIVATIONS</b>
1. Continuous improvement to processes and systems.√√	SLT have enough resources to check on quality performance in each unit. √
2. Continuous skills development/ Education and Training.√√	They also ensure that their employees attend workshops on a regular basis.√
Sub max(4)	Sub max (2)

**Max (6)**

- NOTE**
- 1 The answer does not to be in tabular form**
  - 2 Award marks for the TQM elements even if the motivation is not indicated/incorrect**
  - 3 The motivation must be linked to the TQM elements**

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

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

**Max (6)  
[40]**

**BREAKDOWN OF MARKS**

QUESTION	MARKS
3.1	2
3.2	4
3.3.1	2
3.3.2	6
3.4	6
3.5	4
3.6	4
3.7	6
3.8	6
<b>TOTAL</b>	<b>40</b>

**QUESTION 4: MISCELLANEOUS TOPICS****BUSINESS ENVIRONMENTS****4.1 Types of intensive strategies**

- Market penetration ✓
- Market Development ✓
- Product Development ✓

**NOTE: Mark the first TWO (2) only****(2x1)****(2)****4.2 Actions regarded as non-compliance by businesses according to the Labour relations Act.**

- Unfair/Illegal dismissal of employees. ✓✓
- Preventing employees from joining trade unions.
- Refusing the establishment of workplace forums. ✓✓
- Forcing employees to give up trade union membership. ✓✓
- Not allowing employees to take part in legal strikes( Employees' rights) ✓✓.
- Cancellation of employees' contracts by a new employer when a business is sold. ✓✓
- Refusing to give workplace forum members paid time off for attending meetings during working hours. ✓✓
- Refusing leave to trade union representatives to attend trade union activities. ✓✓
- Breaching of collective agreements/resolution mechanisms by either employer/employee. ✓✓
- Any other relevant answer related to actions regarded as non-compliance by businesses according to the Labour Relations Act.

**Max (4)**

4.3

**Defensive strategies****4.3.1 Divestiture/ Divestment** ✓✓

**Motivation:** Halls music sold two of the divisions that are no longer profitable.  
✓

**Max (3)****4.3.2 Other ONE type of defensive business strategy****Retrenchment** ✓✓

Terminating the employment contracts ✓ of employees for operational reasons. ✓

- Decreasing the number of product lines/Closing certain departments ✓ may result in some workers becoming redundant. ✓
- Any other relevant answer related to retrenchment as a defensive strategy

Strategy(2)  
Description(1)

**Liquidation** ✓✓

- All assets are sold to pay creditors ✓ due to a lack of capital/cash flow. ✓
- Selling the entire business ✓ in order to pay all liabilities/close down the business. ✓
- Companies in financial difficulty ✓ may apply for business rescue to avoid liquidation. ✓
- Creditors may apply for forced liquidation ✓ in order to have their claims settled. ✓
- Any other relevant answer related to liquidation

Strategy(2)  
Description(1)

**NOTE: Mark the first defensive strategy only****Max (3)**

4.4

**The impact of the National Credit Act 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/ advantages of the National Credit Act on businesses.

### AND/OR

#### Negative/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/disadvantages of the National Credit Act on businesses.

Max (4)

#### 4.5 Ways in which businesses can comply with the Employment Equity Act.

- Businesses must guard against discriminatory appointments.
- Promote equal opportunities and fair treatment
- Implement an employment equity plan.
- Implement affirmative action measures to redress disadvantages experienced by designated groups.
- Reasonable accommodation of people from designated groups
- Ensure that there is equal representation of all racial groups in every level of employment.
- Compile employment equity plans that indicate how they will implement affirmative action.
- Ensure that affirmative action measures promote diversity in the workplace.
- Prepare an employment equity plan in consultation with employees.
- Ensure that diversity/inclusivity in the workplace is achieved.
- Submit the employment equity plan to the Department of Labour

- Retain designated groups, including skills development of such groups.√√
- Assess the racial composition of all employees, including senior management.√√
- Clearly define the appointment process, so that all parties are well informed.√√
- Use certified psychometric tests to assess applicants/employees to ensure that suitable candidates are appointed√√
- Conduct medical/psychological tests fairly to employees/when deemed necessary.√√
- Assign one or more senior managers to ensure implementation and monitoring of the employment equity plan.√√
- Eliminate barriers that have an adverse impact on designated groups.
- Retain/Develop/Train designated groups, including skills development.√√
- Regularly report to the Department of Labour on progress in implementing the plan.√√
- Display a summary of the Act where employees can clearly see/have access to the document.√√
- Restructure/Analyse current employment policies/practices/procedures to accommodate designated groups.√√
- Any other relevant answer related to ways in which businesses can comply with the Employment Equity Act.

**Max (4)****BUSINESS OPERATIONS****4.6 Aspects that must be included in an employment contract**

- Personal details of the employee.√
- Details of the business/employer e.g. name/address, etc.√
- Job title/Position√
- Job description e.g. duties/ working conditions√
- Job specification e.g. formal qualifications/willingness to travel.√
- Date of employment/commencement of employment.√
- Place where employee will spend most of his/her working time√.
- Hours of work, e.g. normal time/overtime.√
- Remuneration, e.g. weekly or monthly pay.√
- Benefits/Fringe benefits/Perks/Allowances.√
- Leave, e.g. sick/maternity/annual/adoption leave.√
- Employee deductions (compulsory/non-compulsory).
- Period of contract/Details of termination.√
- 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 the aspects of an employment contract

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



**Max (4)**

**4.7 Positive impact of fringe benefits**

- Improves productivity✓ /resulting in higher profitability.✓
- Attractive fringe benefit packages may result in higher employee retention✓/reduces employee turnover.✓
- Attracts qualified/skilled/experienced employees ✓ who may positively contribute towards the business goals/objectives.✓
- 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 of fringe benefits.

**Max (6)**

**4.8 Quality concepts**

<b>QUALITY CONCEPTS</b>	<b>MOTIVATIONS</b>
<b>1.Quality management</b> ✓✓	They uses techniques to improve the quality of its products.✓
<b>2.Quality performance</b> ✓✓	They also ensure that total performance of each department is measured against the specified standard.✓

- NOTE**
- 1 The answer does not to be in tabular form**
  - 2 Award marks for the quality concepts even if the motivation is not indicated/incorrect**
  - 3 The motivation must be linked to the quality concepts**

**Max (6)**

**4.9 How quality of performance can contribute to the success of the purchasing function**

- Buy raw materials in bulk at lower prices.✓✓
- Select reliable suppliers that render the best quality raw materials/capital goods at reasonable prices.✓✓
- Place orders timeously and regular follow-ups to ensure that goods are delivered on time.✓✓
- Effective co-ordination between purchasing and production departments so that purchasing staff understands the requirements of the production process.✓✓
- Required quantities should be delivered at the right time and place.✓✓



- Implement and maintain stock control systems to ensure the security of stock.√√
- Maintain optimum stock levels to avoid overstocking/reduce out-dated stock.√√
- Monitor and report on minimum stock levels to avoid stock-outs.√√
- Effective use of storage space and maintain product quality while in storage.√√
- Involve suppliers in strategic planning/product design/material selection/quality control process.√√
- Ensure that there is no break in production due to stock shortages.√√
- Establish relationships with suppliers so that they are in alignment with the business's vision/mission/values.√√
- Have a thorough understanding of supply chain management.√√
- Any other relevant answer related to the quality of performance that can contribute to the success of purchasing functions.

**Max (4)****[40]****BREAKDOWN OF MARKS**

QUESTION	MARKS
4.1	2
4.2	4
4.3.1	3
4.3.2	3
4.4	4
4.5	4
4.6	4
4.7	6
4.8	6
4.9	4
<b>TOTAL</b>	<b>40</b>



**QUESTION 5: BUSINESS ENVIRONMENT (BUSINESS STRATEGIES).****5.1 Introduction**

- A strategy is a long term plan of action to achieve a goal. ✓
- A strategy is a plan of action to address an opportunity or to solve a problem. ✓
- The business needs a strategy to achieve its vision and mission ✓.
- Management must continuously scan the environment using different industrial tools. ✓
- Strategic management process is a process of setting goals, procedures and objectives in order to make the business to be competitive. ✓
- Diversification strategy is a high risk strategy that involves businesses moving into markets where they have little or no experiences. ✓
- Businesses use PESTLE as an industrial analysis tool to scan the external environment. ✓
- Any other relevant answer related to the strategic management process, the advantages of diversification strategies, ways in which businesses can deal with the challenges that are posed by the following PESTLE factors and the steps in strategy evaluation.

**Any (2x1) (2)****5.2 The strategic management process****OPTION 1**

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

**OPTION 2**

- Analyse/Re-examine mission statement.
- Conduct an environmental analysis using models such as PESTLE/PORTER'S/SWOT.
- Formulate a strategy, using a template such as an action plan.
- Control/Evaluate/Monitor the implemented strategy to identify gaps/deviations in implementation.
- Take corrective action to ensure goals/objectives are met.
- NOTE: The steps may be in any order.

- Any other relevant answer related to the strategic management process.

**NOTE: The steps may be in any order.**

**Max (12)**

**5.3 The advantages of diversification strategies.**

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

**Max (12)**

**5.4 Ways in which businesses can deal with the challenges that are posed by the following PESTLE factors**

**Political**

- Research√ recent government policies.√
- Network and lobby with the NGOs√ and all consumer rights organisations.√
- Trade only with countries that have favorable trade agreements√ with the government.√
- Any other answer related to political

Sub Max(6)

**Economical**

- Consider decreasing profit margins√ rather than increasing product prices.√
- Borrow money from financial institutions√ when interest rates are favourable.√
- Consider exchange rates√ when trading with other countries.√
- Any other answer related to economical.

Sub Max(6)

**Max (12)**

**5.5 The steps in strategy evaluation:**

- Examine the underlying basis of a business strategy.√√
- Look forward and backwards into the implementation process.√√
- Compare the expected results in order to determine the reasons for deviations and analyse these reasons.√√
- Take corrective action so that deviations may be corrected.
- Set specific dates for control and follow up.√√
- Draw up a table of the advantages and disadvantages of a strategy.
- Decide on the desired outcome.√√
- Consider the impact of the strategic implementation in the internal and external environments of the business.√√

- Any other relevant answer related to the steps in strategy evaluation

**NOTE : The steps can be in any order.**

**Max (10)**

5.6

**Conclusion**

- Formulate alternative strategies to respond to the challenges. (This involves different types of business strategies).√√
- High inflation rates, expensive loans, fluctuation in foreign currency may be created by economic and political challenges√√.
- Evaluation of strategies takes place after the implementation of the strategy and determines whether the implemented strategy resolved the challenge. √√
- Strategy evaluation is a process to assess how well the chosen strategy has been implemented and how successful or otherwise the strategy is. √√
- PESTLE analysis models are used to analyse the challenges posed by the Macro environments. √√
- Any other relevant conclusion related to the strategic management process/ the advantages of diversification strategies/ ways in which businesses can deal with the challenges that are posed by the following PESTLE factors/ the steps in strategy evaluation.

**Any (1x2) (2)  
[40]**

**QUESTION 5: BREAKDOWN OF MARKS**

DETAILS	MAXIMUM	TOTAL	
Introduction	2		
The strategic management process	12	<b>Max 32</b>	
The advantages of diversification strategies.	12		
Ways in which businesses can deal with the challenges that are posed by the following PESTLE factors ○ Political ○ Economical	12		
The steps in strategy evaluation	10		
Conclusion	2	<b>8</b>	
INSIGHT			
Layout	2		
Analyses/interpretation	2		
Sythesis	2		
Originality/Examples	2		
<b>TOTAL MARKS</b>			<b>40</b>

## QUESTION 6: BUSINESS OPERATIONS (HUMAN RESOURCE FUNCTION AND QUALITY OF PERFORMANCE)

### 6.1 Introduction

- Businesses must remunerate employees in terms of the type of job performed. ✓
- The human resource functions should strive to acquire candidates with rare skills during their selection process. ✓
- Production function must produce high quality goods and services must be produced according to specifications. ✓
- The marketing function must win the loyalty of customers by satisfying their needs. ✓
- Develop work systems that empower employees to find new ways of improving quality. ✓
- Any other relevant introduction related to the selection procedure/salary determination method/quality indicators of production function and marketing function/ways in which TQM can reduce the cost of quality.

Any( 2x1)

(2)

### 6.2 The difference between Piece meal and Time – related salary determination

PIECE MEAL	TIME – RELATED RATE
Workers are paid according to the number of items/units produced/action performed. ✓✓	Workers are paid for the amount of time they spend at work/on a task. ✓✓
Mostly used in factories particularly in the textile/technology industries. ✓✓	Workers with the same experience/qualifications are paid on salary scales regardless of the amount of work done. ✓✓
Workers are not remunerated for the number of hours worked, regardless of how long it takes them to make the items. ✓✓	Many private and public sector businesses use this method. ✓✓
Sub max (4)	Sub max (4)

Max

(8)

- 1 The answer does not have to be in a 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 Piece meal or Time – related method only.

### 6.3 Selection procedure

#### Option 1

- Determine fair assessment criteria on which selection will be based.√√
- Applicants must submit the application forms/curriculum vitae and certified copies of personal documents/IDs/proof of qualifications, etc.√√
- Sort the received documents/CVs according to the assessment/selection criteria.√√
- Screen/Determine which applications meet the minimum job requirements and separate these from the rest.√√
- Preliminary interviews are conducted if many suitable applications were received.√√
- Reference checks should be made to verify the contents of CV's, e.g. contact previous employers to check work experience.√√
- Compile a shortlist of potential candidates identified.√√
- Shortlisted candidates may be subjected to various types of selection tests e.g. skills tests, etc.√√
- 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.√√

**NOTE: The procedure can be in any order.**

#### Option 2

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

**Max (14)**

### 6.4 Quality of the business function.

Quality indicators of production function.

- Provide high quality services/products√ according to specifications.√
- The production/operating processes of a business should be done correctly√ through proper production planning and control.√
- Products and services should be produced at the lowest possible cost√ to allow for profit maximisation.√
- Businesses should clearly communicate the roles√ and responsibilities to the production workforce.√

- Products must meet customers' requirements√ by being safe, reliable and durable. √
- Businesses should have good after-sales services√ and warranties. √
- Empower workers√ so that they can take pride in their workmanship. √
- Get accreditation from the SABS/ISO 9001√ to ensure that quality products are being produced. √
- Specify the product or service standards√ and take note of the factors that consumers use to judge quality. √
- Monitor processes√ and find the root causes of production problems. √
- Implement quality control systems√ to ensure that quality building products are consistently being produced. √
- Utilise machines√ and equipment optimally. √
- Accurately√ calculate the production costs. √
- Select the appropriate production system√ e.g. mass/batch/jobbing. √
- Any other relevant answer relevant answer related to quality indicators of production function.

Sub max(8)

### Quality indicators of marketing function

- Increasing√ their market share. √
- Winning customers√ by satisfying their needs/wants/Building positive relation-ships. √
- Adhering to ethical advertising practices√ when promoting products/services. √
- Identifying a competitive advantage 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 and 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 relevant answer related to quality indicators of marketing function.

Sub Max(8)

**Max****(14)**

### 6.5 Ways in which TQM can reduce the cost of quality:

- Introduce quality circles to discuss ways of improving the quality of work/workman-ship.√√
- 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.√√
- 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 procedure in the production processes.√√
- Implement pro-active maintenance programmes for equipment/machinery to reduce/terminate breakdowns.√√
- Any other relevant answer related to ways in which TQM can reduce the cost of quality.

**Max (10)**

### 6.6 Conclusion

- The human resources manager must ensure that an accurate job analysis is performed to avoid hiring ineffective employees.√√
- Business must make sure that selection procedure are not compromised to avoid appointing ineffective candidates.√√
- Business should guard against providing inferior services and products.√√
- Business should make sure the use resources well in order to attain more profits.√√
- Production of quality products and service will lead to more sales and less returns.√√
- Cost reduction through effective TQM implementation may lead to sustainability and productivity.√√
- Any other relevant conclusion related to the selection procedure, salary determination methods, quality indicators of production and marketing function and ways in which TQM can reduce the cost of quality.

**Any (1x2) (2)  
[40]**



**QUESTION 6: BREAKDOWN OF MARKS**

<b>DETAILS</b>	<b>MAXIMUM</b>	<b>TOTAL</b>
<b>Introduction</b>	<b>2</b>	<b>Max 32</b>
Difference between Piece meal and Time – related salary determination	<b>8</b>	
Selection procedure	<b>14</b>	
<b>Quality indicators</b>	<b>14</b>	
Ways in which TQM can reduce cost of quality	<b>10</b>	
Conclusion	<b>2</b>	
<b>IINSIGHT</b>		
Layout		<b>2</b>
Analysis, interpretation		<b>2</b>
Synthesis		<b>2</b>
Originality/Examples/ recent information		<b>2</b>
<b>TOTAL</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**

