



**Western Cape  
Government**

Education

**FOR YOU**

**BUSINESS STUDIES  
GRADE 12**

**TRIAL EXAMINATION  
PAPER 1**

**13 SEPTEMBER 2023**

**MARKS: 150**

**TIME: 2 HOURS**

*Stanmorephysics*

**EXAMINER:  
METRO SOUTH EDUCATION DISTRICT**


**MODERATOR:  
METRO NORTH EDUCATION DISTRICT**

**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 note of what is required.

Note that ONLY the answers to the first TWO questions selected in SECTION B and the answers to the FIRST question selected in SECTION C will be marked.

- 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
<b>A: Objective-type questions COMPULSORY</b>	<b>1</b>	<b>30</b>	<b>20 minutes</b>
<b>B: THREE direct/indirect-type questions CHOICE: Answer any TWO.</b>	<b>2</b>	<b>40</b>	<b>70 minutes</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 minutes</b>
	<b>6</b>	<b>40</b>	
<b>TOTAL</b>		<b>150</b>	<b>120 minutes</b>

- Begin the answer to EACH question on a NEW page, e.g. QUESTION 1 – new page, QUESTION 2 – new page.
  - 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 to 1.1.5) in the ANSWER BOOK, e.g. 1.1.6 D.

1.1.1 Providing false information about the country of origin of products is considered non-compliance according to the ...

- A Compensation for Occupational Injuries and Diseases Amendment Act (COIDA), 1997 (Act 61 of 1997).
- B National Credit Act (NCA), 2005 (Act 34 of 2005).
- C Labour Relations Act (LRA), 1995 (Act 66 of 1995).
- D Consumer Protection Act (CPA), 2008 (Act 68 of 2008).

1.1.2 The competitors of Thomas Trading cannot adapt to customer needs. This is an example of a(n) ... in SWOT Analysis.

- A strength
- B weakness
- C opportunity
- D threat

1.1.3 Businesses use ... as sources of external recruitment to fill vacant posts.

- A social media and networking
- B word of mouth and office notice boards
- C management referrals and electronic media
- D recruitment agencies and business newsletters

1.1.4 The implication of the Basic Conditions of Employment Act (BCEA), 1997 (Act 75 of 1997) on the human resources function is that employers ...

- A can easily dismiss employees.
- B remunerate employees for working overtime.
- C promote equality between employees in the workplace.
- D ensure that training is formalised in the workplace.

1.1.5 The negative impact of monitoring and evaluation of quality processes as a total quality management (TQM) for Sapphire Limited is that it...

- A allows the business to reduce product defects.
- B results in higher profitability for the business.
- C often takes longer to detect problems.
- D feedback from customers may be inaccurate.



(5 × 2) (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 numbers (1.2.1 to 1.2.5) in the ANSWER BOOK.


resignation ; administration ; National Skills Authority (NSA);  
 financial ; Sector and Education Training Authorities (SETAs) ; primary;  
 economic ; retirement ; secondary ; environmental

- 1.2.1 Workplace skills plans and annual training reports submitted by Greef Publishers are approved by the ...
- 1.2.2 The ... sector is often referred to as manufacturing industries as raw materials are converted into functional products.
- 1.2.3 Kamohelo Enterprises implements recycling measures to prevent pollution in order to deal with ... factors that form part of PESTLE Analysis.
- 1.2.4 Employment contracts are terminated due to ... when employees have reached a pre-determined age.
- 1.2.5 Fast and reliable data capturing and processing systems at Robertson Logistics is a quality indicator of the ... function.

(5 × 2) (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 numbers (1.3.1 to 1.3.5) in the ANSWER BOOK. e.g. 1.3.6 K.

COLUMN A	COLUMN B
1.3.1  Employment Equity Act	A occurs when all departments work together towards the same quality standards
1.3.2 Macro environment	B required to have good body language and show confidence during the interview
1.3.3 Conglomerate diversification	C businesses have some control over challenges emanating from this business environment
1.3.4 Interviewer	D promotes affirmative action in the workplace
1.3.5 Quality performance	E adding new products that are unrelated to existing products which may appeal to existing customers
	F businesses have no control over challenges emanating from this business environment
	G occurs when businesses focuses on the means to achieve consistency
	H required to explain the purpose of the interview during the interview
	I promotes sound relations between employers and employees in the workplace
	J adding new products that are unrelated to existing products which may appeal to new customers

(5 x 2) (10)



**TOTAL SECTION A: [30]**

**SECTION B**

Answer ANY TWO questions in this section.

**NOTE:** Clearly indicate the QUESTION NUMBER of each question you choose. The answer to EACH question must start on a NEW page, e.g., QUESTION 2 on a NEW page, QUESTION 3 on a NEW page.

**QUESTION 2: BUSINESS ENVIRONMENTS**

- 2.1 Name TWO types of intensive strategies. (2)
- 2.2 Outline the rights of employers in terms of the Labour Relations Act (LRA), 1995 (Act 66 of 1995). (6)
- 2.3 Read the scenario below and answer the questions that follow.

**GREYTON DESIGNERS (GD)**

Greyton Designers requested all their shareholders to attend an urgent meeting because of the recent challenges faced by the business. The employees of GD are not conversant with the local language of customers. GD also lacks the capacity to cater for online transactions.

Use the table below as a GUIDE to answer QUESTIONS 2.3.1 to 2.3.3.

CHALLENGES (2.3.1)	PESTLE FACTORS (2.3.2)	RECOMMENDATIONS (2.3.3)
1.		
2.		

- 2.3.1 Quote TWO challenges for GD from the scenario above. (2)
- 2.3.2 Classify EACH challenge identified in QUESTION 2.3.1 according to a relevant PESTLE factor. (2)
- 2.3.3 Recommend ways in which GD can deal with the challenges posed by EACH PESTLE factor, identified in QUESTION 2.3.2. (4)
- 2.4 Explain the purpose of the National Credit Act (NCA), 2005 (Act 34 of 2005). (6)
- 2.5 Discuss the implication of any TWO pillars of the Broad-Based Black Economic Empowerment Act (BBBEE), 2003 (Act 53 of 2003) on businesses. (6)



2.6 Read the scenario below and answer the questions that follow.

**BOPHELO FINANCING (BF)**

Bophelo Financing ensures that employees are paid equally for work of the same value. BF encouraged the financial clerk to engage in a learnership programme. Opportunities have also been provided to all employees to improve their workplace expertise and capabilities.

2.6.1 Quote TWO ways in which BF complied with the Skills Development Act (SDA), 1998 (Act 97 of 1998). (2)

2.6.2 Explain the negative impact of the Skills Development Act (SDA), 1998 (Act 97 of 1998) on businesses. (4)

2.7 Advise businesses on the steps in strategy evaluation. (6)

**[40]**



**QUESTION 3: BUSINESS OPERATIONS**

- 3.1 List TWO examples of fringe benefits. (2)
- 3.2 Outline the difference between *piecemeal* and *time-related* salary determination methods. (4)
- 3.3 Identify the component of job analysis applicable to the job advertised by Shereen Printing (SP) in EACH of the following statements.
  - 3.3.1 SP provided a written description of the qualifications and experience required for the job. (2)
  - 3.3.2 The key performance areas and responsibilities of the job have been clearly stipulated by SP. (2)
- 3.4 Explain the advantages of induction for businesses. (4)
- 3.5 Discuss the selection procedure as a human resources activity. (6)
- 3.6 Outline the quality indicators of the marketing function. (4)
- 3.7 Read the scenario below and answer the questions that follow.

**COETZEE MANUFACTURERS (CM)**

Coetzee Manufacturers implemented the desired change on a small scale. After a while, CM implemented the change on a larger scale due to positive outcomes. CM is also evaluating the impact of total customer satisfaction as a total quality management (TQM) element on their operations.

- 3.7.1 Identify TWO steps of the PDCA model applied by CM. Motivate your answer by quoting from the scenario above.

Use the table below as a GUIDE to answer QUESTION 3.7.1.

STEPS OF THE PDCA MODEL	MOTIVATIONS
1.	
2.	

- 3.7.2 Describe the impact of *total customer satisfaction* as a total quality management (TQM) element on large businesses. (4)
- 3.8 Suggest ways in which total quality management (TQM) can reduce the cost of quality. (6)

**[40]**



**QUESTION 4: MISCELLANEOUS TOPICS  
BUSINESS ENVIRONMENTS**

- 4.1 State FOUR consumer rights in terms of the Consumer Protection Act (CPA), 2008 (Act 68 of 2008). (4)
- 4.2 Explain the advantages of diversification strategies. (6)
- 4.3 Read the scenario below and answer the question that follows.

**SIERAAJ RENOVATIONS (SR)**

Sieraaj Renovations sold some of their unproductive assets to pay for the debts of the business. As a last resort, SR declared bankruptcy and sold all assets to repay creditors.

Identify TWO types of defensive strategies implemented by SR. Motivate your answer by quoting from the scenario above.

Use the table below as a GUIDE to answer QUESTION 4.3.

DEFENSIVE STRATEGIES	MOTIVATIONS
1.	
2.	

(6)

- 4.4 Discuss the impact of the Compensation for Occupational Injuries and Diseases Amendment Act (COIDA), 1997 (Act 61 of 1997) on businesses. (4)

**BUSINESS OPERATIONS**

- 4.5 Name THREE aspects that should be included in an employment contract. (3)
- 4.6 Read the scenario below and answer the questions that follow.

**LULAMA ATTORNEYS (LA)**

Lulama Attorneys specialises in providing various legal services. LA has positioned the successful candidates where they will function optimally in the business.

- 4.6.1 Identify the human resources activity applicable to LA. Motivate you answer by quoting from the scenario above. (3)
- 4.6.2 Explain the procedure that LA should follow when implementing this human resources activity (based on your answer in QUESTION 4.6.1). (4)
- 4.7 Discuss how the purchasing function contributes to the success of the business. (4)
- 4.8 Advise businesses on the impact of total quality management (TQM) if poorly implemented by businesses. (6)

**[40]**

**TOTAL SECTION B [80]**

**SECTION C**

Answer ANY ONE question in this section.

**NOTE:** Clearly indicate the QUESTION NUMBER of the chosen question.  
The answer to the question must start on a NEW page, e.g. QUESTION 5 on a NEW page OR QUESTION 6 on a NEW page.

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

The strategic management process plays an integral part in responding to business challenges that stem from the business environments. The Porter’s Five Forces model is applied by businesses to analyse their position in the market. Some businesses choose to implement integration strategies, whereas others choose to implement intensive strategies to improve their business operations.

Write an essay on business strategies in which you include the following aspects:

- Outline the strategic management process.
- Explain how businesses could apply any TWO forces of Porter’s Five Forces model to analyse their position in the market.
- Discuss any TWO types of integration strategies.
- Advise businesses on the advantages of intensive strategies.

**[40]**

**QUESTION 6: BUSINESS OPERATIONS (QUALITY OF PERFORMANCE)**

Successful businesses implement quality concepts such as quality control and quality assurance to derive the benefits of a good quality management system. The total quality management (TQM) elements impact positively and negatively on the operations of large businesses. Businesses should also understand the role of quality circles as part of continuous improvement to processes and systems.

Write an essay on quality of performance in which you include the following aspects:

- Outline the differences between *quality control* and *quality assurance*.
- Explain the benefits of a good quality management system.
- Discuss the impact of the following TQM elements on large businesses:
  - Continuous skills development/Education and training
  - Adequate financing and capacity
- Advise businesses on the role of quality circles as part of continuous improvement to processes and systems.

**[40]**



**TOTAL SECTION C [40]**

**GRAND TOTAL [150]**



# **WESTERN CAPE EDUCATION DEPARTMENT**

## **BUSINESS STUDIES GRADE 12**

### **TRIAL EXAMINATION**

#### **PAPER 1 2023**

#### **MARKING GUIDELINE**

**MARKS: 150**

**TIME: 2 HOURS**



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

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

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

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

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

Marker:	Red
Senior Marker:	Green
Deputy Chief Marker:	Black/Blue
Chief Marker:	Pink
Internal Moderator:	Orange
DBE Moderator:	Turquoise

2. Candidates' responses must be in full sentences for SECTIONS B and C. However, this would depend on the nature of the question.
3. A comprehensive marking guideline has been provided but this is by no means exhaustive. Due consideration should be given to an answer that is correct but:
  - Uses a different expression from that which appears in the marking guideline
  - Comes from another credible source
  - Original
  - A different approach is used


**NOTE: There is only ONE correct answer in SECTION A.**

4. Take note of other responses provided by candidates, that are relevant within the context of a particular question, and allocate marks accordingly. (In cases where the answer is unclear or indicates some understanding, part-marks should be awarded, for example, one mark instead of the maximum of two marks.)
5. The word 'Submax' 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 sub-totals as indicated by the allocation of marks. This must be guided by 'max' in the marking guidelines. Only the total for each question should appear in the left-hand margin next to the appropriate question number.
8. In an indirect question, the theory as well as the response must be relevant and related to the question.

9. Correct numbering of answers to questions or sub questions is recommended in SECTIONS A and B. However, if the numbering is incorrect, follow the sequence of the candidate's responses. Candidates will be penalised if the latter is not clear.
10. No additional credit must be given for repetition of facts. Indicate with an 'R'.
11. The differentiation between 'evaluate' and 'critically evaluate' can be explained as follows:
- 11.1 When 'evaluate' is used, candidates are expected to respond in either a positive/negative manner or take a neutral (positive and negative) stance, e.g. **Positive:** *'COIDA eliminates time and costs spent✓ on lengthy civil court proceedings.'*✓
- 11.2 When 'critically evaluate' is used, candidates are expected to respond in either a positive/negative manner or take a neutral (positive and negative) stance. In this instance candidates are also expected to support their responses with more depth, e.g. *'COIDA eliminates time and costs spent✓ on lengthy civil court proceedings✓, because the employer will not be liable for compensation to the employee for injuries sustained during working hours as long as it can be proved that the business was not negligent.'*✓
- NOTE:** 1. The above could apply to 'analyse' as well.  
2. Note the placing of the tick (✓) in the allocation of marks.
12. The allocation of marks must be informed by the nature of the question, cognitive verb used, mark allocation in the marking guideline and the context of each question.
- Cognitive verbs, such as:
- 12.1 Advise, name, state, outline, motivate, recommend, suggest, (*list not exhaustive*) do not usually require much depth in candidates' responses. Therefore, the mark allocation for each statement/answer appears at the end.
- 12.2 Define, describe, explain, discuss, elaborate, distinguish, differentiate, compare, tabulate, analyse, evaluate, critically evaluate (*list not exhaustive*) require a greater depth of understanding, application and reasoning. Therefore, the marks must be allocated more objectively to ensure that assessment is conducted according to established norms so that uniformity, consistency and fairness are achieved.
13. Mark only the FIRST answer where candidates offer more than one answer for SECTION B and C questions that require one answer.

14. **SECTION B**

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

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

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

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

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

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

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

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

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

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


15. **SECTION C**

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

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



15.2 Insight consists of the following components:

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

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

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

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

CONTENT	MARKS
Facts	<b>32 (max.)</b>
L	<b>2</b>
A	<b>2</b>
S	<b>2</b>
O	<b>2</b>
<b>TOTAL</b>	<b>40</b>

- 15.7 When awarding marks for facts, take note of the submaximal indicated, especially if candidates do not make use of the same subheadings. Remember, headings and subheadings are encouraged and contribute to insight (structuring/logical flow/sequencing) and indicate clarity of thought. (See MARK BREAKDOWN at the end of each question.)
- 15.8 If the candidate identifies/interprets the question INCORRECTLY, then he/she may still obtain marks for layout.
- 15.9 If a different approach is used by candidates, ensure that the answers are assessed according to the mark allocation/subheadings as indicated in the marking guideline.
- 15.10
  - 15.10.1 Award TWO marks for complete sentences. Award ONE mark for phrases, incomplete sentences and vague answers.
  - 15.10.2 With effect from November 2015, the TWO marks will not necessarily appear at the end of each completed sentence. The ticks (✓) will be separated and indicated next to each fact, e.g. 'Product development is a growth strategy ✓, where businesses aim to introduce new products into existing markets.' ✓  
  
This will be informed by the nature and context of the question, as well as the cognitive verb used.
- 15.11 With effect from November 2017, the maximum of TWO (2) marks for facts shown as headings in the marking guidelines, will not necessarily apply to each question. This would also depend on the nature of the question.



**SECTION A**

**QUESTION 1**

- 1.1 1.1.1 D ✓✓
- 1.1.2 C ✓✓
- 1.1.3 A ✓✓
- 1.1.4 B ✓✓
- 1.1.5 C ✓✓



(5 x 2) (10)

- 1.2 1.2.1 Sector and Education Training Authorities (SETAs) ✓✓
- 1.2.2 secondary ✓✓
- 1.2.3 environmental ✓✓
- 1.2.4 retirement ✓✓
- 1.2.5 administration ✓✓

(5 x 2) (10)

- 1.3 1.3.1 D ✓✓
- 1.3.2 F ✓✓
- 1.3.3 J ✓✓
- 1.3.4 H ✓✓
- 1.3.5 A ✓✓

(5 x 2) (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**

Mark the **FIRST TWO** answers only.

**QUESTION 2: BUSINESS ENVIRONMENTS**

**2.1 Types of intensive strategies**

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

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

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

**2.2 Rights of employers in terms of the Labour Relations Act/LRA**

**Employers have the right to:**

- form employer organisations. ✓✓
- form bargaining councils for the purpose of collective bargaining. ✓✓
- lockout employees who engage in unprotected/illegal/wildcat strikes/labour action. ✓✓
- dismiss employees who engage in unprotected strikes/misconduct such as violence/intimidation during strike action. ✓✓
- not remunerate/pay employees who participate in protected strikes/work that was not completed during protected strikes. ✓✓
- Any other relevant answer related to the rights of the employers in terms of the LRA.

**Max (6)**

**2.3 Challenges posed by PESTLE factors from the scenario**

<b>CHALLENGES (2.3.1)</b>	<b>PESTLE FACTORS (2.3.2)</b>	<b>RECOMMENDATIONS (2.3.3)</b>
1. The employees of GD are not conversant with the local language of customers. ✓	Social factor ✓	GD should learn local/indigenous languages/hire employees who are well conversant with the local/indigenous language of customers. ✓✓
2. GD also lacks the capacity to cater for online transactions. ✓	Technological factor ✓	GD must be geared for online trading/e-commerce. ✓✓
Submax (2)	Submax (2)	Submax (4)

- NOTE:**
1. Mark the first TWO challenges for each PESTLE factor only.
  2. If the PESTLE factor is not linked to the challenge, mark the challenge only.
  3. Award full marks for the PESTLE factor even if the challenge is not quoted in full.
  4. The recommendation must be linked to the challenge.
  5. Do not award marks for the recommendation if the PESTLE factor is not mentioned.
  6. Order may be different.

**Max (8)**

**2.4 Purpose of the National Credit Act/NCA**

- Promotes the social ✓ and financial interests of South African consumers. ✓
- Makes provision for the establishment ✓ of the National Credit Regulator/NCR. ✓
- Promotes a fair/competitive ✓ credit market. ✓
- Promotes responsible granting of credit ✓ by credit providers. ✓
- Ensures that customers are well informed ✓ about what is included in their credit contracts. ✓
- Ensures that credit is equally available ✓ to all consumers. ✓
- Protects consumers from unfair business practices ✓ where credit is involved. ✓
- Protects lenders and borrowers from negligent lending practices ✓ that results in over-indebtedness for consumers. ✓
- Ensures that credit bureaux/credit providers/debt counsellors ✓ are registered to avoid consumer exploitation. ✓
- Creates national standards ✓ for the credit industry. ✓
- Any other relevant answer related to purpose of the NCA.

**Max (6)****2.5 Implication of the BBBEE pillars****Management control ✓✓**

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

Pillar (2)  
 Discussion (1)  
 Submax (3)

**Ownership ✓✓**

- Businesses should include black people in shareholding/partnerships/franchises. ✓
- Encourage small black investors to invest in large businesses and share ownership. ✓
- Exempted Micro Enterprises (EMEs) with an ownership of 50% or more of black people are promoted to level 3 of the BEE scorecard. ✓
- Create more opportunities for black people to become owners/entrepreneurs. ✓
- Large businesses should form joint ventures with small black owned businesses and share business risks. ✓
- Businesses find it difficult to find suitable black business partners/shareholders that can afford shares. ✓
- Any other relevant answer related to the implication of ownership as a BBBEE pillar on businesses.

Pillar (2)  
 Discussion (1)  
 Submax (3)

**Enterprise and supplier development/ESD ✓✓**

- Businesses must create jobs as ESD promotes local manufacturing. ✓
- Outsource services to suppliers that are BBBEE compliant. ✓
- Businesses are encouraged to invest/support black owned SMMEs. ✓
- Identify black owned suppliers that are able to supply goods and services. ✓
- Contribution can be monetary, such as loans/investments/donations. ✓
- Contribution can be non-monetary, such as consulting services/advice/ entrepreneurial programmes. ✓
- Develop the business skills of small/black owned suppliers, such as sales techniques/ legal advice. ✓
- Support the cash flow of small suppliers by offering them preferential terms of payment. ✓
- Businesses should invest in/support black owned SMMEs. ✓
- SMMEs will be encouraged to use their own business initiatives to make them sustainable. ✓
- Develop and implement a supplier development plan/supply chain. ✓
- Businesses may not be able to afford enterprise development investment/support. ✓
- Black owned SMMEs may become too reliant on support from other businesses/unable to take their own initiatives. ✓
- BBBEE suppliers may be without good workmanship. ✓
- Smaller businesses that are not BBBEE compliant lose business. ✓
- Businesses are forced to choose from a smaller pool of suppliers. ✓
- Any other relevant answer related to the implication of enterprise and supplier development as a BBBEE pillar on businesses.

Pillar (2)  
Discussion (1)  
Submax (3)

**Skills development ✓✓**

- Businesses must engage black employees in skills development initiatives. ✓
- Provide learnerships/Learning programmes to black employees. ✓
- Business must contribute 1% of their payroll to fund the skills development programmes. ✓
- Businesses could benefit from the increased pool of skilled/trained workers. ✓
- Businesses must go the extra mile to train staff where learnerships are not offered. ✓
- Productivity is compromised as mentors/coaches have to find the time to participate in learnerships/training. ✓
- Any other relevant answer related to the implication of skills development as a BBBEE pillar on businesses.

Pillar (2)  
Discussion (1)  
Submax (3)

**Socio-economic development/Social responsibility ✓✓**

- Contribute towards social investment projects and community development. ✓
- Focus on critical areas of CSI such as development in the country, such as environmental awareness/education/housing/poverty/unemployment. ✓
- Distribute scarce CSI resources to selected beneficiaries in the community. ✓
- Promote sustainable use of natural resources and support businesses that make use of sustainable production techniques and sustainable energy utilisation practices. ✓
- Businesses often are not knowledgeable or experts at societal issues and social responsibility and may result in wastage of financial resources if not investigated correctly. ✓

- Any other relevant answer related to the implication of socio-economic development/ social responsibility as a BBBEE pillar on businesses.

Pillar (2)  
Discussion (1)  
Submax (3)  
**Max (6)**

## 2.6 Compliance and negative impact of the Skills Development Act/SDA

### 2.6.1 Compliance of the SDA from the scenario

- BF encouraged the financial clerk to engage in a learnership programme. ✓
- Opportunities have also been provided to all employees to improve their workplace expertise and capabilities. ✓

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

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

**(2 × 1) (2)**

### 2.6.2 Negative impact of the SDA

- The SDA process is prescriptive and requires a large amount of paperwork and administration ✓ which can cost time and money. ✓
- Skills Development Levy could be an extra burden ✓ to financially struggling businesses. ✓
- It may be monitored and controlled by government departments ✓ that do not have education and training as their key priorities. ✓
- The SETAs may not be well organised ✓ and many courses offered by companies may not have unit standards that relate to the course content. ✓
- Many service providers that offer training services ✓ are not SAQA accredited. ✓
- Many businesses may not support ✓ this government initiative. ✓
- Implementation of the SDA ✓ can be difficult to monitor and control. ✓
- Employees are expected to attend learnerships during work hours ✓ which could affect the production process/productivity. ✓
- Costly for businesses ✓ to employ a person to implement, manage and control learnerships. ✓
- The time and money spent on improving employee skills is wasted ✓ if they leave the business. ✓
- Only companies/businesses with a staff payroll over R500 000 per annum can claim the SDL.
- Any other relevant answer related to the negative impact of SDA on businesses.

**Max (4)**

### 2.7 Steps in strategy evaluation

- Examine the underlying basis of a business strategy. ✓✓
- Look forward and backwards into the implementation process. ✓✓
- Compare the expected performance with the actual performance. ✓✓
- Determine the reasons for deviations and analyse these reasons. ✓✓
- Take corrective action so that deviations may be corrected. ✓✓
- Set specific dates for control and follow up. ✓✓
- Draw up a table of the advantages and disadvantages of a strategy. ✓✓
- Decide on the desired outcome that will result in the achievement of business goals. ✓✓
- Consider the impact of the strategic implementation in the internal/external environments of the business. ✓✓
- Any other relevant answer related to the steps in strategy evaluation.

**Max (6)**



**BREAKDOWN OF MARKS**

<b>QUESTION 2</b>	<b>MARKS</b>
<b>2.1</b>	<b>2</b>
<b>2.2</b>	<b>6</b>
<b>2.3.1</b>	<b>2</b>
<b>2.3.2</b>	<b>2</b>
<b>2.3.3</b>	<b>4</b>
<b>2.4</b>	<b>6</b>
<b>2.5</b>	<b>6</b>
<b>2.6.1</b>	<b>2</b>
<b>2.6.2</b>	<b>4</b>
<b>2.7</b>	<b>6</b>
<b>TOTAL</b>	<b>40</b>



**QUESTION 3: BUSINESS OPERATIONS**

**3.1 Examples of fringe benefits**

- Medical Aid Fund/Health Insurance Fund ✓
- Pension Fund ✓
- Provident Fund ✓
- Funeral benefits ✓
- Car/Travel/Housing/Cellphone/Clothing allowance ✓
- Performance-based incentives ✓
- Issuing of bonus shares ✓
- Staff discount/Free or low-cost meal/Canteen facilities ✓
- Any other relevant example of fringe benefits.

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

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

**3.2 Difference between piecemeal and time-related salary determination methods**

PIECEMEAL	TIME-RELATED
- Workers are paid according to the number of items/units produced/action performed. ✓✓	- Workers are paid according to the amount of time/hours they spend at work/on a task. ✓✓
- Workers are not remunerated for the number of hours worked, regardless of how long it takes them to make the items. ✓✓	- Workers with the same experience/qualifications are paid on salary scales regardless of the amount of work done. ✓✓
- Mostly used in factories particularly in the textile/technology industries. ✓✓	- Many private and public sector businesses use this method. ✓✓
- Any other relevant answer related to piecemeal as a salary determination method.	- Any other relevant answer related to time-related as a salary determination method.
Submax (2)	Submax (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 piecemeal or time-related salary determination methods only.

**Max (4)**

**3.3 Components of job analysis from statements**

3.3.1 Job specification ✓✓

**(2)**

3.3.2 Job description ✓✓

**(2)**

**3.4 Advantages of induction for businesses**

- Allows new employees to settle in quickly ✓ and work effectively ✓
- Ensures that new employees understand the rules ✓ and restrictions in the business. ✓
- New employees may establish relationships ✓ with fellow employees at different levels. ✓
- Make new employees feel at ease in the workplace, ✓ which reduces anxiety/insecurity/fear. ✓
- The results obtained during the induction process ✓ provide a base for focussed training. ✓
- Increases quality of performance/productivity ✓ as employees are familiar with the work processes. ✓
- Minimises the need for on-going training ✓ and development. ✓

- Employees will be familiar with organisational structures ✓ such as their supervisors/low level managers. ✓
- Opportunities are created for new employees ✓ to experience/explore different departments. ✓
- New employees will understand their role/responsibilities ✓ concerning safety regulations and rules. ✓
- New employees will know the layout of the building/factory/offices, ✓ which saves production time. ✓
- Learn more about the business so that new employees understand their roles/responsibilities ✓ in order to be more efficient. ✓
- Company policies are communicated, ✓ regarding conduct and procedures/safety and security/employment contract/conditions of employment/ working hours/leave. ✓
- Realistic expectations for new employees ✓ as well as the business are created. ✓
- New employees may feel part of the team ✓ resulting in positive morale and motivation. ✓
- Employees may have a better understanding of business policies ✓ regarding ethical/professional conduct/procedures/CSR. ✓
- Reduces the staff turnover ✓ as new employees have been inducted properly. ✓
- Any other relevant answer related to the advantages of induction for businesses.

**Max (4)****3.5 Selection procedure****OPTION 1**

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

**OR****OPTION 2**

- Receive documentation such as application forms ✓ and sort it according to the criteria of the job. ✓
- Evaluate CVs ✓ and create a shortlist/Screen the applicants. ✓
- Check information in the CVs ✓ and contact references. ✓
- Conduct preliminary sifting interviews to identify applicants ✓ who are not suitable for the job, although they meet all requirements. ✓



- Assess/Test candidates who have applied for senior positions/to ensure ✓ the best candidate is chosen. ✓
- Conduct interviews ✓ with shortlisted candidates. ✓
- Offer employment in writing ✓ to the selected candidate(s). ✓
- Any other relevant answer related to the selection procedure as a human resource activity.

**NOTE: The procedure may be in any order. Max (6)**

**3.6 Quality indicators of the marketing function**

- Winning customers by satisfying their needs/wants and building positive relationships. ✓✓
- Adhering to ethical advertising practices when promoting products/services. ✓✓
- Identifying a competitive 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/changes to products/services based on feedback from customers/results of market research. ✓✓
- Using aggressive advertising campaigns to sustain/increase the market share. ✓✓
- Any other relevant answer related to the quality indicators of the marketing function.

**Max (4)**

**3.7 PDCA model and continuous skills development/education and training as a TQM element**

**3.7.1 Steps of the PDCA model from the scenario**

STEPS OF THE PDCA MODEL	MOTIVATIONS
1. Do ✓✓	Coetzee Manufacturing implemented the desired change on a small scale. ✓
2. Act as needed ✓✓	After a while, CM implemented the change on a larger scale due to positive outcomes. ✓
Submax (4)	Submax (2)

- NOTE:**
1. Mark the first TWO (2) only.
  2. The answer does not have to be in tabular format.
  3. Award marks for the steps of the PDCA model even if the motivations were incomplete.
  4. Do not award marks for the motivations if the steps of the PDCA model were incorrectly identified.

**Max (6)**

**3.7.2 Impact of total customer satisfaction****Positives/Advantages**

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

**AND/OR****Negatives/Disadvantages**

- Employees who seldom come into contact with customers ✓ often do not have a clear idea of what will satisfy their needs. ✓
- Large businesses characterised as a monopoly have an increased bargaining power ✓ so they do not necessarily have to please customers/satisfy needs of customers. ✓
- Not all employees may be involved/committed ✓ to total client satisfaction. ✓
- Any other relevant answer related to the negative impact/disadvantages of total customer satisfaction as a TQM element on large businesses.

**Max (4)****3.8 Ways in which total quality management/TQM can reduce the cost of quality**

- Introduce quality circles to discuss ways of improving the quality of their work/workmanship. ✓✓
- Schedule activities to eliminate duplication of tasks. ✓✓
- Share responsibilities for quality output amongst management and workers. ✓✓
- Train employees at all levels, so that everyone understands their roles in quality management. ✓✓
- Develop work systems that empower employees to find new ways of improving quality. ✓✓
- Work closely with suppliers to improve the quality of raw materials/inputs. ✓✓
- Improve communication about the quality challenges/deviations, so that everyone can learn from past experiences. ✓✓
- Reduce investment on expensive, but ineffective inspection procedures in the production process. ✓✓
- Implement pro-active maintenance programmes for equipment/machinery to reduce/eliminate breakdowns. ✓✓
- Any other relevant answer related to ways in which TQM can reduce the cost of quality.

**Max (6)**



**BREAKDOWN OF MARKS**

QUESTION 3	MARKS
3.1	2
3.2	4
3.3.1	2
3.3.2	2
3.4	4
3.5	6
3.6	4
3.7.1	6
3.7.2	4
3.8	6
<b>TOTAL</b>	<b>40</b>



**QUESTION 4: MISCELLANEOUS TOPICS**

**BUSINESS ENVIRONMENTS**

**4.1 Consumer rights in terms of the Consumer Protection Act/CPA**

- Right to choose ✓
- Right to privacy ✓
- Right to fair and honest dealings ✓
- Right to disclosure and information ✓
- Right to fair and responsible marketing ✓
- Right to fair value/good quality and safety ✓
- Right to accountability by suppliers ✓
- Right to fair, just and reasonable terms and conditions ✓
- Right to equality in the consumer market ✓

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

**(4 x 1) (4)**

**4.2 Advantages of diversification strategies**

- Increases sales ✓ and business growth. ✓
- Improves the business brand ✓ and image. ✓
- Reduces the risk of relying only on one product ✓ for sales/revenue/income. ✓
- More products can be sold to existing customers ✓ and new markets can be established. ✓
- Businesses gain more technological capabilities ✓ through product modification. ✓
- Diversification into a number of industries or product lines ✓ can help create a balance during economic fluctuations. ✓
- Businesses produce more output using less inputs ✓ as one factory may be used to manufacture more products. ✓
- Enables businesses to retain their competitive advantage ✓ by meeting the needs of/current/new customers. ✓
- Allows businesses to remain relevant/functional/operational ✓ in a dynamic business environment. ✓
- Any other relevant answer related to the advantages of diversification strategies.

**Max (6)**

**4.3 Defensive strategies from the scenario**

DEFENSIVE STRATEGIES	MOTIVATIONS
1. Divestiture/Divestment ✓✓	Sieraaj Renovations sold some of their unproductive assets to pay for the debts of the business. ✓
2. Liquidation ✓✓	As a last resort, SR declared bankruptcy and sold all assets to repay creditors. ✓
Submax (4)	Submax (2)

- NOTE:**
1. Mark the first TWO (2) only.
  2. The answer does not have to be in tabular format.
  3. Award marks for the defensive strategies even if the motivations were incomplete.
  4. Do not award marks for the motivations if the defensive strategies were incorrectly identified.

**Max (6)**

#### 4.4 Impact of Compensation for Occupational Injuries and Diseases Amendment Act/COIDA Positives/Advantages

- Promotes health and safety ✓ in the workplace. ✓
- Claiming processes ✓ are relatively simple. ✓
- Eliminates time and costs spent ✓ on lengthy civil court proceedings. ✓
- Any compensation to an employee/the family ✓ is exempt from income tax. ✓
- Employers are protected from financial burden should an accident occur in the workplace ✓ provided that the employer was not negligent. ✓
- Makes businesses more socially responsible ✓ as they cannot just employ workers at random in dangerous working conditions. ✓
- Workers are treated with dignity and respect ✓ as businesses view them as valuable assets and not just as workers. ✓
- Covers all employees at the workplace ✓ if both parties meet all the necessary safety provisions in the Act. ✓
- Creates a framework for acceptable employment practices ✓ and safety regulations. ✓
- Supply administrative guidelines/mechanisms ✓ for dealing with/processing claims. ✓
- Employees are compensated financially for any injury/disability ✓ resulting from performing their duties at their workplace. ✓
- In the event of the death of an employee as a result of a work-related accident/disease ✓, his/her dependent(s) will receive financial support. ✓
- Employees receive medical assistance ✓ provided there is no other medical assistance option ✓. Cannot claim medical assistance ✓ from the fund and medical aid. ✓
- Medical expenses/Other types of compensation are paid to employees ✓ and/or their families depending on the type/severity of the injuries. ✓
- Employers have to pay a monthly amount to the Compensation Fund ✓ depending on the number of employees/the level of risk to which they are exposed. ✓
- Any other relevant answer related to the positive impact/advantages of COIDA on businesses.

#### AND/OR

#### Negative/Disadvantages

- Claiming processes ✓ can be time consuming. ✓
- COIDA does not cover employees ✓ in the South African National Defence Force. ✓
- COIDA does not cover workers who are temporarily/permanently employed ✓ in foreign countries. ✓
- Employers may be forced to pay heavy penalties ✓ if they are found guilty of negligence/not enforcing safety measures. ✓
- Implementation processes/procedures ✓ required by the COIDA may be expensive. ✓
- Procedures required by COIDA may be costly ✓ as paperwork places an extra administrative burden on businesses. ✓
- Employers have to register all their workers/make annual contributions to COIDA ✓, which may result in cash flow problems. ✓
- Any other relevant answer related to the negative impact/disadvantages of COIDA on businesses.

**Max (4)**

**BUSINESS OPERATIONS**

**4.5 Aspects that should be included in an employment contract**

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

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

**(3 × 1) (3)**

**4.6 Human resources activity from the scenario**

**4.6.1 Placement from the scenario**

Placement ✓✓

**(2)**

**Motivation**

LA has positioned the successful candidates where they will function optimally in the business. ✓

**(1)**

**Max (3)**

**4.6.2 Placement procedure**

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

**Max (4)**

**4.7 Contribution of the purchasing function to the success of the business**

- Businesses should buy raw materials/products in bulk ✓ at lower/discounted prices. ✓
- Select reliable suppliers that render the best quality raw materials/capital goods ✓ at reasonable prices. ✓
- Place orders timeously and do regular follow-ups ✓ to ensure that goods are delivered on time. ✓

- Effective co-ordination between the purchasing and production departments ✓ so that purchasing staff understand the production process/requirements. ✓
- Required quantities should be delivered ✓ at the right time and place. ✓
- Implement/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 processes. ✓
- 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 ✓ to apply the correct procurement procedures/processes. ✓
- Any other relevant answer related to how the purchasing function can contribute to the success of the business.

**Max (4)**

**4.8 Impact of TQM if poorly implemented by businesses**

- Setting unrealistic deadlines that may not be achieved. ✓✓
- Employees may not be adequately trained resulting in poor quality products. ✓✓
- Decline in productivity because of stoppages. ✓✓
- Businesses may not be able to make the necessary changes to products/services in order to satisfy the needs of customers. ✓✓
- The reputation/image of the business may suffer because of poor quality/defective goods. ✓✓
- Customers will have many alternatives to choose from and the impact could be devastating to businesses. ✓✓
- Investors might withdraw investments, if there is a decline in profits. ✓✓
- Decline in sales as more goods are returned by unhappy customers. ✓✓
- High staff turnover because of poor skills development. ✓✓
- Undocumented/Uncontrolled quality control processes/systems could result in errors/deviations from pre-set quality standards. ✓✓
- Any other relevant answer related to the impact of TQM if poorly implemented by businesses.

**Max (6)**

**BREAKDOWN OF MARKS**

QUESTION 4	MARKS
4.1	4
4.2	6
4.3	6
4.4	4
4.5	3
4.6.1	3
4.6.2	4
4.7	4
4.8	6
<b>TOTAL</b>	<b>40</b>

**TOTAL SECTION B: 80**

**SECTION C**

**Mark the FIRST answer only.**

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

**5.1 Introduction**

- The correct implementation of the strategic management process enables businesses to address constant challenges in everchanging business environments. ✓
- The Porter's Five Forces model aims to assess/evaluate the competitive landscape of a specific business sector within the market environment. ✓
- Businesses implement various types of integration strategies in order to influence/improve control/gain greater control of supply/distribution/competition. ✓
- Businesses conduct extensive sales promotions/marketing campaigns/rigorous efforts when applying various types of intensive strategies in order to expand the scale of their operations. ✓
- Any other relevant introduction related to the strategic management process/application of Porter's Five Forces model/types of integration strategies/advantages of intensive strategies.

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

**5.2 Strategic management process**

**OPTION 1**

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

**OR**

**OPTION 2**

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

**Max (10)**



### 5.3 Application of Porter's Five Forces model

#### **Bargaining power of suppliers/Power of suppliers ✓✓**

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

Force (2)  
Explanation (4)  
Submax (6)

#### **Bargaining power of buyers/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. ✓
- Buyers that can do without the business's products ✓ have more power to determine the prices and terms of sale. ✓
- Any other relevant answer related to how businesses could apply the bargaining power of buyers/power of buyers as a force of Porter's Five Forces model to analyse their position in the market.

Force (2)  
Explanation (4)  
Submax (6)

#### **Threat/Barriers to new entrants to the market ✓✓**

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

Force (2)  
Explanation (4)  
Submax (6)

#### **Power of competitors/Competitive rivalry ✓✓**

- Competitors selling the same/similar products/services ✓ may have a greater impact on the market of the business. ✓

- 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. ✓
- Some businesses have the necessary resources to start a price war ✓ and to continue selling at a loss until some/all competitors leave the market. ✓
- Competitors using various pricing and marketing strategies ✓, are likely to have power over the business. ✓
- Any other relevant answer related to how businesses could apply power of competitors/competitive rivalry as a force of Porter's Five Forces model to analyse their position in the market.

Force (2)  
Explanation (4)  
Submax (6)

**Threat of substitution/substitutes ✓✓**

- Business products that can be easily substituted ✓ weakens the power of the business in the market. ✓
- Establish whether the sellers of substitute products ✓ have improved their product/sell lower quality goods at lower prices. ✓
- Businesses selling unique products ✓ will not be threatened by substitute products. ✓
- Assess if customers are using substitute products/services ✓ and determine reasons for using substitutes. ✓
- Any other relevant answer related to how businesses could apply the threat of substitution/substitutes as a force of Porter's Five Forces model to analyse their position in the market.

Force (2)  
Explanation (4)  
Submax (6)

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

**Max (12)**

**5.4 Types of integration strategies**

**Forward vertical integration ✓✓**

- A business combines with or takes over ✓ its distributors down the supply chain/production chain. ✓
- Involves expansion of business activities ✓ to gain control over the direct distribution of the products. ✓
- Increases profitability of the business ✓ as the middleman is excluded. ✓
- Any other relevant answer related to forward vertical integration as a type of integration strategy.

Strategy (2)  
Discussion (4)  
Submax (6)

**Backward vertical integration ✓✓**

- A business combines with or takes over ✓ its suppliers up the supply chain/production chain. ✓
- Aims at decreasing the business's dependency ✓ on suppliers. ✓
- Enables businesses to cut costs ✓ and have influence over the prices/quality/quantity of raw materials. ✓
- Any other relevant answer related to backward vertical integration as a type of integration strategy.



Strategy (2)  
Discussion (4)  
Submax (6)

**Horizontal integration** ✓✓

- A business takes control of/incorporates other businesses ✓ in the same industry/which produce/sell the same goods/services. ✓
- The aim is to reduce ✓ the threat of competition /substitute products/services. ✓
- Increases the market share/sales ✓ and profits. ✓
- Suitable for businesses that operates in multiple geographical areas ✓ through joint ventures/licencing/franchising. ✓
- Any other relevant answer related to horizontal integration as a type of integration strategy.

Strategy (2)  
Discussion (4)  
Submax (6)

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

**Max (12)**

**5.5 Advantages of intensive strategies**

- Increased market share reduces the business's vulnerability to actions of competitors. ✓✓
- Increase in sales/income and profitability. ✓✓
- Improved service delivery may improve business image. ✓✓
- Businesses may have more control over the prices of products/services. ✓✓
- Gain loyal customers through effective promotion campaigns. ✓✓
- Decrease in prices may influence customers to buy more products. ✓✓
- Regular sales to existing customers may increase. ✓✓
- Eliminate competitors and dominate market prices. ✓✓
- Enable businesses to focus on markets/well researched quality products that satisfy the needs of customers. ✓✓
- Any other relevant answer related to the advantages of intensive strategies.

**Max (12)**

**5.6 Conclusion**

- The effective/correct application of the strategic management process enables businesses to remain proactive, instead of reactive when analysing/evaluating challenges of the business environments. ✓✓
- Conducting the Porter's Five Forces model provides invaluable insight into understanding/addressing/combating competition within the market environment. ✓✓
- The type of integration strategy implemented by business influence the expansion/growth of the business for future operations by controlling suppliers/distributors/competitors. ✓✓
- Businesses are able to capture a larger market share when applying intensive strategies as the frequency in which customers purchase products from the business increases over time. ✓✓
- Any other relevant conclusion related to the strategic management process/application of Porter's Five Forces model/types of integration strategies/advantages of intensive strategies.

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

**QUESTION 5: BREAKDOWN OF MARK ALLOCATION**



DETAILS	MAXIMUM	TOTAL
Introduction	2	<b>Max 32</b>
Strategic management process	10	
Application of Porter's Five Forces model	12	
Types of integration strategies	12	
Advantages of intensive strategies	12	
Conclusion	2	
<b>INSIGHT</b>		
Layout	2	
Analysis/Interpretation	2	
Synthesis	2	
Originality/Examples	2	
<b>TOTAL MARKS</b>		<b>40</b>

LASO – For each component:

Allocate 2 marks if all requirements are met.

Allocate 1 mark if some requirements are met.

Allocate 0 marks where requirements are not met at all.

**QUESTION 6: BUSINESS OPERATIONS (QUALITY OF PERFORMANCE)**

**6.1 Introduction**

- The correct application of quality control and quality assurance enables businesses to maintain high manufacturing levels/standards. ✓
- A good quality management system aids the business in co-ordinating/directing all activities to meet customer requirements on a continuous basis. ✓
- There is a direct correlation between the long-term success of the business and implementing/understanding how TQM elements such as continuous skills development/education and training/adequate financing and capacity impact on business operations. ✓
- Quality circles are an effective mechanism for improving overall productivity/workmanship in the business as quality-related problems are identified/addressed promptly/timeously. ✓
- Any other relevant introduction related to the differences between quality control and quality assurance/benefits of a good quality management system/impact of continuous skills development/education and training/adequate financing and capacity as TQM elements on large businesses/role of quality circles as part of continuous improvement to processes and systems.

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



6.2 **Differences between quality control and quality assurance**

QUALITY CONTROL	QUALITY ASSURANCE
- System that ensures the desired quality is met by inspecting the final product. ✓✓	- Checks carried out during and after the production process. ✓✓
- Ensures that finished products meet the required standards. ✓✓	- Ensures that required standards have been met at every stage of the process. ✓✓
- Process of ensuring that products are consistently manufactured to high standards. ✓✓	- Processes put in place to ensure that the quality of products/services/systems adhere to pre-set standards with minimal defects/delays/shortcomings. ✓✓
- Checking raw materials/employees/ machinery/workmanship/products to ensure that high standards are maintained. ✓✓	- Ensuring that every process is aimed to get the product 'right the first time' and prevent mistakes from happening. ✓✓
- Includes setting targets/measuring performance and taking corrective measures. ✓✓	- The 'building in' of quality as opposed to 'checking of' quality. ✓✓
- Any other relevant answer related to quality control.	- Any other relevant answer related to quality assurance.
Submax (6)	Submax (6)

- 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 SIX (6) marks if the difference is not clear/Mark either quality control or quality assurance only.

**Max (12)**

6.3 **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. ✓
- A 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/financial sustainability ✓ as more customers improves profitability. ✓
- Improves business image ✓ as there are less defects/returns. ✓
- Any other relevant answer related to the benefits of a good quality management system.

**Max (12)**

**6.4 Impact of TQM elements on large businesses****6.4.1 Continuous skills development/Education and training****Positives/Advantages**

- Large businesses have a human resources department ✓ dedicated to skills training and development. ✓
- Human resources experts ensure that training programmes are relevant ✓ to increase customer satisfaction. ✓
- Ability to afford ✓ specialised/skilled employees. ✓
- Large businesses could conduct skills audits to establish the competency/education levels of staff ✓ which may positively affect the quality of products. ✓
- May be able to hire qualified trainers to train employees ✓ on a regular basis. ✓
- Any other relevant answer related to the positive impact/advantages of skills development as a TQM element on large businesses.

**AND/OR****Negatives/Disadvantages**

- Poor communication systems in large businesses ✓ may prevent effective training from taking place. ✓
- Trained employees may leave for better jobs ✓ after they gained more skills. ✓
- De-motivates employees ✓, if they do not receive recognition for training. ✓
- Employees who specialise in narrowly defined jobs ✓ may become frustrated/ demotivated. ✓
- Employees may not be aware of the level of competency they should meet ✓ in order to achieve their targets. ✓
- It may be difficult to monitor/evaluate ✓ the effectiveness of training. ✓
- Any other relevant answer related to the negative impact/disadvantages of skills development as a TQM element on large businesses.

Submax (6)

**6.4.2 Adequate financing and capacity****Positives/Advantages**

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

**AND/OR****Negatives/ Disadvantages**

- If the demand for company's product increases, orders begin coming in faster than expected ✓, and the company lacks the capital required to fund the production of the stock to fill the orders. ✓
- These rapidly growing companies can consume large amounts of capital ✓ as they try to balance normal operations and expansion. ✓
- Large businesses often spend large amounts of money on organisational resources/ machinery ✓ and often the return on investment is not earned in the short term. ✓

- Financial capital is wasted ✓ when incorrect financial planning/budgeting/ineffective financial management processes exist. ✓
- Huge amounts of accumulated debt by a large business may limit ✓ the growth strategy of the business/limit the ability of the business to meet its financial obligations. ✓
- Any other relevant answer related to the negative impact/disadvantages of adequate financing and capacity as a TQM element on large businesses.

Submax (6)

**Max (12)**

### 6.5 Role 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 processes and systems in the workplace. ✓✓
- Improve the quality of products/services/productivity through regular reviews of quality processes. ✓✓
- Monitor/Reinforce strategies to improve the smooth running of business operations. ✓✓
- Increase employees' morale and motivation. ✓✓
- Discuss ways of improving the quality of work/workmanship. ✓✓
- Contribute towards the improvement and development of the organisation. ✓✓
- Reduce costs of redundancy/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 working relationship between the employer and employee. ✓✓
- Improve employees' loyalty and commitment to the organisational goals. ✓✓
- Improve employees' communication at all levels of the business. ✓✓
- Develop a positive attitude/sense of involvement in decision-making processes of the services offered. ✓✓
- Any other relevant answer related to the role of quality circles as part of continuous improvement to processes and systems.

**Max (10)**

### 6.6 Conclusion

- Quality control and quality assurance are critical/essential in ensuring that the business meets/exceeds customer expectations. ✓✓
- A good quality management system enables businesses to improve their performance/economic sustainability/competitiveness in the long-term. ✓✓
- Successful businesses continuously strive to gain the positive impact and reduce the negative impact of TQM elements such as continuous skills development/education and training/adequate financing and capacity on their operations. ✓✓
- The TQM elements are collectively/not separately applied in a business in order to achieve the maximum positive impact on business operations. ✓✓
- The success of quality circles is dependent on the buy-in/continuous commitment of all relevant stakeholders in improving overall quality processes within the business. ✓✓
- Any other relevant conclusion related to the differences between quality control and quality assurance/benefits of a good quality management system/impact of continuous skills development/education and training/adequate financing and capacity as TQM elements on large businesses/role of quality circles as part of continuous improvement to processes and systems.

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

**QUESTION 6: BREAKDOWN OF MARK ALLOCATION**



DETAILS	MAXIMUM	TOTAL
Introduction	2	<b>Max 32</b>
Differences between quality control and quality assurance	12	
Benefits of a good quality management system	12	
Impact TQM elements on large businesses: <ul style="list-style-type: none"> <li>○ Continuous skills development/ Education and training</li> <li>○ Adequate financing and capacity</li> </ul>	12	
Role of quality circles as part of continuous improvement to processes and systems	10	
Conclusion	2	
<b>INSIGHT</b>		<b>8</b>
Layout	2	
Analysis/Interpretation	2	
Synthesis	2	
Originality/Examples	2	
<b>TOTAL MARKS</b>		<b>40</b>

LASO – For each component:

Allocate 2 marks if all requirements are met.

Allocate 1 mark if some requirements are met.

Allocate 0 marks where requirements are not met at all.

**TOTAL SECTION C: 40**

**GRAND TOTAL: 150**

