



# basic education

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

**NATIONAL  
SENIOR CERTIFICATE**

**GRADE 12**

**BUSINESS STUDIES P2**

**EXEMPLAR 2020**

**MARKS: 150**

**TIME: 2 hours**

**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.

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

- Number the answers carefully 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>	1	30	30
<b>B: THREE direct/indirect-type questions CHOICE: Answer any TWO.</b>	2	40	30
	3	40	30
	4	40	30
<b>C: TWO essay-type questions CHOICE: Answer any ONE.</b>	5	40	30
	6	40	30
<b>TOTAL</b>		<b>150</b>	<b>120</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 numbers (1.1.1 to 1.1.10) in the ANSWER BOOK, e.g. 1.1.6 D.

1.1.1 William, the manager of Eden Supermarket, applies the ... leadership style when delegating tasks to followers without supervision.

- A autocratic
- B democratic
- C laissez-faire/free-reign
- D charismatic

1.1.2 The ... company provides essential services such as water and electricity at reasonable prices.

- A personal liability
- B state-owned
- C public
- D private

1.1.3. An example of a non-verbal presentation is information in the form of a/an ...

- A written report.
- B data projector.
- C video conference.
- D oral report.

1.1.4 Thembi allows Joyce time to speak in an angry manner without attacking her. This is an example of dealing with a/an ... personality.

- A complaining
- B quiet
- C expert
- D aggressive

1.1.5 Team dynamic theories help businesses to ...

- A allocate tasks to team members with similar personalities.
- B allocate tasks according to the role of each team member.
- C establish good relationships with teams.
- D promote individual satisfaction. (5 x 2) (10)

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

simple interest; problem-solving; health and safety representative;  
language; decision making; retirement annuities; age;  
employer; compound interest; liability policies

1.2.1 Thandeka earned ... calculated on the principal amount and accumulated interest.

1.2.2 An investor can only withdraw money from ... when he/she reaches a certain age.

1.2.3 A business that appoints an interpreter for meetings is addressing ... as a diversity issue.

1.2.4 The responsibility of the ... is to provide all the necessary equipment for workers to perform their duties in a favourable work environment

1.2.5 Sam considered various alternatives before choosing the best solution to solve a business problem. This is known as ... (5 x 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 number (1.3.1 to 1.3.5) in the ANSWER BOOK, for example 1.3.6 K.

COLUMN A		COLUMN B	
1.3.1	Creative thinking	A	only young people are considered for appointments
1.3.2	Interactive whiteboards	B	useful in brainstorming sessions as suggestions are summarised
1.3.3	Inclusivity	C	enables consumers to make loans at financial institutions
1.3.4	Debentures	D	uses routine methods to solve problems
1.3.5	Economic right	E	allows employees to have access to health care
		F	enables businesses to make loans from investors
		G	useful to capture feedback and new ideas
		H	people from different backgrounds are employed
		I	uses non-routine methods to solve problems
		J	allows employees to be paid equally for work of equal value

(5 × 2) (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, e.g. QUESTION 2 on a NEW page, QUESTION 3 on a NEW page.

**QUESTION 2: BUSINESS VENTURES**

- 2.1 Give FOUR examples of insurable risks. (4)
- 2.2 State FOUR principles of insurance. (4)
- 2.3 Tammy allocates tasks to employees according to their level of maturity.
- 2.3.1 Identify the leadership theory that Tammy is applying. (2)
- 2.3.2 Discuss the leadership theory identified in QUESTION 2.3.1. (6)
- 2.4 Distinguish between a *private company* and a *public company*. (8)
- 2.5 Read the scenario below and answer the questions that follow.

**MOUNTAIN HOTEL (MH)**

Sihle, the owner of Mountain Hotel, applies the democratic leadership style to manage his employees. He has a positive attitude and knows that there is always more to learn. Sihle models the behaviour that he wants to see in his followers.

- 2.5.1 Quote TWO roles of personal attitude in successful leadership displayed by Sihle in the scenario above. (2)
- 2.5.2 Explain to Sihle the impact of the democratic leadership style on MH as a business. (8)
- 2.6 Evaluate the impact of a PowerPoint presentation as a visual aid. (6)

**[40]**

**QUESTION 3: BUSINESS ROLES**

- 3.1 State FOUR steps in problem-solving. (4)
- 3.2 Name any FOUR human rights in the workplace. (4)
- 3.3 Read the scenario below and answer the questions that follow.

**JUNE TRADERS (JT)**

June Traders have been making large profits in the past three years. They decided to invest in communities by donating school uniforms. Sporting facilities were also provided by JT to promote a healthy lifestyle.

- 3.3.1 Quote TWO ways in which JT contributed to the well-being of their communities. (2)
- 3.3.2 Discuss the impact of corporate social investment (CSI) on JT as a business. (4)
- 3.4 Describe any TWO criteria for successful team performance. (6)
- 3.5 Read the scenario below and answer the question that follows.

**SMOOTH FURNITURE LTD (SF)**

Smooth Furniture Ltd wanted to change the designs of some of their furniture. Employees were requested to suggest new ideas in a large group without working individually. These ideas were used to inspire new thoughts. The management of SF evaluated the advantages and disadvantages of each idea.

Identify TWO problem-solving techniques used by Smooth Furniture Ltd. Motivate your answer by quoting from the scenario above.

Use the table below as a GUIDE to answer QUESTION 3.5.

PROBLEM-SOLVING TECHNIQUE	MOTIVATION
1.	
2.	

- 3.6 Discuss the correct procedure to deal with grievances in the workplace. (8)
- 3.7 Recommend ways in which businesses could create an environment that stimulates creative thinking in the workplace. (6)

**[40]**

**QUESTION 4: MISCELLANEOUS TOPICS****BUSINESS VENTURES**

- 4.1 Identify the types of business investment opportunities that were used by Prime Plumbers in EACH statement below:
- 4.1.1 Prime Plumbers invested R50 000 for six months at a favourable interest rate with a financial institution.
- 4.1.2 Prime Plumbers received dividends for their portion of ownership in Blue Range Ltd. (4)
- 4.2 Outline TWO factors that should be considered when preparing for a presentation. (4)
- 4.3 Explain return on investment as one of the factors that may be considered when making investment decisions. (4)
- 4.4 Distinguish between *leadership* and *management*. (8)

**BUSINESS ROLES**

- 4.5 Identify the stages of team development applicable to Shiburi Construction team in EACH statement below:
- 4.5.1 Team members compare each other's ideas and fight for a leadership position.
- 4.5.2 The team is aware of its aims and makes decisions without supervision.
- 4.5.3 Team members gather information about the task that must be performed. (6)
- 4.6 Explain ways in which businesses could contribute time and effort to improve the well-being of employees. (6)



4.7 Read the scenario below and answer the questions that follow

**LIZEL CLOTHING MANUFACTURERS (LCM)**

The management of Lizel Clothing Manufacturers has appointed health and safety representatives. They will be responsible for checking the effectiveness of LCM's health and safety measures. They should also identify potential dangers in the workplace.

4.7.1 Quote TWO roles of the health and safety representatives from the scenario above. (2)

4.7.2 Advise LCM on the other roles of health and safety representatives in the workplace. (6)  
**[40]**

**TOTAL SECTION B: 80**

**SECTION C**

Answer ONE question in this section.

**NOTE:** Clearly indicate the QUESTION NUMBER of each question chosen. The answer to the CHOSEN 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 VENTURES (INVESTMENTS AND FORMS OF OWNERSHIP)**

Peter and Teko are partners in P & T Consultancy. They are considering investing their surplus funds in the RSA retail savings bonds/Government retail bonds and also in preference shares of companies listed on the JSE.

Keeping the above scenario in mind, write an essay on investments and forms of ownership in which you include the following aspects:

- Outline the functions of the JSE.
- Describe FOUR types of preference shares.
- Evaluate the impact of the RSA retail savings bonds/Government retail bonds on investors.
- Advise Peter and Teko on how the following factors could contribute to the success and/or failure of their partnership:
  - Management
  - Legislation

[40]

**QUESTION 6: BUSINESS ROLES (ETHICS AND PROFESSIONALISM)**

According to the King Code principles, businesses are expected to conduct their operations in an ethical and professional manner. Many businesses develop strategies to address unethical business practices remain competitive and sustainable.

Write an essay on ethics and professionalism in which you address the following aspects:

- Elaborate on the meaning of *ethical behaviour*.
- Explain how the following unethical business practices can pose a challenge to businesses:
  - Unfair advertising
  - Pricing of goods in rural areas
  - Taxation/Tax evasion
- Advise businesses on how they could apply *accountability* and *transparency* as King Code principles for good corporate governance.
- Suggest ways in which professional, responsible, ethical and effective business practice should be conducted.

[40]

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



# basic education

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

**NATIONAL  
SENIOR CERTIFICATE**

**GRADE 12**

**BUSINESS STUDIES P2**

**EXEMPLAR 2020**

**MARKING GUIDELINES**

**MARKS: 150**

**These marking guidelines consist of 28 pages.**

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

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

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

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

Marker:	Red
Senior Marker:	Green
Deputy Chief Marker:	Brown
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 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 'Submax' is used to facilitate the allocation of marks within a question or subquestion.
6. The purpose of circling marks (guided by 'max' in the breakdown of marks) on the right-hand side is to ensure consistency and accuracy in the marking of scripts as well as for calculation and moderation purposes.
7. Subtotals to questions must be written in the right-hand margin. Circle the subtotals as indicated by the allocation of marks. This must be guided by 'max' in the marking guidelines. Only the total for each question should appear in the left-hand margin next to the appropriate question number.
8. In an indirect question, the theory as well as the response must be relevant and related to the question.

9. Correct numbering of answers to questions or subquestions 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, justify, 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:** This applies only to questions where the number of facts is specified.

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.

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?  Marks to be allocated using this guide: No relevant facts: 0 (Two '-S') Some relevant facts: 1 (One '-S') Only relevant facts: 2 (No '-S') Option 1: Where a candidate answers 50% or more of the question with only relevant facts; no '-S' appears in the left margin. Award the maximum of TWO (2) marks for synthesis. Option 2: Where a candidate answers less than 50% of the question with only OR some relevant facts; one '-S' appears in the left margin. Award a maximum of ONE (1) mark for synthesis. Option 3: Where a candidate answers less than 50% of the question with no relevant facts; two '-S' appear in the left margin. Award a ZERO mark for synthesis.	<b>2</b>
Originality	Is there evidence of examples 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.

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

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



**SECTION A****QUESTION 1**

- 1.1      1.1.1    C✓✓  
           1.1.2    B✓✓  
           1.1.3    A✓✓  
           1.1.4    D✓✓  
           1.1.5    B✓✓
- (5 x 2)    **(10)**
- 1.2      1.2.1    compound interest✓✓  
           1.2.2    retirement annuities✓✓  
           1.2.3    language✓✓  
           1.2.4    employer✓✓  
           1.2.5    decision making✓✓
- (5 x 2)    **(10)**
- 1.3      1.3.1    I✓✓  
           1.3.2    G✓✓  
           1.3.3    H✓✓  
           1.3.4    F✓✓  
           1.3.5    J✓✓
- (5 x 2)    **(10)**

**TOTAL SECTION A:    30****BREAKDOWN OF MARKS**

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

**SECTION B****Mark only the FIRST TWO answers.****QUESTION 2: BUSINESS VENTURES****2.1 Example of insurable risks**

- Theft✓
- Fidelity insurance✓
- Burglary✓
- Money in transit✓
- Fire✓
- Natural disaster/Storms/Wind/Rain/Hail✓
- Damage to/Loss of assets/vehicles/ equipment/buildings/premises✓
- Injuries on premises✓
- Any other relevant example related to insurable risks.

**NOTE: Mark the first FOUR (4) only.****(4x1) (4)****2.2 Principles of insurance**

- Indemnification/Indemnity✓
- Security/Certainty✓
- Utmost good faith✓
- Insurable interest✓

**NOTE: Mark the first FOUR (4) only.****(4 x 1) (4)****2.3 Leadership theory****2.3.1 Situational leadership theory✓✓****(2)****2.3.2 Situational leadership theory**

- Different leadership characteristics✓ are needed for different situations.✓
- The task/situation dictates the leadership style that should be applied✓, so leaders are adaptable/flexible/self-assured.✓
- Effective application of this theory may enable leaders✓ to accomplish their goals.✓
- Relationships between leaders and employees✓ are based on mutual trust/respect/loyalty/integrity/honesty.✓
- Leaders have the ability to analyse the situation/get the most suitable people in the right positions✓ to complete tasks successfully.✓
- Leaders analyse group members/objectives/time constraints✓, to adopt a suitable/relevant leadership style.✓
- May lead to conflict✓ when leaders use different leadership styles/when managing employees in different situations.✓
- The success of this theory depends on the kind of relationship that exists✓ between the leader and followers/subordinates/employees.✓
- Any other relevant answer related to the situational leadership theory.

**NOTE: Accept relevant facts if the situational leadership theory was incorrectly identified in QUESTION 2.3.1.****Max (6)**

2.4 **Distinction between a private company and a public company**

<b>PRIVATE COMPANY</b>	<b>PUBLIC COMPANY</b>
- May not offer shares√ to the general public.√	- Trades its shares publicly√ on the Johannesburg Securities Exchange (JSE).√
- Shares are not√ freely transferable√	- Shares are freely√ transferable.√
- Minimum of one director.√	- Minimum of three directors.√
- Name must end√ with Proprietary Limited/(Pty) Ltd.√	- Name must end√ with Limited/Ltd.√
- Annual financial statements need not be audited√ and published.√	- Annual financial statements need to be audited√ and published.√
- Does not need to publish a prospectus√ as it cannot trade its shares publicly.√	- Have to register and publish a prospectus√ with the Companies and Intellectual Property Commission/CIPC.√
- The company is not required to raise√ the minimum subscription/ issue minimum shares.√	- Must raise a minimum subscription prior√ to commencement of the company.√
- Any other relevant answer related to a private company.	- Any other relevant answer related to a public company.
Submax (4)	Submax (4)

- NOTE:**
- 1. The answer does not have to be in tabular format.**
  - 2. The distinction does not have to link, but must be clear.**
  - 3. Award a maximum of FOUR (4) marks if the distinction is not clear/Mark either a private company or a public company.**

**Max (8)**2.5 **Leadership**2.5.1 **Roles of personal attitude in successful leadership from the scenario**

- He has a positive attitude and knows that there is always more to learn.√
- Sihle models the behaviour that he wants to see in his followers.√

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

**(2 x 1) (2)**2.5.2 **Impact of democratic leadership style****Positives/Advantages**

- Employees participate in the decision making process√, so they feel empowered/positive.√
- Staff gives a variety of ideas/inputs/feedback/viewpoints√ that can lead to innovation/improved production methods/increased sales.√
- Clear/Two-way communication ensures group commitment√ to final decision(s).√
- Authority is delegated which can motivate/inspire workers√ to be more productive.√
- Complex decisions can be made with inputs√ from specialists/skilled workers.√
- Any other relevant answer related to the positive impact/advantages of the democratic leadership style on MH as a business.

**AND/OR**

**Negatives/Disadvantages**

- Incorrect decisions may be made√ if staff is inexperienced/not fully informed. √
- Decision making may be time consuming√ because stakeholders have to be consulted. √
- Employees may feel discouraged√ if their opinions/inputs are not considered. √
- The leader can rely too much on the input of the followers√ and fail to make a final decision. √
- Not effective in times of crisis√ when quick decisions need to be made.√
- Some employees only pretend to participate in decision making√ and their feedback may not always be accurate. √
- Any other relevant answer related to the negative impact/disadvantages of the democratic leadership style on MH as a business.

**Max (8)****2.6 Impact of a PowerPoint presentation as a visual aid****Positives/Advantages**

- Graphic programmes have the capacity to convey ideas√ and support what the presenter says. √
- Easy to combine√ with sound/video clips. √
- Simple/Less cluttered slides√ may capture the interest of the audience. √
- Video clips can provide variety√ and capture the attention of the audience. √
- Variation of colour/background/sound immediately captures the attention of the audience√ and retain their interest throughout the presentation. √
- Slides should only be used√ where they can enhance the facts or summarise information. √
- Any other relevant answer related to the positive impact/advantages of a PowerPoint presentation as a visual aid.

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

- Unprofessional handling of the data projector/PowerPoint presentation material√ may lead to irritation/may result in the audience losing interest. √
- Less effective√ to people with visual impairments. √
- Simply reading off the slides√ makes a presentation boring/meaningless. √
- Unable to show slides√ without electricity/data projector. √
- Any other relevant answer related to the negative impact/disadvantages of a PowerPoint presentation as a visual aid.

**Max (6)****BREAKDOWN OF MARKS**

QUESTION 2	MARKS
2.1	4
2.2	4
2.3.1	2
2.3.2	6
2.4	8
2.5.1	2
2.5.2	8
2.6	6
<b>TOTAL</b>	<b>40</b>

**QUESTION 3: BUSINESS ROLES****3.1 Steps in problem-solving**

- Identify the problem.√
- Define the problem.√
- Identify possible solutions to the problem.√
- Select the most appropriate alternative.√
- Develop an action plan.√
- Implement the suggested solution/action plan.√
- Monitor the implementation of the solution/action plan.√
- Evaluate the implemented solution.√
- Any other relevant answer related to the steps in problem-solving.

**NOTE:** 1. **Mark the first FOUR (4) only.**  
2. **Steps may be in any order.**  
3. **Award marks when different approaches in problem-solving are used.**

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

**3.2 Human rights in the workplace**

- Privacy√
- Dignity√
- Equity√
- Freedom of speech and expression√
- Information√
- Safety, security and protection of life√

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

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

**3.3 Corporate social investment/CSI****3.3.1 Examples of CSI from the scenario**

- They decided to invest in communities by donating school uniforms.√
- Sporting facilities were also provided by JT to promote a healthy lifestyle.√

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

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

**3.3.2 Impact of CSI on a business****Positives/Advantages**

- JT may attract experienced employees/increase the pool of skilled labour√ which could increase productivity.√
- Positive/Improved image√ as the business looks after employees/conducts itself in a responsible way.√
- May have a competitive advantage√, resulting in good publicity/an improved reputation.√
- Promotes customer loyalty√ resulting in more sales.√
- CSI projects may be used as a marketing strategy√ to promote their products.√
- JT enjoys the goodwill/support√ of communities.√
- CSI projects promote teamwork√ within businesses.√
- CSI helps to attract investors√ because of increased profits/income.√
- Gives JT tax advantages√ such as tax reduction/-rebates.√
- The government is less likely to enforce issues through legislation√ to businesses that voluntarily participate in CSI projects.√

- Employees feel as if they are making a difference√ in working for the business.√
- It helps to retain staff/lower staff turnover√ as employees' health and safety are considered.√
- Improves the health of its employees√ through focused CSI projects.√
- JT can become more community-based√ by working closely with the community to roll out skills development projects.√
- Any other relevant answer related to the positive impact/advantages of CSI on JT as a business.

### AND/OR

#### Negatives/Disadvantages

- JT may not be supported/Customers may not buy their products/services√ resulting in a decrease in sales.√
- Small and medium enterprises find it difficult√ to implement CSI programmes.√
- Detailed reports must be drawn up√, which can be time consuming.√
- Social spending reduces business/economic efficiency√ which makes it less competitive.√
- Social involvement is funded from business profits√ which could have been used to the benefit of customers/reduce prices.√
- CSI activities distract business focus√ from its core business functions.√
- JT finds it difficult√ to adhere to legislation governing CSI.√
- It can increase financial risk√, as programmes cost money and may impact negatively on profits.√
- It is difficult to accurately measure√ the effectiveness of social investment.√
- It is not easy to determine the exact needs of the communities√, which may result in fruitless expenditure on CSI.√
- Most managers are not trained/lack experience√ to handle social programmes.√
- Employees may spend more time working on CSI projects√ instead of focusing on their core duties.√
- Providing goods/services that meet the needs of consumers is√, according to some stakeholders, already socially responsible.√
- Shareholders/Stakeholders may receive less dividends√, as some profits are spent on CSI.√
- Some shareholders/stakeholders might withdraw their support from the business√ as they feel that social issues should be the government's responsibility.√
- Any other relevant answer related to the negative impact/disadvantages of CSI on JT as a business.

**Max (4)**

#### 3.4 **Criteria for successful team performance**

##### **Interpersonal attitudes and behaviour√√**

- Members have a positive attitude of support and motivation towards each other.√
- Good/Sound interpersonal relationships will ensure job satisfaction/increase productivity of the team.√
- Members are committed / passionate towards achieving a common goal/objectives.√
- Team leader acknowledges/gives credit to members for positive contributions.√
- Any other relevant answer related to interpersonal attitudes and behaviour as criteria for successful team performance.

Criteria (2)  
Description (1)  
Submax (3)

**Shared values/Mutual trust and support**√√

- Shows loyalty/respect/trust towards team members despite differences.√
- Shows respect for the knowledge/skills of other members.√
- Perform team tasks with integrity/pursuing responsibility/meeting team deadlines with necessary commitment to team goals.√
- Any other relevant answer related to shared values/mutual trust and support as criteria for successful team performance.

Criteria (2)  
Description (1)  
Submax (3)

**Communication**√√

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

Criteria (2)  
Description (1)  
Submax (3)

**Co-operation/Collaboration**√√

- Clearly defined realistic goals are set, so that all members know exactly what is to be accomplished.√
- Willingness to co-operate as a unit to achieve team objectives.√
- Co-operate with management to achieve team/business objectives.√
- Agree on methods/ways to get the job done effectively without wasting time on conflict resolution.√
- All members take part in decision making.√
- A balanced composition of skills/knowledge/experience/expertise ensures that teams achieve their objectives.√
- Any other relevant answer related to co-operation/collaboration as criteria for successful team performance.

Criteria (2)  
Description (1)  
Submax (3)  
**(2 x 3) (6)**

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

3.5 **Problem solving techniques from the scenario**

<b>PROBLEM SOLVING TECHNIQUE</b>	<b>MOTIVATION</b>
1. Brainstorming√√	Employees were requested to suggest new ideas in a large group without working individually/These ideas were used to inspire new thoughts.√
2. Force-field analysis√√	The management of SF evaluated the advantages and disadvantages of each idea.√
Submax (4)	Submax (2)

- NOTE:**
1. Award marks for the problem solving technique even if the quote is incomplete
  2. Do not award marks for the motivation if the problem solving techniques were incorrectly identified.

**Max (6)**3.6 **Correct procedure on how to deal with grievances**

- An aggrieved employee must verbally report the incident/grievance√ to his/ her supervisor/manager. √
- Supervisor/ Manager need to resolve the issue√ within 3 to 5 working days. √
- Should the employee and supervisor not be able to resolve the grievance√, the employee may take it to the next level of management.√
- The employee may move to a more formal process√ where the grievance must be lodged in writing/completes a business grievance form.√
- The employee must receive a written reply√ in response to the written grievance.√
- A grievance hearing/meeting must be held√ with all relevant parties present.√
- Minutes of the meeting must be recorded√ and any resolution passed must be recorded on the formal grievance form.√
- Should the employee not be satisfied, then he/she could refer the matter√ to the highest level of management.√
- Minutes of this meeting should be filed/recorded√ and the outcome/ decision must be recorded on the formal grievance form.√
- Should the employee still not be satisfied, he/she may refer the matter√ to the CCMA.√
- If the employee is still not satisfied, he/she may refer the matter√ to Labour Appeals Court who will make a final decision on the matter.√
- Any other relevant answer related to the correct procedure on how to deal with grievances in the workplace.

**NOTE: Accept the procedure in any order.****Max (8)**



### 3.7 Ways to create an environment that stimulates creative thinking in the workplace

- Businesses must emphasise the importance of creative thinking to ensure that all staff know that their ideas will be heard.√√
- Encourage staff to come up with new ideas/opinions/solutions.√√
- Make time for brainstorming sessions to generate new ideas, e.g. regular workshops/follow up sessions to build on one another's ideas.√√
- Place suggestion boxes around the workplace and keep communication channels open for new ideas.√√
- Businesses should train staff in innovative techniques/creative problem solving skills/mind-mapping/lateral thinking.√√
- Encourage job swaps within the organisation/studying how other businesses are doing things.√√
- Encourage alternative ways of working/doing things/Encourage a spirit of play and experimentation.√√
- Respond enthusiastically to all ideas and never let anyone feel less important.√√
- Reward creativity with reward schemes for teams/individuals that come up with creative ideas.√√
- Provide a working environment conducive to creativity, free from distractions.√√
- Any other relevant answer related to ways in which businesses could create an environment that stimulates creative thinking in the workplace.

**NOTE: The emphasis is on 'ways businesses could create an environment that stimulates creative thinking' not advantages.**

**Max (6)  
[40]**

#### BREAKDOWN OF MARKS

QUESTION 3	MARKS
3.1	4
3.2	4
3.3.1	2
3.3.2	4
3.4	6
3.5	6
3.6	8
3.7	6
<b>TOTAL</b>	<b>40</b>

## QUESTION 4: MISCELLANEOUS TOPICS

### BUSINESS VENTURES

#### 4.1 Types of business investment opportunities

4.1.1 Fixed deposit√√

4.1.2 Shares√√

**(4)**

**4.2 Factors that should be considered when preparing for a presentation**

- Clear purpose/intentions/objectives and main points of the presentation. √√
- Main aims captured in the introduction/opening statement of the presentation.√√
- Information presented should be relevant and accurate. √√
- Fully conversant with the content/objectives of the presentation.√√
- Background/diversity/size/pre-knowledge of the audience to determine the appropriate visual aids.√√
- Prepare a rough draft of the presentation with a logical structure/format with an introduction, body and conclusion.√√
- The conclusion must summarise the key facts and how it relates to the objectives/shows that all aspects have been addressed.√√
- Create visual aids/graphics that will consolidate the information/facts to be conveyed to the board of directors.√√
- Find out about the venue for the presentation, e.g. what equipment is available/appropriate/availability of generators as backup to load shedding.√√
- Consider the time frame for presentation, e.g. fifteen minutes allowed.√√
- Rehearse to ensure a confident presentation/effective use of time management.√√
- Prepare for the feedback session, by anticipating possible questions/comments. √√
- Any other relevant answer related to factors that should be considered when preparing for a presentation.

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

**(2x2) (4)**

**4.3 Return on investment as a factor to consider when making investment decisions**

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

**Max (4)**

## 4.4 Differences between leadership and management

LEADERSHIP	MANAGEMENT
- Influences human behaviour. ✓	- Guides human behaviour. ✓
- Communicates by means ✓ of interaction/behaviour/vision/values/charisma. ✓	- Communicates through management functions ✓, e.g. line function ✓
- Encourages new ideas ✓ to increase productivity. ✓	- Administers plans/programs/tasks ✓ to reach targets. ✓
- Focuses on what ✓ and why ✓	- Focuses on how ✓ and when. ✓
- Does the right things. ✓	- Does things right. ✓
- Focuses on the horizon ✓ to take long-term decisions. ✓	- Focuses on the bottom line to take ✓ short-/medium-/long-term decisions. ✓
- Leaders are born ✓ with natural/instinctive leadership skills. ✓	- A person becomes a manager because he/she is appointed ✓ in the position/trained/qualified. ✓
- Guides/Leads people to ✓ become active participants. ✓	- Manages the process of getting things done ✓ by exercising authority. ✓
- Have power/influence ✓ because of his/her knowledge/intelligence/skills. ✓	- Have power/authority ✓ because of the position into which they are appointed. ✓
- Always trying to find more efficient ways ✓ of completing tasks. ✓	- Enforce rules on subordinates ✓ to ensure that tasks are completed. ✓
- Motivational/Inspirational ✓ in their approach. ✓	- Instructional ✓ in their approach. ✓
- People orientated. ✓	- Task orientated. ✓
- Lead by ✓ example/trust/respect. ✓	- Manage ✓ by planning/organising/leading/ control. ✓
- Any other relevant answer related to leadership.	- Any other relevant answer related to management.
Submax (4)	Submax (4)

- NOTE:**
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 leadership or management only.

**Max (8)**

## BUSINESS ROLES

### 4.5 Stages of team development

4.5.1 Storming√√

4.5.2 Performing stage/Working as a team towards a goal√√

4.5.3 Forming√√

(6)

### 4.6 Ways in which businesses could contribute time and effort in improving the well-being of employees

- Pay fair wages/salaries to the workers√ based on the nature of their work/the prevailing economic conditions in the market.√
- Pay fair bonuses, based on business earnings√, as acknowledgement for hard work and commitment.√
- Offer financial assistance in the case of any hardship√ caused by unexpected medical costs.√
- Working conditions√ should include safety/medical/canteen facilities/ benefits like housing/leave/retirement√ etc.
- Offer annual√ physical/medical assessments to workers.√
- Make trauma debriefing/counselling/assistance available to any employee√ who requires these services.√
- Offer support programmes√ for employees infected and affected by HIV/Aids.√
- Start a nutritional programme√ so that employees can enjoy one meal per day to keep them in a healthy condition.√
- Encourage employees to stay fit and healthy by getting them involved in health activities√ to minimise stress/substance abuse/obesity.√
- Provide recreational facilities√ for employees.√
- Provide for employees' participation in decision making√ that affects them.√
- Allow flexible working hours√ to enhance productivity.√
- Make childcare facilities available√ on the premises for working mothers in the business.√
- Give time to staff√ to get involved in projects they choose√/Allow staff to use some of the working hours√ to participate in the projects of their choice.√
- Provide transport for employees√ who work unusually long hours.√
- Establish coaching and mentoring programmes√ for junior employees.√
- Conduct team-building sessions√ to improve employees' morale.√
- Encourage employees√ to attend capacity-building workshops/training programmes/staff-development programmes/team-development programmes.√
- Any other relevant answer related to ways in which businesses could contribute time and effort in improving the well-being of employees.

**Max (6)**

### 4.7.1 Roles of the health and safety representatives from the scenario

- They will be responsible for checking the effectiveness of LCM's health and safety measures.√
- They should also identify potential dangers in the workplace.√

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

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

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

**4.7.2 Other roles of health and safety representatives in the workplace**

- Investigate incidents/complaints from workers about health and safety. ✓✓
- Initiate/Promote/Maintain/Review measures for ensuring the health and safety of the workers. ✓✓
- Attend to any formal inquiry/investigation into an accident/health related incident in the workplace. ✓✓
- Ensure that protective clothing is provided /available to all workers. ✓✓
- Ensure that all equipment that is necessary to perform work are provided/maintained regularly. ✓✓
- Promote safety training so that employees may avoid potential dangers/act pro-actively. ✓✓
- Ensure that dangerous equipment is used under the supervision of trained/qualified workers. ✓✓
- Ensure that workers' health and safety is not endangered by hazards resulting from production/processing/storage/transportation of material/equipment. ✓✓
- Co-operate with the employer to investigate any accidents/complaints from the workers concerning health and safety in the workplace. ✓✓
- Ensure that employers comply with COIDA. ✓✓
- Any other relevant answer related to the other roles of health and safety representatives in the workplace.

**NOTE: Do not award marks for responses quoted in QUESTION 4.7.1.**

**Max (6)  
[40]**

**BREAKDOWN OF MARKS**

<b>QUESTION 4</b>	<b>MARKS</b>
<b>4.1</b>	<b>4</b>
<b>4.2</b>	<b>4</b>
<b>4.3</b>	<b>4</b>
<b>4.4</b>	<b>8</b>
<b>4.5</b>	<b>6</b>
<b>4.6</b>	<b>6</b>
<b>4.7.1</b>	<b>2</b>
<b>4.7.2</b>	<b>6</b>
<b>TOTAL</b>	<b>40</b>

**TOTAL SECTION B: 80**

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

- The JSE is a formal market comprising of all the public companies that have been listed.√
- Various services are offered to listed companies by the JSE.√
- Preference shares can be considered as a viable investment option as investors have various options to choose from.√
- The National Treasury of South Africa issues RSA Retail Savings Bonds/ Government Retail Bonds to the general public.√
- A partnership is formed by a minimum of two partners and the maximum number is unlimited.√
- Any other relevant introduction related to the JSE/types of preference shares/RSA Retail Savings Bonds/Government Retail Bonds/factors contributing to success/failure of a partnership.

**Any (2x1) (2)****5.2 Functions of the JSE**

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

**Max (10)****5.3 Types of preference shares****Participating preference shares**√√

Shareholders:

- are guaranteed minimum√ fixed dividends.√
- are entitled to share in any√ surplus company profits.√
- receive higher dividends√ when the company performs well.√
- have preferential rights over ordinary shares√ on repayment when the company closes down.√
- Any other relevant answer related to participating preference shares.

Identification (2)

Description (2)

Submax (4)

**Non-participating preference shares**

Shareholders:

- receive an amount equal to the initial investment plus accrued and unpaid dividends upon liquidation.
- do not have right to participate in profits after equity shareholders have been paid a dividend.
- will not get extra dividend in case of surplus profits.
- entitled to receive only a fixed rate of dividend every year.
- Any other relevant answer related to non-participating preference shares.

Identification (2)

Description (2)

Submax (4)

**Cumulative preference shares**

- Shareholders are compensated for past dividends that were not paid out when profits were too low to declare dividends/Receive dividends not previously paid out.
- Any other relevant answer related to cumulative preference shares.

Identification (2)

Description (2)

Submax (4)

**Non-cumulative preference shares**

- Shareholders are not compensated for past dividends that were not paid out when profits were low.
- Any other relevant answer related to non-cumulative preference shares.

Identification (2)

Description (2)

Submax (4)

**Redeemable preference shares**

- Shares can be redeemed/bought back at the option of the issuing company, either at a fixed price on a specified date/over a certain period of time.
- Any other relevant answer related to redeemable preference shares.

Identification (2)

Description (2)

Submax (4)

**Non-redeemable preference shares**

- Shares are only bought back when the company closes down for reasons other than bankruptcy.
- Any other relevant answer related to non-redeemable preference shares.

Identification (2)

Description (2)

Submax (4)

**Convertible preference shares**✓✓

- Shares can be converted into a predetermined number of ordinary shares✓ on the date specified when the preference shares were issued.✓
- Any other relevant answer related to convertible preference shares.

Identification (2)

Description (2)

Submax (4)

**Non-convertible preference shares**✓✓

- Shares cannot be converted✓ into ordinary shares.✓
- Any other relevant answer related to non-convertible preference shares.

Identification (2)

Description (2)

Submax (4)

**NOTE: Mark the first FOUR (4) only.****Max (16)****5.4 Impact of RSA Retail Savings Bonds/Government Retail Bonds on investors Positive/Advantages**

- Guaranteed returns✓, as interest rate is fixed for the whole investment period.✓
- Interest rates are market related ✓ and attract more investors.✓
- Interest can be received✓ twice a year.✓
- Investment may be easily accessible✓, as cash may be withdrawn after the first twelve months.✓
- Low risk/Safe investment✓, as it is invested with the South African Government which cannot be liquidated.✓
- It is an affordable type of investment✓ for all levels of income earners including pensioners.✓
- Retail bonds are easily/conveniently obtained✓ electronically/from any Post Office/directly from National Treasury.✓
- No charges/costs/commissions payable✓ on this type of investment.✓
- Interest is usually higher✓ than on fixed deposits.✓
- Retail bonds are listed✓ on the capital bond markets/on the JSE.✓
- Investors younger than 18 years/Minors may invest with the help of a legal guardian✓, which encourages saving from a young age.✓
- Any other relevant answer related to the positive impact/advantages of RSA Retail Savings Bonds/Government Retail Bonds on investors.

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

- Retail bonds cannot be ceded to banks✓ as security for obtaining loans.✓
- A minimum of R1 000 must be invested✓, which may be difficult for some small investors to accumulate.✓
- Retail bonds are not freely transferable✓ amongst investors.✓
- Investors need to have valid SA identification/should be older than 18 years✓ which may discourage foreigners/young people to invest.✓
- Penalties are charged for early withdrawals✓, if the savings is less than 12 months old.✓
- Any other relevant answer related to the negative impact/disadvantages of RSA Retail Savings Bonds/Government Retail Bonds on investors.

**Max (12)**



## 5.5 Success and/or failure factors of a partnership

	SUCCESS	AND/OR	FAILURE
5.5.1      <b>Management</b>	- Peter and Teko should be actively involved in management and may use the ideas of other partners.√√		- Decision making can be time consuming as Peter and Teko have to be in agreement.√√
	- They should have access to each other's expertise when difficult decisions have to be made.√√		- Some management tasks may be neglected, as one partner may leave it to others to complete.√√
	- Peter and Teko should decide who will be actively involved in management or rather appoint a competent manager.√√		- Peter and Teko may disagree on how to run the partnership, which may lead to tension between them.√√
			- They are agents of the partnership and a bad management decision of a partner may be forced onto others.√√
			- Different personalities/opinions could lead to conflict/ disagreements.√√
	- Any other relevant answer related to the contribution of management to the success of a partnership.		- Any other relevant answer related to the contribution of management to the failure of a partnership.
Submax (4)			
	SUCCESS	AND/OR	FAILURE
5.5.2      <b>Legislation</b>	- Easy and cheap to establish, as partners must draw up partnership agreement.√√		- Peter and Teko have unlimited liability as they are jointly and severally liable for the debts of the partnership.√√
	- Peter and Teko should be motivated to make a success because their personal possessions are at risk.√√		- If one partner dies or retires, the remaining partner needs to draw up a new agreement.√√
	- No regulatory requirements regarding the name of the business.√√		- Oral agreements between Peter and Teko can cause conflict between partners.√√
	- Only subjected to the provisions of the Income Tax Act as compared to companies.√√		- A partnership is not a legal entity and cannot sue or be sued.√√
	- Any other relevant answer related to the contribution of legislation to the success of a partnership.		- Any other relevant answer related to the contribution of legislation to the failure of a partnership.
Submax (4)			

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

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

**Max (8)**

## 5.6 Conclusion

- Listed companies on the JSE will get more exposure to possible investors.√√
- Businesses should invest extra cash to generate more income rather than leaving it in the businesses' current account.√√
- Dividends paid out on preference shares will attract more people to invest in a company.√√
- Anyone can invest in RSA Retail Savings Bonds as it only requires a minimum amount of one thousand rand.√√
- Various factors must be considered before choosing a form of ownership.√√
- Any other relevant conclusion related to the JSE/types of preference shares/RSA Retail Savings Bonds/Government Retail Bonds/factors contributing to success/failure of a partnership.

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

### QUESTION 5: BREAKDOWN OF MARK ALLOCATION

DETAILS	MAXIMUM	TOTAL
Introduction	<b>2</b>	<b>Max 32</b>
Functions of the JSE	<b>10</b>	
Types of preference shares	<b>16</b>	
Impact of RSA Retail Savings Bonds/Government Retail Bonds.	<b>12</b>	
Factors contributing to the success and/or failure of a partnership: <ul style="list-style-type: none"> <li>○ Management</li> <li>○ Legislation</li> </ul>	<b>8</b>	
Conclusion	<b>2</b>	
<b>INSIGHT</b>		<b>8</b>
Layout	<b>2</b>	
Analysis/Interpretation	<b>2</b>	
Synthesis	<b>2</b>	
Originality/Examples	<b>2</b>	
<b>TOTAL MARKS</b>		<b>40</b>

LASO – For each component:

Allocate 2 marks if all requirements are met.

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

Allocate 0 marks where requirements are not met at all.

**QUESTION 6: BUSINESS ROLES (ETHICS AND PROFESSIONALISM)****6.1 Introduction**

- Businesses develop a Code of Ethics as a guide to make ethical decisions.√
- Many businesses have a Code of Conduct that outlines the expected behaviour for their employees.√
- Unethical business practices can have a negative impact on businesses.√
- Successful businesses have developed strategies to deal with unethical business practices.√
- The King Code principles serve as a guideline on how businesses can conduct themselves ethically and professionally.√
- Ethical business practices treat all stakeholders honestly/fairly/ respectfully.√
- Any other relevant introduction related to ethical behaviour/unethical business practices/application of King Code principles/professional, responsible, ethical and effective business practice.

**Any (2 x 1) (2)****6.2 Meaning of ethical behaviour**

- Ethical behaviour refers to acting in ways consistent with√ what society and individuals think are good values.√
- Ethical behaviour is expected√ from every employee in the business.√
- It means that the highest legal and moral standards√ are upheld when dealing with stakeholders.√ Any other relevant answer related to the meaning of ethical behaviour.

**- Max (4)****6.3 Unethical business practices posing a challenge to businesses****Unfair advertising**

- Unfair advertisements could be harmful√ to consumers.√
- The use of false or misleading statements in advertising leading to misrepresentation of the concerned product√, which may negatively affect consumers.√
- Businesses can make unwise advertising choices√ when they are under pressure to increase their profits.√
- Some advertisements may be regarded as discriminatory√ because they exclude/target some sections of the population.√
- Any other relevant answer related to how unfair advertising can pose a challenge to businesses.

**Submax (6)****Pricing of goods in rural areas**

- Some businesses in the rural areas exploit their customers√ by adding much more than necessary to their prices.√
- Some consumers in rural areas have little economic power√ and are vulnerable to exploitation.√
- Business may form monopolies in rural areas√ and increase their prices unilaterally.√
- It may be common practice to pay higher prices√ for goods of inferior quality in rural areas.√
- Business may form monopolies in rural areas√ and increase their prices unilaterally.√
- Any other relevant answer related to how pricing of goods in rural areas can pose a challenge to businesses.

**Submax (6)**

**Taxation/Tax evasion**

- Some businesses submit fraudulent/incorrect returns to SARS√ resulting in penalties.√
- Businesses may not be familiar with√ the latest changes in tax legislation. √
- They may pay heavy fines√ for evading tax.√
- Tax evasion may negatively impact √ on the business image.√
- Businesses may lose key stakeholders√ if the act of tax evasion is reported.√
- The accountant may charge high fees√ for falsifying financial statements.√
- Any other relevant answer related to how taxation/ tax evasion can pose a challenge to businesses.

Submax (6)

**Max (18)****6.4 Application of King Code principles****Accountability**

- Businesses should be accountable/responsible for their decisions/actions.√√
- Businesses should present accurate annual reports to shareholders at the Annual General Meeting (AGM).√√
- Top management should ensure that other levels of management are clear about their roles and responsibilities to improve accountability.√√
- Any other relevant answer related to how businesses could apply accountability as a King Code principle for good corporate governance.

Submax (6)

**Transparency**

- Decisions/Actions must be clear to all stakeholders.√√
- Businesses should give details of shareholders' voting rights to them before/at the Annual General Meeting (AGM).√√
- Business dealings/transactions must be open/honest. √√
- Business policies and processes must be clear and understood by all stakeholders.√√
- The board of directors must report on both the negative and positive impact of the business on the community/environment.√√
- Any other relevant answer related to how businesses could apply transparency as a King Code principle for good corporate governance.

Submax (6)

**Max (12)****6.5 Ways in which professional, responsible, ethical and effective business practice should be conducted**

- Mission statement should include values of equality/respect.√√
- Treat workers with respect/dignity by recognising work well done.√√
- Treat all their employees equally, regardless of their race/colour/age/gender/ disability etc.√√
- All workers should have access to equal opportunities/positions/resources.√√
- Plan properly and put preventative measures in place.√√
- Pay fair wages/salaries which is in line with the minimum requirements of the BCEA/Remunerate employees for working overtime/during public holidays.√√
- Ensure that employees work in a work environment that is conducive to safety/ Fairness/free from embarrassment.√√

- Refrain from starting a venture using other businesses' ideas that are protected by law.√√
- Engage in environmental awareness programmes/Refrain from polluting the environment, e.g. by legally disposing of toxic waste.√√
- Employers and employees need to comply with legislation with regard to equal opportunities/human rights in the workplace.√√
- Businesses should develop equity programmes/promote strategies to ensure that all employees are treated equally regardless of status/rank/power.√√
- Training/Information/Business policies should include issues such as diversity/discrimination/harassment.√√
- Employers should respond swiftly and fairly to reported incidents of discrimination in the workplace.√√
- Orders/Tasks should be given respectfully and allow the recipient/employee to have a say in the manner in which the task should be performed.√√
- Any other relevant answer related to ways in which professional, responsible, ethical and effective business practice should be conducted.

**Max (12)**

#### 6.6 **Conclusion**

- A business code of ethics/conduct should improve relationships and eliminate unethical business practices.√√
- Employees who do not adhere to the code of ethics/conduct should face disciplinary actions.√√
- The King Code principles can be applied to all entities, private and public sectors.√√
- Businesses can make use of good corporate governance to address issues that challenge ethics and professionalism in the workplace.√√
- Any other relevant conclusion related to ethical behaviour/unethical business practices/application of King Code principles/professional, responsible, ethical and effective business practice.

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

**QUESTION 6: BREAKDOWN OF MARK ALLOCATION**

<b>DETAILS</b>	<b>MAXIMUM</b>	<b>TOTAL</b>
Introduction	<b>2</b>	<b>Max 32</b>
Meaning of ethical behaviour	<b>4</b>	
Unethical business practices posing a challenge: <ul style="list-style-type: none"> <li>○ Unfair advertising</li> <li>○ Pricing of goods in rural areas</li> <li>○ Taxation/ Tax evasion</li> </ul>	<b>18</b>	
Application of King Code principles: <ul style="list-style-type: none"> <li>○ Accountability</li> <li>○ Transparency</li> </ul>	<b>12</b>	
Ways in which professional, responsible, ethical and effective business practice should be conducted.	<b>12</b>	
Conclusion	<b>2</b>	
<b>INSIGHT</b>		<b>8</b>
Layout	<b>2</b>	
Analysis/Interpretation	<b>2</b>	
Synthesis	<b>2</b>	
Originality/Examples	<b>2</b>	
<b>TOTAL MARKS</b>		<b>40</b>

LASO – For each component:

Allocate 2 marks if all requirements are met.

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

Allocate 0 marks where requirements are not met at all.

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