



# basic education

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



## NATIONAL SENIOR CERTIFICATE

### GRADE 12

### BUSINESS STUDIES P2 NOVEMBER 2021

**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 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 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 a guide for mark and time allocation when answering each question.

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

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

- 1.1.1 Greg is always willing to learn and grow in his career. This is an example of ... in successful leadership.
- A entrepreneurial qualities
  - B personal attitude
  - C characteristics of leaders
  - D personal behaviour
- 1.1.2 Partners must draw up a written partnership agreement. This refers to ... as a criterion that contributes to the success of the business.
- A capital
  - B management
  - C legislation
  - D division of profits
- 1.1.3 Bulelwa Enterprises invested R4 000 at 8% simple interest per year. They will receive an amount of ... as interest at the end of 18 months.
- A R489
  - B R320
  - C R380
  - D R480
- 1.1.4 Marie Stores considered the advantages and disadvantages of each proposed solution. This problem-solving step is known as ...
- A defining the problem.
  - B evaluating alternative solutions.
  - C implementing the best solution.
  - D identifying alternative solutions.
- 1.1.5 Team dynamic theories enable businesses to allocate tasks according to ...
- A team members' roles.
  - B similar personality traits.
  - C the nature of the problem.
  - D the team member's morale.

(5 x 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.

excess; shares; brainstorming; grievance; HIV/Aids; debentures;  
unemployment; nominal group; premium; conflict

- 1.2.1 The insurer requested Sue Stores to first pay an amount of R3 000 as ... payment when claiming for damages to their vehicle.
- 1.2.2 Teko Limited issued ... to raise borrowed capital from the public.
- 1.2.3 The employees of GH Trading applied the ... problem-solving technique when they shared ideas aloud on how to solve a business problem.
- 1.2.4 John, an unhappy employee, followed the ... procedure when he verbally reported a work-related issue to his supervisor.
- 1.2.5 Businesses deal with ... as a socio-economic issue by offering bursaries to the community to improve the level of education.

(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 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	Leaders	A	shareholders' personal assets may be seized to pay for the debts of the business
1.3.2	Hand-outs	B	employees use business resources for personal gain
1.3.3	Limited liability	C	communicate with employees through line functions
1.3.4	Abuse of work time	D	remove potential dangers by providing personal protective clothing
1.3.5	Health and safety representatives	E	electronic information that can be viewed on the screen during a presentation
		F	communicate by means of interaction with employees
		G	shareholders only lose capital invested to pay for the debts of the business
		H	employees make personal calls during office hours
		I	printed information provided to the audience at the end of a presentation
		J	identify potential dangers in the workplace

(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 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 Name any THREE types of benefits paid out by the Unemployment Insurance Fund (UIF). (3)
- 2.2 Outline factors that should be considered by the presenter while presenting. (6)
- 2.3 Read the scenario below and answer the question that follows.

**REDDY LIMITED (RL)**

Reddy Limited offers different types of preference shares to shareholders. Some shareholders bought shares that will not allow them to receive past dividends. Others chose shares that allowed them to share in the surplus profit of the business.

Identify TWO types of preference shares offered by RL. Motivate your answer by quoting from the scenario above.

Use the table below as a GUIDE to answer QUESTION 2.3.

TYPES OF PREFERENCE SHARES	MOTIVATIONS
1.	
2.	

- 2.4 Explain the difference between the *democratic* and *autocratic* leadership styles. (4)
- 2.5 Read the scenario below and answer the questions that follow.

**CARDIA COMMUNICATIONS (CC)**

Samantha, the financial consultant at Cardia Communications, presented the financial report to the stakeholders of the business. She decided to use slides that were projected on a screen during her presentation.

- 2.5.1 Identify the visual aid that Samantha used in her presentation. Motivate your answer by quoting from the scenario above. (3)
- 2.5.2 Explain the advantages of the visual aid identified in QUESTION 2.5.1. (4)

- 2.6 Discuss how the following criteria could contribute to the success and/or failure of a sole trader:
- 2.6.1 Taxation (4)
  - 2.6.2 Division of profits (4)
- 2.7 Suggest situations in which the transactional leadership style can be applied in the workplace. (6)
- [40]**

**QUESTION 3: BUSINESS ROLES**

- 3.1 Name FIVE stages of team development. (5)
- 3.2 Outline any TWO causes of conflict in the workplace. (4)
- 3.3 Read the scenario below and answer the questions that follow.

**MAZARS SHOE MANUFACTURER (MSM)**

Mazars Shoe Manufacturer is well known for manufacturing high-quality products. The management of MSM decided to invest their surplus funds in the community, rural development and employees.

- 3.3.1 Name THREE corporate social investment (CSI) focus areas in the scenario above. (3)
- 3.3.2 Discuss the impact of corporate social investment (CSI) on MSM as a business. (6)
- 3.4 Explain the advantages of creative thinking in the workplace. (6)
- 3.5 Read the scenario below and answer the question that follows.

**MOUNTAIN TRADERS (MT)**

Mountain Traders sell camping equipment at different outlets. The employees of MT are given the same opportunities regardless of race and gender. They allow open communication channels between management and employees.

Identify TWO human rights that are promoted by MT. Motivate your answer by quoting from the scenario above.

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

HUMAN RIGHTS	MOTIVATIONS
1.	
2.	

- 3.6 Discuss the advantages of force-field analysis in solving complex business problems. (4)
  - 3.7 Recommend ways in which businesses could promote cultural rights in the workplace. (6)
- [40]**



## QUESTION 4: MISCELLANEOUS TOPICS

### BUSINESS VENTURES

- 4.1 Outline any THREE functions of the Johannesburg Securities Exchange (JSE). (6)
- 4.2 Identify the leadership theory applied by Lethabo to manage his employees in EACH statement below:
- 4.2.1 Lethabo uses different leadership styles in different circumstances. (2)
- 4.2.2 He encourages his employees to be creative and explore new ways of doing things. (2)
- 4.3 Explain the advantages of a state-owned company. (4)
- 4.4 Evaluate the impact of unit trusts as a form of investment. (6)

### BUSINESS ROLES

- 4.5 Elaborate on the meaning of *corporate social responsibility (CSR)*. (4)
- 4.6 Distinguish between *problem-solving* and *decision-making*. (4)
- 4.7 Read the scenario below and answer the questions that follow.

#### ZULU INCORPORATED (ZI)

Zulu Incorporated has a workforce that consists of some difficult employees. The management of ZI have spoken to these employees privately in order not to distract other employees. They have also provided guidelines on how employees can improve their behaviour.

- 4.7.1 Quote TWO ways from the scenario above in which ZI deals with difficult employees. (2)
- 4.7.2 Explain other ways in which ZI can deal with difficult employees in the workplace. (4)
- 4.8 Advise businesses on the benefits of diversity 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 EACH 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 (INSURANCE)**

Some businesses are not well conversant with the differences between overinsurance and under-insurance. Others apply the principles of insurance when entering into an insurance contract. Many businesses regard the registration of employees with the Compensation Fund/COIDA, as an administrative burden.



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

- Outline the differences between *overinsurance* and *under-insurance*.
- Explain any THREE principles of insurance.
- Discuss the advantages of insurance for businesses.
- Advise businesses on the Compensation Fund in terms of the COIDA as a type of compulsory insurance.

**[40]****QUESTION 6: BUSINESS ROLES (ETHICS AND PROFESSIONALISM)**

Professional behaviour forms part of effective business practice that guides employees' conduct in the workplace. Many businesses agree that unethical business practices have a negative impact on their operations. Successful businesses develop strategies to deal with unethical business practices.

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

- Elaborate on the meaning of *professional behaviour*.
- Explain how the THREE types of unethical business practices pose challenges to businesses.
- Discuss ways in which businesses could deal with these types of unethical business practices in the workplace.
- 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**

**NOVEMBER 2021**

**MARKING GUIDELINE**

**MARKS: 150**

**This marking guideline consist of 29 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/Black
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, which 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 'Sub-max' is used to facilitate the allocation of marks within a question or sub-question.
6. The purpose of circling marks (guided by 'max' in the breakdown of marks) on the right-hand side is to ensure consistency and accuracy in the marking of scripts as well as for calculation and moderation purposes.
7. Subtotals to questions must be written in the right-hand margin. Circle the subtotals as indicated by the allocation of marks. This must be guided by 'max' in the marking guidelines. Only the total for each question should appear in the left-hand margin next to the appropriate question number.

8. In an indirect question, the theory as well as the response must be relevant and related to the question.
  9. Correct numbering of answers to questions or sub questions is recommended in SECTIONS A and B. However, if the numbering is incorrect, follow the sequence of the candidate's responses. Candidates will be penalised if the latter is not clear.
  10. No additional credit must be given for repetition of facts. Indicate with an 'R'.
  11. The differentiation between 'evaluate' and 'critically evaluate' can be explained as follows:
    - 11.1 When 'evaluate' is used, candidates are expected to respond in either a positive/negative manner or take a neutral (positive and negative) stance, e.g. **Positive:** *'COIDA eliminates time and costs spent√ on lengthy civil court proceedings.'*√
    - 11.2 When 'critically evaluate' is used, candidates are expected to respond in either a positive/negative manner or take a neutral (positive and negative) stance. In this instance candidates are also expected to support their responses with more depth, e.g. *'COIDA eliminates time and costs spent√ on lengthy civil court proceedings√, because the employer will not be liable for compensation to the employee for injuries sustained during working hours as long as it can be proved that the business was not negligent.'*√
- NOTE:** 1. The above could apply to 'analyse' as well.  
2. Note the placing of the tick (√) in the allocation of marks.
12. The allocation of marks must be informed by the nature of the question, cognitive verb used, mark allocation in the marking guideline and the context of each question.

Cognitive verbs, such as:

  - 12.1 Advise, name, state, outline, motivate, recommend, suggest, (*list not exhaustive*) do not usually require much depth in candidates' responses. Therefore, the mark allocation for each statement/answer appears at the end.
  - 12.2 Define, describe, explain, discuss, elaborate, distinguish, differentiate, compare, tabulate, analyse, evaluate, critically evaluate (*list not exhaustive*) require a greater depth of understanding, application and reasoning. Therefore, the marks must be allocated more objectively to ensure that 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 only 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 is 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, require 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, paragraphs 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 (two to four sub-questions) of the question with only relevant facts; no '-S' appears in the left margin. Award the maximum of TWO (2) marks for synthesis.  Option 2: <b>Some relevant facts: 1 mark (One '-S')</b> Where a candidate answers less than 50% (only one sub-question) of the question with only OR some relevant facts; one '-S' appears in the left margin. Award a maximum of ONE (1) mark for synthesis.  Option 3: <b>Some relevant facts: 1 mark (One '-S')</b> Where a candidate answers FOUR sub-questions, but one/two/three sub-questions with no relevant facts; one '-S' appears in the left margin. Award a maximum of ONE (1) mark for synthesis.  Option 4: <b>No relevant facts: 0 mark (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 example per topic/subtopic 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 sub-maxima indicated, especially if candidates do not make use of the same subheadings. Remember, headings and subheadings are encouraged and contribute to insight (structuring/logical flow/sequencing) and indicate clarity of thought. (See MARK BREAKDOWN at the end of each question.)
- 15.8 If the candidate identifies/interprets the question INCORRECTLY, then he/she may still obtain marks for layout.
- 15.9 If a different approach is used by candidates, ensure that the answers are assessed according to the mark allocation/subheadings as indicated in the marking guideline.
- 15.10 15.10.1 Award TWO marks for complete sentences. Award ONE mark for phrases, incomplete sentences and vague answers.  
 15.10.2 With effect from November 2015, the TWO marks will not necessarily appear at the end of each completed sentence. The ticks (√) will be separated and indicated next to each fact, e.g. 'Product development is a growth strategy √, where businesses aim to introduce new products into existing markets.'√  
 This will be informed by the nature and context of the question, as well as the cognitive verb used.
- 15.11 With effect from November 2017, the maximum of TWO (2) marks for facts shown as headings in the marking guidelines, will not necessarily apply to each question. This would also depend on the nature of the question.



**SECTION A**

**QUESTION 1**

1.1      1.1.1 B ✓✓  
            1.1.2 C ✓✓  
            1.1.3 D ✓✓  
            1.1.4 B ✓✓  
            1.1.5 A ✓✓  
  
(5 x 2)    **(10)**

1.2      1.2.1 excess ✓✓  
            1.2.2 debentures ✓✓  
            1.2.3 brainstorming ✓✓  
            1.2.4 grievance ✓✓  
            1.2.5 unemployment ✓✓  
  
(5 x 2)    **(10)**

1.3      1.3.1 F ✓✓  
            1.3.2 I ✓✓  
            1.3.3 G ✓✓  
            1.3.4 H ✓✓  
            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 Types of benefits paid out by the Unemployment Insurance Fund/UIF

- Unemployment benefits ✓
- Illnesses/Sickness/Disability benefits ✓
- Maternity benefits ✓
- Paternity benefits ✓
- Adoption benefits ✓
- Dependants' benefits ✓
- Parental benefits ✓
- Covid-19 temporary employer-employee-relief-scheme/TERS ✓
- Any other relevant answer related to types of benefits paid out by the UIF.

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

**(3 x 1) (3)**

#### 2.2 Factors that should be considered while presenting

- Establish credibility by introducing yourself as the presenter at the start. ✓✓
- Show the most important information first. ✓✓
- Make the purpose/main points of the presentation clear at the start of the presentation. ✓✓
- Use suitable section titles/headings/sub-headings/bullets. ✓✓
- Stand in a good position/upright, where the audience can clearly see the presenter/presentation. ✓✓
- Avoid hiding behind equipment. ✓✓
- Do not ramble on at the start, to avoid losing the audience/their interest. ✓✓
- Capture listeners' attention/Involve the audience with a variety of methods such as short video clips/sound effects/humour. ✓✓
- Maintain eye contact with the audience. ✓✓
- Be audible/loud and clear to all listeners/audience. ✓✓
- Vary the tone of voice/tempo within certain sections to prevent monotony. ✓✓
- Make the presentation interesting with visual aids/anecdotes/examples/ use visual aids effectively. ✓✓
- Use appropriate gestures/body language to emphasize certain points. ✓✓
- Speak with energy and enthusiasm. ✓✓
- Pace yourself/Do not rush or talk too slowly. ✓✓
- Keep the presentation short and simple. ✓✓
- Summarise the main points of the presentation to conclude the presentation. ✓✓
- Conclude/End with a strong/striking ending that will be remembered. ✓✓
- Ensure that the audience will leave with/take away specific information/benefits. ✓✓
- Manage time effectively to allow time for questions. ✓✓
- Any other relevant answer related to factors that should be considered by the presenter while presenting.

**Max (6)**

2.3 **Types of preference shares from the scenario**

TYPES OF PREFERENCE SHARES	MOTIVATIONS
1. Non-cumulative preference shares ✓✓	Some shareholders bought shares that will not allow them to receive past dividends. ✓
2. Participating preference shares ✓✓	Others chose shares that allowed them to share in the surplus profit of the business. ✓
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 types of preference shares even if the quotes were incomplete.
  4. Do not award marks for the motivations if the types of preference shares were incorrectly identified.

**Max (6)**

2.4 **Difference between the democratic and autocratic leadership styles**

DEMOCRATIC LEADERSHIP STYLE	AUTOCRATIC LEADERSHIP STYLE
- The leader involves employees ✓ in the decision making process. ✓	- A leader takes all decisions alone ✓ without involving employees. ✓
- Clear/Two way communication ✓ ensures group commitment to final decision(s). ✓	- Line of command/Communication is clear ✓ as it is top-down/followers know exactly what to do. ✓
- People-oriented ✓, as employee's feelings and opinions are considered. ✓	- Task-orientated ✓, as the opinions of employees are not considered. ✓
- Workers feel empowered ✓ as they are involved in the decision making process. ✓	- New employees feel confident/ safe ✓ as strong leadership is provided. ✓
- Useful when the leader depends on the inputs ✓ of experienced followers. ✓	- Useful in a crisis/urgent situation ✓, e.g. after an accident/meeting tight deadlines. ✓
- Handles conflict situations by involving followers ✓ in finding the best solution. ✓	- Handles conflict situations by telling followers ✓ what they should do. ✓
- Any other relevant answer related to the democratic leadership style.	- Any other relevant answer related to the autocratic leadership style.
Submax (2)	Submax (2)

- NOTE:**
1. The answer does not have to be in a 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 the democratic or autocratic leadership style only.

**Max (4)**

**2.5 Presentation**

**2.5.1 Visual aid from the scenario**

PowerPoint/Data projector ✓✓ (2)

**Motivation**

She decided to use slides that were projected on a screen during her presentation. ✓ (1)

**NOTE: Do not award marks for the motivation if the visual aid was incorrectly identified.**

**Max (3)**

**2.5.2 Advantages of a PowerPoint/Data projector**

- 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 retains their interest throughout the presentation. ✓
- Slides should only be used ✓ where they can enhance the facts/summarise information. ✓
- Any other relevant answer related to the advantages of a PowerPoint/data projector as a visual aid.

**NOTE: Accept relevant facts if the visual aid was incorrectly identified as an answer in QUESTION 2.5.1.**

**Max (4)**

**2.6 Forms of ownership**

**Criteria contributing to the success and/or failure of a sole trader**

2.6.1	SUCCESS FACTORS	AND/OR	FAILURE FACTORS
<b>Taxation</b>	- Owner is only taxed on profits ✓ in his/her personal capacity. ✓	-	- If a large amount of profit is made ✓ the owner may end up paying higher tax in his/her personal capacity. ✓
	- The owner's income is taxed at a lower rate ✓ than the company tax rate. ✓	-	- Failure by the owner to comply with personal income tax regulations ✓ could lead to penalties imposed by SARS. ✓
	- If the owner earns below a certain threshold amount per year ✓, no income tax is payable. ✓	-	
	- Any other relevant answer related to how taxation could contribute to the success of a sole trader.	-	- Any other relevant answer related to how taxation could contribute to the failure of a sole trader.

**Max (4)**

2.6.2	SUCCESS FACTORS	AND/OR	FAILURE FACTORS
<b>Division of profits</b>	- Owner receives all profits of the business ✓ which can lead to capital growth. ✓	-	- Owner needs to budget carefully ✓ to cover business debts. ✓
	- The owner may use the profit ✓ to expand the business. ✓	-	- Profits may not cover all business debts ✓, which might hinder the expansion of the business. ✓
	- Knowledgeable owners take good decisions on how much profit ✓ to withdraw/put back into the business. ✓	-	- If the owner's judgement on projected profit is poor ✓, his/her income/livelihood will be severely affected. ✓
	- Any other relevant answer related to how division of profits could contribute to the success of a sole trader.	-	- Any other relevant answer related to how division of profits could contribute to the failure of a sole trader.

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

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

**Max (4)**

**2.7 Situations in which the transactional leadership style can be applied**

Transactional leadership style can be applied when:

- The business wants to maximise employee performance. ✓✓
- Deadlines have to be met on short notice/under pressure. ✓✓
- Workers have a low morale. ✓✓
- The strategies/business structures are clear and do not have to change. ✓✓
- Productivity levels are very low/not according to targets. ✓✓
- Any other relevant answer related to situations in which the transactional leadership style can be applied in the workplace.

**Max (6)**

**[40]**

**BREAKDOWN OF MARKS**

QUESTION 2	MARKS
2.1	3
2.2	6
2.3	6
2.4	4
2.5.1	3
2.5.2	4
2.6.1	4
2.6.2	4
2.7	6
<b>TOTAL</b>	<b>40</b>

### QUESTION 3: BUSINESS ROLES

#### 3.1 Stages of team development

- Forming ✓
- Storming ✓
- Norming ✓
- Performing ✓
- Adjourning/Mourning ✓

**NOTE: Mark the first FIVE (5) only.**

**(5 x 1) (5)**

#### 3.2 Causes of conflict

- Lack of proper communication between management and workers. ✓✓
- Ignoring rules/procedures may result in disagreements and conflict. ✓✓
- Management and/or workers may have different personalities/backgrounds. ✓✓
- Different values/levels of knowledge/skills/experience of managers/workers. ✓✓
- Little/no co-operation between internal and/or external parties/stakeholders. ✓✓
- Lack of recognition for good work, e.g., a manager may not show appreciation for extra hours worked to meet deadlines. ✓✓
- Lack of employee development may increase frustration levels as workers may repeat errors due to a lack of knowledge/skills. ✓✓
- Unfair disciplinary procedures such as favouritism/nepotism. ✓✓
- Little/no support from management with regards to supplying the necessary resources and providing guidelines. ✓✓
- Leadership styles used, e.g., autocratic managers may not consider workers inputs. ✓✓
- Unrealistic deadlines/Heavy workloads lead to stress resulting in conflict. ✓✓
- Lack of agreement on mutual matters such as remuneration/working hours. ✓✓
- Unhealthy competition/Inter-team rivalry may cause workers to lose focus on team targets. ✓✓
- Lack of commitment/Distracted by personal objectives which may lead to an inability to meet pre-set targets. ✓✓
- Constant changes may cause instability. ✓✓
- Lack of clarity regarding employees' roles and responsibilities. ✓✓
- Any other relevant answer related to causes of conflict in the workplace.

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

**(2 x 2) (4)**

#### 3.3 Corporate social investment/CSI

##### 3.3.1 CSI focus areas in the scenario

- Community ✓
- Rural development ✓
- Employees ✓

**NOTE: 1. Mark the first THREE (3) only.**

**2. Only award marks for CSI focus areas that are named in the scenario.**

**(3 x 1) (3)**

### 3.3.2 Impact of corporate social investment/CSI

#### Positives/ Advantages

- MSM 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. ✓
- A business 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. ✓
- MSM may enjoy the goodwill/support ✓ of communities. ✓
- CSI projects promote teamwork ✓ within businesses. ✓
- CSI helps to attract investors ✓ because of increased profits/income. ✓
- Gives businesses 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. ✓
- Any other relevant answer related to the positive impact/advantages of CSI on MSM/a business.

#### AND/OR

#### Negatives/Disadvantages

- It is difficult to accurately measure ✓ the effectiveness of social investment. ✓
- Most managers are not trained/lack experience ✓ to handle social programmes. ✓
- MSM may find it difficult to adhere to legislation ✓ governing CSI. ✓
- Detailed reports must be drawn up ✓, which can be time consuming. ✓
- Employees may spend more time working on CSI projects ✓ instead of focusing on their core duties. ✓
- CSI activities distract business focus ✓ from its core business functions. ✓
- Shareholders may receive less dividends ✓, as some profits are spent on CSI. ✓
- A business/MSM 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. ✓
- 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. ✓
- It can increase the financial risk ✓, as CSI projects cost money/may impact negatively on profits. ✓
- It is not easy to determine the exact needs of the communities ✓, which may result in fruitless expenditure on CSI. ✓
- Some businesses do not see the need for CSI projects as they feel that they are socially responsible by satisfying the needs of customers.
- 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 MSM/a business.

**Max (6)**

**3.4 Advantages of creative thinking**

- Better/Unique/Unconventional ideas/solutions ✓ are generated. ✓
- May give the business a competitive advantage ✓ if unusual/unique solutions/ ideas/strategies are implemented. ✓
- Complex business problems ✓ may be solved. ✓
- Productivity increases as management/employees may quickly generate multiple ideas ✓ which utilises time and money more effectively. ✓
- Managers/Employees have more confidence ✓ as they can live up to their full potential. ✓
- Managers will be better leaders ✓ as they will be able to handle/manage change(s) positively and creatively. ✓
- Managers/Employees can develop a completely new outlook ✓, which may be applied to any task(s) they may do. ✓
- Leads to more positive attitudes ✓ as managers/employees feel that they have contributed towards problem solving. ✓
- Improves motivation ✓ amongst staff members. ✓
- Managers/Employees have a feeling of great accomplishment ✓ and they will not resist/obstruct the process once they solved a problem/contributed towards the success of the business. ✓
- Managers/employees may keep up with fast changing technology ✓ which may lead to an increased market share. ✓
- Stimulates initiative from employees/managers ✓, as they are continuously pushed out of their comfort zone. ✓
- Creativity may lead to new inventions ✓ which improves the general standard of living/attract new investors. ✓
- Businesses can continuously improve on product development ✓ by exploring new ways which may enhance growth. ✓
- Any other relevant answer related to the advantages of creative thinking in the workplace.

**Max (6)**

**3.5 Human rights from the scenario**

HUMAN RIGHTS	MOTIVATIONS
1. Equity ✓✓	The employees of MT are given the same opportunities regardless of race and gender. ✓
2. Freedom of speech and expression ✓✓	They allow open communication channels between management and employees. ✓
Submax (4)	Submax (2)

- NOTE:**
1. Mark the first TWO (2) only.
  3. Award marks for human rights even if the quotes were incomplete.
  3. Do not award marks for the motivations if the human rights were incorrectly identified.
  4. Accept responses in any order.

**Max (6)**



**3.6 Advantages of force-field analysis**

- Employees feel included ✓ and understood. ✓
- Employees develop ✓ and grow with the business. ✓
- Provides a visual summary of all the various factors ✓ supporting and opposing a particular idea. ✓
- Informed decisions can be made ✓ as forces for and against are critically evaluated. ✓
- Enables businesses to strengthen the driving forces ✓ and weaken the restraining forces. ✓
- Enables businesses to have an idea of the timeline required ✓ and the requirements for additional resources. ✓
- Any other relevant answer related to the advantages of force-field analysis in solving complex business problems.

**Max (4)**

**3.7 Ways in which businesses could promote cultural rights**

- Employees should be trained on cultural tolerance. ✓✓
- Employ people from various cultural backgrounds. ✓✓
- Encourage employees to participate in cultural activities such as religious gatherings. ✓✓
- Make provision for different cultures, such as food served in the canteen/entertainment at staff functions. ✓✓
- Regular cultural information sessions will help employees to respect each other's culture in the workplace. ✓✓
- Provide the environment in which employees are free to use their own language when interacting with others during their free time. ✓✓
- Allow employees to provide solutions to challenges from their own cultural perspective. ✓✓
- Have a flexible dress-code policy that allows employees to wear suitable cultural regalia/accessories. ✓✓
- Any other relevant answer related to ways in which businesses could promote cultural rights in the workplace.

**Max (6)**  
**[40]**

**BREAKDOWN OF MARKS**

QUESTION 3	MARKS
3.1	5
3.2	4
3.3.1	3
3.3.2	6
3.4	6
3.5	6
3.6	4
3.7	6
<b>TOTAL</b>	<b>40</b>

## QUESTION 4: MISCELLANEOUS TOPICS

### BUSINESS VENTURES

#### 4.1 Functions of the Johannesburg Securities Exchange/JSE

- Gives opportunities to financial institutions, e.g. insurance companies invest their surplus funds in shares. √√
- Serves as a barometer/indicator of economic conditions in South Africa. √√
- Keeps investors informed by publishing 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 possible on the open market. √√
- Strict investment rules ensure a disciplined/orderly market for securities. √√
- Raises primary capital by encouraging new investments in listed companies. √√
- Mobilises the funds of insurance companies and other institutions. √√
- Regulates the market for trading in shares. √√
- Plans, researches and advises on investment possibilities. √√
- Ensures that the market operates in a transparent manner. √√
- Provides protection for investors through strict rules/legislation. √√
- Encourages short-term investment. √√
- Facilitates electronic trading of shares/STRATE. √√
- Any other relevant answer related to the functions of the Johannesburg Securities Exchange/JSE.

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

**(3 x 2) (6)**

#### 4.2 Leadership theory from the statements

- 4.2.1 Situational leadership theory √√ **(2)**
- 4.2.2 Transformational/Transitional leadership theory √√ **(2)**

#### 4.3 Advantages of a state-owned company

- Profits may be used √ to finance other state departments. √
- Offer essential services which may not be offered √ by the private sector. √
- Prices are kept reasonable/Create sound competition √ to make services affordable to more citizens. √
- Wasteful duplication of services √ is eliminated. √
- Planning can be coordinated √ through central control. √
- Generates income √ to finance social programmes. √
- Jobs are created √ for all skills levels. √
- Any other relevant answer related to the advantages of a state-owned company.

**Max (4)**

#### 4.4 Impact of unit trusts as a form of investment

##### Positives/Advantages

- Managed by a fund manager ✓ who buys shares on the stock exchange/JSE. ✓
- Easy to cash in ✓ when an investor needs money. ✓
- A small amount ✓ can be invested per month. ✓
- Generally, beats inflation ✓ on the medium/long term. ✓
- Safe investment ✓, as it is managed according to rules and regulations. ✓
- The investor has a variety to choose from/a wider range of shares ✓ from lower to higher degrees of risk. ✓
- Easy to invest in ✓, as investors simply complete a few relevant forms or invest online. ✓
- Fluctuations in unit trust rates of return are often not so severe ✓ because of diversity of the investment fund. ✓
- Offer competitive returns ✓ in the form of capital growth and dividend distribution. ✓
- Fund managers are knowledgeable/experts/reliable/trustworthy ✓ as they are required to be accredited to sell unit trusts. ✓
- Lowers the potential risk ✓ allows more people to invest in the fund. ✓
- Any other relevant answer related to the positive impact/advantages of unit trusts as a form of investment.

##### AND/OR

##### Negatives/Disadvantages

- Share price ✓ may fluctuate. ✓
- Unit trusts are not suitable for people who want to invest ✓ for a short period. ✓
- It is not a good option for people who want to avoid risks ✓ at all costs. ✓
- Units Trusts are not allowed to borrow ✓, therefore reducing potential returns. ✓
- If blue chip companies do not continue on their growth path ✓, the growth of unit trusts will also be affected/it will not render the expected returns. ✓
- Bid prices that are usually higher than the ask price ✓, makes the investment less liquid. ✓
- Any other relevant answer related to the negative impact/disadvantages of unit trusts as a form of investment.

**Max (6)**

### BUSINESS ROLES

#### 4.5 Meaning of corporate social responsibility/CSR

- Corporate social responsibility is the way a business conducts its operations ethically/morally ✓ regarding the use of human/physical/financial resources. ✓
- The way businesses manage their processes ✓ to affect their stakeholders in a positive way. ✓
- The continuing commitment by business to contribute to economic development ✓ while improving the quality of life of the local community/society. ✓
- A business voluntarily takes steps to improve the quality of life of employees ✓ and their families/communities. ✓
- It is an obligation required by law ✓ that benefits the business/society. ✓
- Any other relevant answer related to the meaning of corporate social responsibility/CSR.

**Max (4)**

4.6 **Distinction between problem-solving and decision making**

<b>PROBLEM-SOLVING</b>	<b>DECISION MAKING</b>
- Problems can be solved by a group/team ✓ which makes the process consultative. ✓	- It is often done by one person/ a member ✓ of senior management who makes the process authoritarian. ✓
- Alternative solutions are generated/ identified ✓ and critically evaluated. ✓	- Various alternatives are considered ✓ before deciding on the best one. ✓
- Process of analysing a situation ✓ to identify strategies to bring about change. ✓	- It is part of the problem-solving cycle ✓ as decisions need to be taken in each step. ✓
- Any other relevant answer related to problem-solving.	- Any other relevant answer related to decision making
Submax (2)	Submax (2)

- NOTE:**
- 1. The answer does not have to be in a tabular format.**
  - 2. The distinction does not have to link, but must be clear.**
  - 3. Award a maximum of TWO (2) marks if the distinction is not clear/Mark either problem-solving or decision making only.**
- Max (4)**

4.7 **Dealing with difficult employees**

4.7.1 **Dealing with difficult employees from the scenario**

- The management of ZI have spoken to these employees privately in order not to distract other employees. ✓
- They have also provided guidelines on how employees can improve their behaviour. ✓

- 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 ways in which a business can deal with difficult employees**

- Get perspective from others who have experienced the same kind of situation ✓ to be able to understand difficult employees. ✓
- Act pro-actively if possible ✓, as a staff/personnel problem is part of a manager's responsibilities. ✓
- Regular meetings with supervisors/departmental heads should help ✓ to identify difficult/problem behaviour. ✓
- Ask someone in authority ✓ for their input into the situation. ✓
- Identify the type of personality ✓ which is creating the problem. ✓
- Make intentions and reasons for action known ✓, so that difficult person/people feel at ease. ✓
- Employees should be told what specific behaviours are acceptable ✓ by giving details about what is wrong/unacceptable/ an opportunity to explain their behaviour. ✓
- A deadline should be set for improving ✓ bad/difficult behaviour. ✓
- The deadline date should be discussed with the difficult employee ✓ and his/her progress should be monitored/assessed prior to the deadline. ✓



- Do not judge the person√ but try to understand him/her√/Understand his/her intentions√ and why he/she reacts in a certain way. √
- Keep communication channels open/encourage employees √ to communicate their grievances to management. √
- Build rapport/sound relations√ by re-establishing personal connection with colleagues. √
- Help difficult employees to be realistic √ about the task at hand√/ Be supportive of them√ and their issues. √
- Remain calm and in control of the situation √ to get the person(s) to collaborate√/Don't become difficult√ yourself. √
- Treat people with respect √, irrespective of whether they are capable/competent or not√/Don't try to change them√, rather see where you can use them effectively. √
- Sometimes it may be necessary to ignore √ and only monitor a difficult person√/Take a step back and analyse the situation√ before you respond. √
- Identify and provide an appropriate support programme √ to address areas of weakness. √
- Any other relevant answer related to other ways in which ZI/a business can deal with difficult employees in the workplace.

**NOTE: 1. Do not award marks for responses quoted in QUESTION 4.7.1.  
2. Do not accept strategies to deal with difficult personalities.**

**Max (4)**

#### 4.8 Benefits of diversity

- Workforce diversity improves the ability of businesses to solve problems/innovate/cultivate diverse markets. √√
- Employee's value each other's diversity and learn to connect/communicate across lines of difference. √√
- Diversity in the workforce improves morale/motivation. √√
- Employees demonstrate greater loyalty to businesses because they feel respected/accepted/understood. √√
- Diversified workforce can give businesses a competitive advantage, as they can render better services. √√
- Being respectful of differences/demonstrating diversity makes good business sense/improves profitability. √√
- Diverse businesses ensure that their policies/practices empower every employee to perform at his/her full potential. √√
- Stakeholders increasingly evaluate businesses on how they manage diversity in the workplace. √√
- Employees from different backgrounds can bring different perspectives to businesses. √√
- A diversified workforce stimulates debate on new/improved ways of getting things done. √√
- Employees represent various groups and are therefore better able to recognise customer needs/satisfy consumers. √√
- Businesses with a diverse workforce are more likely to have a good public image and attract more customers. √√
- Any other relevant answer related to the benefits of diversity in the workplace.

**Max (6)  
[40]**

**BREAKDOWN OF MARKS**

<b>QUESTION 4</b>	<b>MARKS</b>
<b>4.1</b>	<b>6</b>
<b>4.2</b>	<b>4</b>
<b>4.3</b>	<b>4</b>
<b>4.4</b>	<b>6</b>
<b>4.5</b>	<b>4</b>
<b>4.6</b>	<b>4</b>
<b>4.7.1</b>	<b>2</b>
<b>4.7.2</b>	<b>4</b>
<b>4.8</b>	<b>6</b>
<b>TOTAL</b>	<b>40</b>

**TOTAL SECTION B: 80**

**SECTION C**

**Mark the FIRST answer only.**

**QUESTION 5: BUSINESS VENTURES (INSURANCE)**

**5.1 Introduction**

- Insurance enables businesses to function smoothly as they are compensated for any possible loss that they may suffer. ✓
- Businesses must determine the market value before entering into an insurance contract to avoid over insuring/under insuring their assets. ✓
- The principles of insurance can be regarded as legal and binding to both the insured and the insurer. ✓
- Insurance policies are regulated/governed by basic principles that should be applied by both the insurer and the insured. ✓
- COIDA relieves businesses' financial burden by compensating their employees for occupational injuries and diseases. ✓
- Any other relevant introduction related to overinsurance/under-insurance/ principles of insurance/advantages of insurance for businesses/Compensation Fund/COIDA.

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

**5.2 Differences between overinsurance and under-insurance**

<b>OVERINSURANCE</b>	<b>UNDER-INSURANCE</b>
- Property/Assets are insured for more than their actual/market value. ✓✓	- Property/Assets are not insured for their full market value. ✓✓
- The insurer can choose to reinstate the insured instead of making a payment. ✓✓	- The insurer will apply the average clause to determine the amount that will be paid. ✓✓
- The insured will not receive a pay-out larger than the value of the loss at market value. ✓✓	- The insured will only be paid out for the amount that the goods/assets are insured for. ✓✓
- Any other relevant answer related to overinsurance.	- Any other relevant answer related to under-insurance.
Submax (4)	Submax (4)

- NOTE:**
1. The answer does not have to be in tabular format.
  2. The differences do not have to link, but must be clear.
  3. Award a maximum of FOUR (4) marks if the differences are not clear/Mark either overinsurance or under-insurance only.

**Max (8)**

### 5.3 Principles of insurance

#### 5.3.1 Indemnity/Indemnification√√

- Usually applies to short-term insurance√, as the insured is compensated for specified/proven harm/loss.√
- Insurer agrees to compensate the insured for damages/losses specified in the insurance contract√, in return for premiums paid by the insured to the insurer.√
- Protects the insured against a specified event√ that may occur.√
- Pay-outs from the insurer will only be made,√ if the insured can prove the amount of the loss/damage/if there is proof that the specified event took place.√
- The amount of compensation is limited to the amount of provable loss/damage√, even if the amount in the policy/insurance contract is higher.√
- The insured must be placed in the same position√ as before the occurrence of the loss/damage/The insured may not profit from insurance.√
- Any other relevant answer related to indemnity/indemnification as a principle of insurance.

Principle (2)  
Explanation (2)  
Submax (4)

#### 5.3.2 Security/Certainty√√

- Applies to long-term insurance√ where the insurer undertakes to pay out an agreed upon amount in the event of loss of life.√
- A predetermined amount will be paid out√ when the insured reaches a predetermined age/or gets injured due to a predetermined event.√
- Aims to provide financial security√ to the insured at retirement/dependents of the deceased.√
- Any other relevant answer related to security/certainty as a principle of insurance.

Principle (2)  
Explanation (2)  
Submax (4)

#### 5.3.3 Utmost good faith√√

- Insured has to be honest in supplying details√ when entering into an insurance contract.√
- Both parties/insurer and insured must disclose√ all relevant facts.√
- Insured must disclose everything that may√ affect the extent of the risk.√
- Details/Information supplied when claiming√ should be accurate/true.√
- Any other relevant answer related to utmost good faith as a principle of insurance.

Principle (2)  
Explanation (2)  
Submax (4)



**5.3.4 Insurable interest**√√

- Insured must prove that he/she will suffer a financial loss√ if the insured object is damaged/lost/ceases to exist.√
- An insurable interest must be expressed√ in financial terms.√
- Insured must have a legal relationship√ with the insured object in the contract.√
- Any other relevant answer related to insurable interest as a principle of insurance.

Principle (2)  
Explanation (2)  
Submax (4)

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

**Max (12)**

**5.4 Advantages of insurance for businesses**

- Transfers the risk from the business/insured√ to an insurance company/insurer.√
- Transfer of risk is subject to the terms and conditions√ of the insurance contract.√
- Protects businesses against theft/loss of stock and/or damages√ caused by natural disasters such as floods, storm damage.√
- Businesses will be compensated for insurable losses,√ such as the destruction of property through fire.√
- Business' assets such as vehicles/equipment/buildings need to be insured√ against damage and/or theft.√
- Businesses are protected against the loss of earnings√, such as strikes by employees which may result in losses worth millions.√
- Protects businesses√ against dishonest employees.√
- Life insurance can be taken on the life of partners in a partnership√ to prevent unexpected loss of capital.√
- Should the services of key personnel be lost due to accidents/death,√ the proceeds of an insurance policy can be paid out to the business/beneficiaries.√
- Replacement costs for damaged machinery/equipment are very high,√ therefore insurance can reduce/cover such costs.√
- Protects businesses from claims made by members of the public√ for damages that businesses are responsible for.√
- Protects businesses against losses√ due to death of a debtor.√
- Any other relevant answer related to the advantages of insurance for businesses.

**Max (14)**

**5.5 Compensation Fund in terms of COIDA as a type of compulsory insurance**

- The fund covers occupational diseases and workplace injuries.√√
- Compensates employees for injuries and diseases incurred at work.√√
- Compensation paid is determined by the degree of disablement.√√
- The contribution payable is reviewed every few years according to the risk associated with that type of work.√√
- All employers are obliged to register with the Compensation Fund so that employees may be compensated for accidents and diseases sustained in the workplace.√√
- The fund covers employers for any legal claim that workers may bring against them.√√
- Employers are required to report all accidents within 7 days and occupational diseases within 14 days to the Compensation Commissioner.√√
- Employees do not have to contribute towards this fund.√√
- Employers are responsible for contributing towards the fund and may not claim money back from employees/deduct contributions from wages.√√
- In the event of the death of an employee as a result of a work-related accident/disease, his/her dependant(s) will receive financial support. √√
- Employees receive medical assistance provided there is no other party/medical fund involved.√√
- Any other relevant answer related to the Compensation Fund in terms of COIDA as a type of compulsory insurance.

**Max (12)**

**5.6 Conclusion**

- Businesses should avoid overinsurance and under-insuring their property/assets as they may suffer financial loss upon the occurrence of a specified event stated in the contract.√√
- Businesses should review their insurance contract on a regular basis to avoid being overinsured or under-insured.√√
- The principles of insurance enable businesses to understand the importance of honesty to avoid claims being rejected.√√
- Insurance allows businesses to recover from losses suffered after an unexpected event took place.√√
- Employers and employees should ensure they follow precautionary measures to avoid workplace injuries.√√
- Any other relevant conclusion related to overinsurance/under-insurance/ /principles of insurance/advantages of insurance for businesses/Compensation Fund/COIDA.

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

**QUESTION 5: BREAKDOWN OF MARK ALLOCATION**

<b>DETAILS</b>	<b>MAXIMUM</b>	<b>TOTAL</b>
Introduction	<b>2</b>	<b>Max 32</b>
Differences between <i>overinsurance</i> and <i>under-insurance</i>	<b>8</b>	
Principles of insurance	<b>12</b>	
Advantages of insurance for businesses	<b>14</b>	
Compensation Fund/COIDA as a type of compulsory insurance	<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.

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

### 6.1 Introduction

- Employees are expected to project a professional image by applying the principles of professionalism. ✓
- Unethical business practices can result in a negative business image and hamper business growth. ✓
- Businesses need to develop suitable and progressive ways to deal with challenges posed by each type of unethical business practice. ✓
- Professional, responsible, ethical and effective business practice ensures good corporate governance and attract investors. ✓
- Any other relevant introduction related to the meaning of professional behaviour/challenges posed by unethical business practices/dealing with unethical business practices/ways in which professional, responsible, ethical and effective business practice should be conducted.

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

### 6.2 Meaning of professional behaviour

- Professional behaviour is a certain standard of behaviour/specific level of competence ✓ that adheres to an ethical code of conduct. ✓
- Includes guidelines on employee's ✓ appearance/communication/responsibility. ✓
- Ability/Skills expected of a person ✓ who is employed to the job ✓/Suitable for a job/profession ✓ done for payment. ✓
- Focuses on upholding the reputation ✓ of a business/profession. ✓
- Refer to what is right/wrong ✓ and acceptable behaviour in the business. ✓
- Applying the code of conduct ✓ of that profession/business. ✓
- Any other relevant answer related to the meaning of professional behaviour.

**Max (6)**

### 6.3 Types of unethical business practices posing challenges to businesses

#### 6.3.1 Unfair advertising ✓✓

- Unfair advertisements could be harmful ✓ to consumers. ✓
- Deceptive advertising can violate the trust of consumers ✓ and destroy business relationships. ✓
- The use of false or misleading statements in advertising can lead to the 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 as an unethical business practice pose challenges to businesses.

Unethical business practice (2)

Explanation (2)

Submax (4)

### 6.3.2 Pricing of goods in rural areas√√

- Some businesses in the rural areas exploit their customers√ by adding much more than necessary to their prices.√
- Businesses may experience decline in sales√ due to high cost added into the price of the final product. √
- Businesses 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.√
- Any other relevant answer related to how pricing of goods in rural areas as an unethical business practice pose challenges to businesses.

Unethical business practice (2)

Explanation (2)

Submax (4)

### 6.3.3 Taxation/Tax evasion√√

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

Unethical business practice (2)

Explanation (2)

Submax (4)

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

**Max (12)**

## 6.4 Ways in which businesses could deal with types of unethical business practices

### 6.4.1 Unfair advertising

- Businesses must know and understand the Code of Advertising as determined by the Advertising Standard Authority (ASA)√ and apply its regulations.√
- Business must report √ unfair advertisements by competitors to ASA. √
- Businesses should be encouraged to keep their advertising fair√ and in line with the constitution. √
- Advertisements should be honest/legal√ and not abuse consumer's trust/lack of knowledge.√
- Advertisements should not contain anything that is discriminatory√/likely to cause offence/support act of violence.√
- Any other relevant answer related to ways in which businesses could deal with unfair advertising as a type of unethical business practice in the workplace.

Submax (6)

#### 6.4.2 Pricing of goods in rural areas

- Work together with suppliers to share delivery costs√ to remote rural areas.√
- Businesses can buy in bulk to get a discount√ to avoid charging high prices.√
- Charge fair/market related prices√ for goods and services.√
- Avoid unethical business practices√ to attract customer loyalty.√
- A business may lobby with other businesses in the area√ to convince government to improve infrastructure in the rural area.√
- Investigate cost-effective ways√ of transporting products√/Hire a large truck to combine deliveries√ to shop-owners in the same area.√
- Any other relevant answer related to ways in which businesses could deal with pricing of goods in rural areas as a type of an unethical business practice in the workplace.

Submax (6)

#### 6.4.3 Taxation/tax evasion

- Value Added Tax/VAT needs to be charged√ on VAT-able items.√
- Submit the correct tax returns√ to SARS on time.√
- All products should be correctly invoiced√ and recorded.√
- Disclose all sources of income√ for tax payment purposes.√
- Keep abreast with the latest SARS regulations√ and tax laws.√
- Businesses that have evaded tax should apply for amnesty√ and declare their income.√
- Effective systems to determine the appropriate amount of tax to be paid√ should be in place.√
- Businesses should keep accurate records√ of income statements/financial transactions.√
- The employees' payroll needs to reflect accurate deductions√ according to the progressive tax system.√
- Make sure that all financial records are checked√ and audited. √
- Any other relevant answer related to ways in which businesses could deal with taxation/tax evasion as a type of an unethical business practice in the workplace.

Submax (6)

**Max (16)**

#### 6.5 Ways in which professional, responsible, ethical and effective business practice should be conducted

- Mission statement should include the values of equality/respect.√√
- Businesses should develop equity programmes/promote strategies to ensure that all employees are treated equally regardless of status/rank/power.
- Treat workers with respect/dignity by recognising work well done/the value of human capital. √√
- Plan properly and put preventative measures in place.√√
- Pay fair wages/salaries which are in line with the minimum requirements of the BCEA/Remunerate employees for working overtime/during public holidays.√√
- Engage in environmental awareness programmes/Refrain from polluting the environment, e.g. by legally disposing of toxic waste. √√
- Refrain from starting a venture using other businesses' ideas that are protected by law. √√
- Business decisions and actions must be clear/transparent to all stakeholders. √√

- Businesses should be accountable /responsible for their decisions and actions/ patent rights. √√
- Hire honest/trustworthy accountants/financial officers with good credentials.√√
- Regular/Timeous payment of taxes.√√
- All workers should have access to equal opportunities/positions/resources.
- Ensure that employees work in a work environment that is conducive to safety/fairness/free from embarrassment. √√
- Employers and employees need to comply with legislation with regard to equal opportunities/human right in the workplace. √√
- 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 way the task should be performed. √√
- Draw up a code of ethics/conduct.√√
- On-going development and training for all employees.√√
- Performance management systems/Appraisals should be in place.√√
- Adequate internal controls/monitoring/evaluation.√√
- Any other relevant answer related to ways in which professional, responsible, ethical and effective business practice should be conducted.

**Max (12)**

## 6.6 Conclusion

- Businesses should develop a simple and clear code of conduct that will easily be implemented in the workplace.√√
- Awareness of the types of unethical business practices may enable businesses to take precautionary measures and prevent negative publicity.√√
- Dealing with each type of unethical business practice may increase market share resulting in business sustainability and profitability.√√
- Businesses must continuously conduct research on how they should act professionally, responsibly, ethically and effectively. √√
- Any other relevant conclusion related to the meaning of professional behaviour/challenges posed by unethical business practices/dealing with unethical business practices/ways in which professional, responsible, ethical and effective business practice should be conducted.

**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 professional behaviour	<b>6</b>	
Types of unethical business practices that pose challenges to businesses	<b>12</b>	
Ways in which businesses could deal with types of unethical business practices	<b>16</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**