



KWAZULU-NATAL PROVINCE

EDUCATION
REPUBLIC OF SOUTH AFRICA



**NATIONAL
SENIOR CERTIFICATE**

GRADE 12

BUSINESS STUDIES P1

COMMON TEST

JUNE 2022

Stanmorephysics.com

MARKS: 150

TIME: 2 hours

This question paper consists of 12 pages.

INSTRUCTIONS AND INFORMATION

Read the following instructions carefully before answering the questions.

1. 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 two questions in this section.

2. 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 questions in SECTION C will be marked.

3. 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.
4. Except where other instructions are given, answers must be written in full sentences.
5. Use the mark allocation and nature of each question to determine the length and depth of an answer.
6. Use the table below as guide for mark and time allocation when answering each question.

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

7. Begin the answer to EACH question on a NEW page, e.g. QUESTION 1 – new page, QUESTION 2 – new page.

8. 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 This Act requires businesses to check customers' financial background before granting loans:

- A Consumer Protection Act (CPA), 2008 (Act 68 of 2008)
- B Employment Equity Act, 1998 (Act 55 of 1998)
- C National Credit Act (NCA), 2005 (Act 34 of 2005)
- D Labour Relations Act, 1995 (Act 66 of 1995)

1.1.2 Role of interviewee during an interview is to ...

- A record responses for future reference.
- B ask clarity seeking questions.
- C explain the purpose of interview.
- D avoid asking discriminatory questions.

1.1.3 ... can be classified under tertiary sector.

- A Crown Mines Limited
- B Gugulethu Poultry Farm
- C Moodley's Wood Manufacturers
- D Promise Transport Services

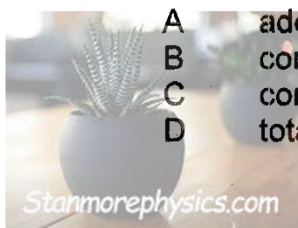
1.1.4 Employees at Shombela Transport Services cannot work overtime for more than ... hours per week.

- A fifteen
- B three
- C ten
- D two.

1.1.5 Khayelihle Projects Limited can afford product research to gather information. This is a positive impact of ...

- A adequate financing and capacity
- B continuous improvement to processes and systems
- C continuous skills development
- D total client 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 (1.2.1 to 1.2.5) in the ANSWER BOOK.

pestle analysis; compensation Fund; backward; National Credit Regulator; total quality management; SWOT analysis; quality management systems; Unemployment Insurance Fund; National Consumer Commission; forward.

- 1.2.1 Jacobs Fashion Stores sells goods on credit and must be registered with the ...
- 1.2.2 Businesses may use ... tool to conduct internal and external environmental scanning.
- 1.2.3 Khulani Furniture Manufacturers has taken over Bright Pine Forestry. This is an example of ... vertical integration strategy
- 1.2.4 Employees contribute 1% of their normal wage towards ...
- 1.2.5 ... refers to a formalised system that documents processes, procedures and responsibilities for achieving quality policies and objectives in a business 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, e.g.1.3.6 K.

COLUMN A	COLUMN B
1.3.1 Learnership	A. termination of employment contract due to restructuring.
1.3.2 Political factor	B. The process used by business to identify vacancies in the business and attract suitable candidates for it.
1.3.3 Redundancy	C. the training opportunity that requires employees to only attend external practical courses.
1.3.4 Quality	D. termination of employment contract due to inability to make enough funds to continue with its operation.
1.3.5 Recruitment	E. products and services that satisfy needs and exceeds customer expectations on a continuous basis.
	F. includes government policies, trade agreements, political stability and instability.
	G. assigning a specific job to a selected employee.
	H. the training opportunity that can lead to a recognised occupational qualification.
	I. law related issues which affects how businesses operate and customers behave.
	J. number of goods that satisfy needs of customers.

(5 x 2) (10)

TOTAL SECTION A: 30

SECTION B

Answer ANY TWO questions from 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 ENVIRONMENTS

- 2.1 Identify the provision of leave as stipulated in the Basic Conditions of Employment Act (BCEA) 1997 (Act 75 of 1997) in EACH statement below:
- 2.1.1 Pregnant employees are entitled to 4 consecutive months leave. (2)
- 2.1.2 Employees are allowed 3 to 5 days paid leave to attend to family crisis. (2)
- 2.1.3 An employee, irrespective of gender, who is a parent, is entitled to 10 consecutive days leave after the birth of his / her child. (2)
- 2.2 Outline the role of SETAs in supporting the Skills Development Act. (4)
- 2.3 Read the scenario below and answer the questions that follow:

LOUISA CONSTRUCTION COMPANIES (LCC)

Employees at Louisa Construction Company are forced to join a trade union recommended by the management. They are allowed to embark on a strike action to resolve grievances. Only leaders are allowed to take time off to attend to trade union activities.

- 2.3.1 Quote from the scenario the actions that are regarded as non-compliance by Labour Relations Act (LRA), 1995 (Act 66 of 1995) (2)
- 2.3.2 Discuss the negative impact of Labour Relations Act (LRA), 1995 (Act 66 of 1995). (6)

- 2.4 Distinguish between Black Economic Empowerment (BEE) and Broad Based Black Economic Employment (BBBEE). (4)
- 2.5 Analyse the impact of Compensation for Occupational and Diseases Amendment Act (COIDA), 1997 (Act 61 of 1997). (4)
- 2.6 Discuss any TWO types of defensive strategies. (6)
- 2.7 Suggest strategies that businesses can apply, to deal with the challenges posed by the following PESTLE factors:
- 2.7.1 Technological factors (4)
- 2.7.2 Environmental factors (4)
- [40]**



QUESTION 3: BUSINESS OPERATIONS

- 3.1 Name TWO sources of internal recruitment. (2)
- 3.2 Outline the selection procedure as a human resources activity. (4)
- 3.3 Read the scenario below and answer the questions that follow.

MOODLEY WHOLESALEERS (MW)

Moodley Wholesalers advertised a vacancy for a cashier in a local newspaper. The advertisement stated that the prospective candidate should have good mathematical skills. The cashier must be able to scan goods and ensure pricing is accurate.

- 3.3.1 Identify TWO components of a job analysis highlighted by Moodley Wholesalers. Motivate your answer by quoting from the above.

Use the scenario below as a GUIDE to answer QUESTION 3.3.1.

COMPONENTS OF A JOB ANALYSIS	MOTIVATIONS
1.	
2.	

(6)

- 3.4 Discuss salary determination methods that businesses could apply to remunerate their employees. (6)
- 3.5 Describe the meaning of quality assurance. (6)

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

SMIGAL SHOES MANUFACTURERS (SSM)

Smigal Shoes Manufacturers specialises in production of special designed stilettos. Smit is responsible for dealing with any negative public comments about SSM. Gail is responsible for advertising and sale of stilettos.

3.6.1 Identify TWO business functions applied by SSM. Motivate your answer by quoting from the scenario. (6)

Use the following table as a GUIDE to answer QUESTION 3.6.1.

BUSINESS FUNCTIONS	MOTIVATIONS
1.	
2.	

3.6.2 Suggest how any ONE of the business functions identified in QUESTION 3.6.1 can contribute towards the success of SSM. (4)

3.7 Analyse the impact of TQM if poorly implemented by businesses. (6)

[40]

QUESTION 4: MISCELLANEOUS TOPICS

BUSINESS ENVIRONMENTS

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

STEVENS LEGAL SERVICES (SLS)

Stevens Legal Services is situated at Townshill. SLS cannot repay their loan due to increase in interest rates. General employees are on strike as they demand increase in wages. Another law firm, Zingelwayo Attorneys has just set up a law practice in the same office block as SLS.

- 4.1.1 Quote THREE challenges for SLS from the scenario above. (3)
- 4.1.2 Classify SLS's challenges according to THREE business environment. (3)
- 4.1.3 State the extent of control SLS has over EACH business environment named in QUESTION 4.1.3. (3)

Use the table below as a GUIDE to answer QUESTION 4.1.1 to 4.1.3.

CHALLENGES (4.1.1)	BUSINESS ENVIRONMENTS (4.1.2)	EXTENT OF CONTROL (4.1.3)
1.		
2.		
3.		

- 4.2 Discuss the penalties for non-compliance with National Credit Act 2005, (Act 34 of 2005) (6)
- 4.3 Advise businesses on the impact of Employment Equity Act, 1998 (Act 55 of 1998) (6)

BUSINESS OPERATIONS

4.4 Elaborate on the meaning of an employment contract. (2)

4.5 Discuss the benefits of induction for businesses. (6)

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

APHILE NAIL BAR (ANB)

Aphile Nail Bar is well known for high quality service offered to its customers. The business makes use of modern and advance technology. ANB always ensures that effective customer services are rendered to increase customer satisfaction.

4.6.1 Quote ONE benefit of a good quality management system applicable to ANB in the scenario above. (1)

4.6.2 Discuss other benefits of a good quality management system for ANB. (6)

4.7 Evaluate the impact of continuous improvement to processes and systems as a TQM element on large businesses (4)

[40]

SECTION C

Answer ONE question in this section.

NOTE: Clearly indicate the QUESTION NUMBER of the chosen question. 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 ENVIRONMENTS (BUSINESS STRATEGIES)

Businesses realise the importance of strategic management process when devising strategies. Businesses that intend increasing sales should implement intensive strategies. Effective application of Porter's Five Forces model is important for businesses to maintain their position in the market environment.

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

- Outline the strategic management process.
- Discuss THREE types of intensive strategies.
- Explain steps that businesses should consider when evaluating strategies.
- Advise businesses on how they could apply the following Porter's Five Forces to analyse their position in the market.
 - Power of buyers
 - Threat of new entrants into the business

[40]

QUESTION 6: BUSINESS OPERATIONS (QUALITY OF PERFORMANCE)

Businesses should always strive to produce goods or provide services in the most cost-efficient manner. The business can achieve this by ensuring that a quality management system is in place. Employees should be well trained to produce goods that will satisfy customer's needs. It is important for businesses to apply PDCA cycle to improve the quality of products.

Give an in-depth analysis of quality of performance by referring to the following aspects:

- Outline ways in which TQM can reduce cost of quality.
- Differentiate between quality management and quality performance.
- Describe the impact of total client satisfaction and continuous skills development/ education and training on large businesses.
- Advise businesses on how they can apply PDCA cycle model to improve quality of products.

[40]

TOTAL SECTION C: 40

TOTAL MARKS: 150



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NATIONAL SENIOR CERTIFICATE

GRADE 12

BUSINESS STUDIES P1 MARKING GUIDELINES COMMON TEST

JUNE 2022



MARKS: 150

This marking guideline consists of 31 pages.

NOTES TO MARKERS**PREAMBLE**

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

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

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

Marker:	Red
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 '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, mention, 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	Maximum: 32
Content	
Conclusion	
Insight	8
TOTAL	40

15.2 Insight consists of the following components:

Layout/Structure	Is there an introduction, a body, and a conclusion?	2
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')	2
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: Only relevant facts. 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: Some relevant facts 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: Some relevant facts Where a learner answers all four bullets but one sub-question is irrelevant. (-S) must be indicated Option 4: 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.	2
Originality	Is there evidence of examples based on recent information, current trends and developments?	2
TOTAL FOR INSIGHT:		8
TOTAL MARKS FOR FACTS:		32
TOTAL MARKS FOR ESSAY (8 + 32):		40

- NOTE:**
1. No marks will be awarded for contents repeated from the introduction and conclusion.
 2. The candidate forfeits marks for layout if the words INTRODUCTION and CONCLUSION are not stated.
 3. No marks will be 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 SUB MAX/MAX mark in a subsection has been attained. Write SUB MAX/MAX after maximum marks have been obtained, but continue reading for originality "O".
- 15.6 At the end of each essay indicate the allocation of marks for facts and marks for insight as follows:(L – Layout, A – Analysis, S – Synthesis, O – Originality)as in the table below.

CONTENT	MARKS
Facts	32 (max.)
L	2
A	2
S	2
O	2
TOTAL	40

- 15.7 When awarding marks for facts, take note of the sub-maxima indicated, especially if candidates do not make use of the same subheadings. Remember, headings and 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 D ✓✓

1.1.4 C ✓✓

1.1.5 A ✓✓

(5 x 2) **(10)**

1.2

1.2.1 National Credit Regulator ✓✓

1.2.2 SWOT analysis ✓✓

1.2.3 Backward ✓✓

1.2.4 Unemployment Insurance Fund ✓✓

1.2.5 Quality Management Systems ✓✓

(5 x 2) **(10)**

1.3

1.3.1 H ✓✓

1.3.2 F ✓✓

1.3.3 A ✓✓

1.3.4 E ✓✓

1.3.5 B ✓✓

(5 x 2) **(10)**



TOTAL SECTION A: 30

BREAKDOWN OF MARKS

QUESTION 1	MARKS
1.1	10
1.2	10
1.3	10
TOTAL	30

SECTION B

Mark the **FIRST TWO** answers only.

QUESTION 2: BUSINESS ENVIRONMENTS**2.1 Provisions of leave**

- 2.1.1 Maternity ✓✓ (2)
- 2.1.2 Annual ✓✓ (2)
- 2.1.3 Parental ✓✓ (2)

2.2 Role of SETAs

- Develop sector skills plans in line with the National Skills Development Strategy. ✓✓
- Draw up skills development plans for their specific economic sectors. ✓✓
- Approve workplace skills plans and annual training reports. ✓✓
- Allocate grants to employers, education and training providers. ✓✓
- Pay out grants to companies that are complying with the requirements of the Skills Development Act. ✓✓
- Monitor/Evaluate the actual training by service providers. ✓✓
- Promote and establish learnerships. ✓✓
- Register learnership agreements/learning programmes. ✓✓
- Provide training material/programmes for skills development facilitators. ✓✓
- Provide accreditation for skills development facilitators. ✓✓
- Oversee training in different sectors of the South African economy. ✓✓
- Identify suitable workplaces for practical work experience. ✓✓
- Collect levies and pay out grants as required. ✓✓
- Report to the Director General. ✓✓
- Any other relevant answer related to the role of SETAs in supporting the SDA.

Max (4)

2.3

2.3.1 Actions regarded as non-compliance by Labour Relations Act

- Employees at Louisa Construction Company are forced to join a trade union recommended by the management. ✓
- Only leaders are allowed to take time off to attend to trade union activities. ✓

NOTE: Mark the first TWO (2) only.

Award marks for responses quoted from scenario

(2 x 1) (2)

2.3.2 Negative impact of Labour Relations Act

- Reduced global competitiveness ✓ due to lower productivity. ✓
- Productivity may decrease if employees are allowed to participate in the activities of trade unions ✓ during work time. ✓
- Costs of labour increases ✓ because of legal strikes. ✓
- Employers may not get a court interdict ✓ to stop a strike. ✓
- Employers may have to disclose information about workplace issues to union representatives ✓ that could be the core of their competitive advantage. ✓
- Employers may not dismiss employees at will, ✓ as procedures have to be followed. ✓
- Many employees take advantage of the right to strike ✓ without acknowledging their responsibilities. ✓
- Many employees and employers do not understand/respect ✓ the Labour Relations Act. ✓
- Strike actions always result in loss of production ✓ for which employers may not claim. ✓
- Some trade unions may not promote the mandate of their members. ✓ but embark on industrial action, which is harmful to labour relations between employers and employees. ✓
- Some businesses may feel that the LRA gives employees too much power ✓ as it creates lengthy procedures, e.g. consulting with workplace forums. ✓
- Labour disputes and bargaining council processes become disruptive/ time ✓ consuming and can lead to a decrease in productivity in businesses. ✓
- Any other relevant answer related to negative impact of Labour Relations Act



Max (6)

2.4 Distinction between BEE and BEE

BLACK ECONOMIC EMPOWERMENT (BEE)	BROAD BASED BLACK ECONOMIC EMPOWERMENT (BBEE)
<ul style="list-style-type: none"> It is the government policy✓ which may not be enforced. ✓ 	<ul style="list-style-type: none"> It is an Act✓ that is enforced/must be complied with by businesses. ✓
<ul style="list-style-type: none"> Benefits only a few previously disadvantaged people✓ in the economy. ✓ 	<ul style="list-style-type: none"> Encourages a wider group of previously disadvantaged people/black women/people who are physically challenged/youth/people in rural areas✓ to participate in the economy. ✓
<ul style="list-style-type: none"> Few previously disadvantaged individuals share in the wealth✓ of the economy. ✓ 	<ul style="list-style-type: none"> Aims at distributing the country’s wealth✓ across a broader spectrum of society. ✓
<ul style="list-style-type: none"> Focuses on three pillars✓ that did not include all previously disadvantaged people. ✓ 	<ul style="list-style-type: none"> Focuses on five pillars✓ which include all sectors of the society, especially the previously disadvantaged. ✓
<ul style="list-style-type: none"> Any other relevant answer related to BEE 	<ul style="list-style-type: none"> Any other relevant answer related to BBEE
Sub max (2)	Sub max (2)

Max (4)

- NOTE:**
- 1. The answer does not have to be in tabular format**
 - 2. Answers may not link but distinction must be clear**
 - 3. Award a maximum of TWO (2) marks if distinction is not clear. Mark either BEE or BBEE only.**

2.5 Impact of the COIDA on businesses

Positives/Advantages

- Promotes safety✓ in the workplace. ✓
- Employees do not contribute✓ towards this fund. ✓
- Claiming processes✓ are relatively simple. ✓
- Eliminates time and costs spent✓ on lengthy civil court proceedings. ✓
- Any compensation to an employee/the family is exempt✓ from income tax. ✓
- Employers are protected from financial burden should an accident occur in the workplace✓ provided that the employer was not negligent. ✓
- Makes businesses more socially responsible✓ as they cannot just employ workers at random in dangerous working conditions. ✓
- Workers are treated with dignity and respect✓ as businesses view them as valuable assets and not just as workers. ✓
- Covers all employees at the workplace✓ if both parties meet all the necessary safety provisions in the Act. ✓
- Creates a framework for acceptable employment practices✓ and safety regulations. ✓
- Supply administrative guidelines/mechanisms✓ for dealing with/processing claims. ✓
- Employees are compensated financially for any injury/disability resulting ✓ from performing their duties at their workplace. ✓

- In the event of the death of an employee as a result of a work-related accident/disease, ✓ his/her dependent(s) will receive financial support. ✓
- Employees receive medical assistance ✓ provided there is no other medical assistance option. ✓ / Cannot claim medical assistance from the fund ✓ and medical aid. ✓
- Medical expenses/Other types of compensation are paid to employees and/or their families ✓ depending on the type/severity of the injuries. ✓
- Employers have to pay a monthly amount to the Compensation Fund ✓ depending on the number of employee/the level of risk they are exposed to. ✓

AND/OR

Negative/Disadvantages

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

Max (4)

2.6 Types of defensive strategies

Divestiture/ Divestment ✓✓

- Disposing/Selling some assets/divisions that are no longer profitable/productive. ✓
- Selling off divisions/product lines with slow growth potential. ✓
- Decreasing the number of shareholders by selling ownership. ✓
- Paying off debts by selling unproductive assets. ✓
- Withdrawing their investment share in another business (divesting). ✓
- Any other relevant answer related to divestiture/divestment as a defensive strategy.

Strategy (2)
Discussion (1)
Sub max (3)

Liquidation ✓✓

- Selling all assets to pay creditors due to a lack of capital. ✓
- Selling the entire business in order to pay shareholders a fair price for their shares. ✓
- Allowing creditors to apply for forced liquidation in order to have their claims settled. ✓
- Any other relevant answer related to liquidation as a defensive strategy.

Strategy (2)
Discussion (1)
Sub max (3)

Retrenchment ✓✓

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

Strategy (2)
Discussion (1)
Sub max (3)

NOTE: Mark the first TWO (2) only.

Max (6)

2.7.1 Suggested strategies to deal with the following PESTLE factors

Technological factor

- Continuous research on the latest available technology/equipment in the market. ✓✓
- Train existing/appoint new employees to maintain/use new equipment. ✓✓
- Compare prices/Select suitable suppliers for new equipment at reasonable prices. ✓✓
- Businesses must be geared for online trading/e-commerce. ✓✓
- Any other relevant answer related to strategies businesses can apply to deal with technological factors

Max (4)

2.7.2 Environmental factors

- Chemicals/Ingredients should be clearly indicated on labels/packaging to inform customers about possible side effects/correct use of products. ✓✓
- Implement cost effective measures to dispose of medical waste. ✓✓
- Implement recycling measures to prevent pollution of the environment/ Use packaging that is re-usable/recyclable. ✓✓
- Any other relevant answer related to strategies businesses can apply to deal with environmental factors.

Max (4)

BREAKDOWN OF MARKS

QUESTION 2	MARKS
2.1	6
2.2	4
2.3.1	2
2.3.2	6
2.4	4
2.5	4
2.6	6
2.7.1	4
2.7.2	4
TOTAL	40

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

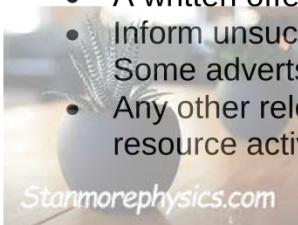
- Internal e-mails/Intranet/web sites to staff ✓
- Word of mouth/staff meeting ✓
- Business newsletter/circulars ✓
- Internal/management referrals ✓
- Notice board of the business ✓
- Internal bulletins ✓
- Recommendation of current employees ✓
- Head hunting within the business/organisational database.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

NOTE: Mark the first TWO (2) only

Max (2)

3.2 Selection procedure**OPTION 1**

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



OR

OPTION 2

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

NOTE: The procedure may be in any order.

Max (4)

3.3 Components of job analysis

COMPONENTS OF JOB ANALYSIS	MOTIVATION
1. Job description ✓✓	<ul style="list-style-type: none"> • The cashier must be able to scan goods and ensure pricing is accurate. ✓
2. Job specification ✓✓	<ul style="list-style-type: none"> • The advertisement stated that the prospective candidate should have good mathematical skills. ✓
Sub max (4)	Sub max (2)

Max (6)

- NOTE: 1. Award marks for the components of a job analysis even if the quote is incomplete.**
- 2. Do not award marks for the motivations if the components of a job analysis were incorrectly identified.**

3.4 Salary determination methods

Time-related ✓✓

- Workers are paid according to the amount of time/hours they spend at work/on a task. ✓
- Workers with the same experience/qualifications are paid on salary scales regardless of the amount of work done. ✓
- Many private and public sector businesses use this method. ✓
- Any other relevant answer related to time-related as a salary determination method.

Heading (2)
Discussion (1)
Sub max (3)

Piecemeal ✓✓

- Workers are paid according to the number of items/units produced / action performed. ✓
- Workers are not remunerated for the number of hours worked, regardless of how long it takes them to make the items. ✓
- Mostly used in factories particularly in the textile/technology industries. ✓
- Any other relevant answer related to piecemeal as a salary determination method.

Heading (2)
 Discussion (1)
 Sub max (3)
Max (6)

3.5 Meaning of quality assurance

- Checks carried out during✓ and after the production process. ✓
- Ensures that required standards have been met✓ at every stage of the process. ✓
- Processes put in place✓ to ensure the quality of product ✓/services systems adhere to pre-set standards✓ with minimal defects/delays/short-comings. ✓
- Ensuring that every process is aimed to get the product 'right the first time'✓ and prevent mistakes from happening. ✓
- Any other relevant answer related to the meaning of quality assurance.

Max (6)

3.6.1 Business Functions

BUSINESS FUNCTIONS	MOTIVATION
1. Public relations function ✓✓	Smit is responsible for dealing with any negative comments about SSM. ✓
2. Marketing function ✓✓	Gail is responsible for advertising and sale of stilettos. ✓
Sub max (4)	Sub max (2)

Max (6)

- NOTE: 1 Award marks for business functions even if the quote incomplete.**
- 2. Do not award marks for the motivations if the business functions were incorrectly identified.**

3.6.2 Contribution of the public relations function to the success of a business

- Dealing quickly with negative publicity/less/little/no incidents of negative publicity. ✓✓
- Providing regular/positive press releases. ✓✓
- Implement sustainable Corporate Social Investment (CSI) programmes. ✓✓
- Good results of/Positive feedback from public surveys on business image. ✓✓
- High standard of internal publicity/appearance of buildings/professional telephone etiquette, etc. ✓✓
- Deliver quality goods/services that promote the brand/image with key stakeholders/customers/suppliers/government/service providers. ✓✓
- Compliance with recent legislation, e.g. BEE compliant. ✓✓
- Any other relevant answer related to how public relations function contributes to success of the business.

Max (4)

OR

Contribution of marketing function to the success of a business

- Winning customers by satisfying their needs/wants and building positive relationships. ✓✓
- Adhering to ethical advertising practices when promoting products/services. ✓✓
- Identifying a competitive advantage to focus/improve on marketing strengths. ✓✓
- Differentiating products in order to attract more customers. ✓✓
- Constantly reviewing value issues. ✓✓
- Communicating effectively with customers to get feedback about their experience of products sold/services rendered. ✓✓
- Co-ordinating distribution with production and advertising strategies. ✓✓
- Using pricing techniques to ensure a competitive advantage. ✓✓
- Determine gaps between customer expectations and actual experiences, so that problems/unhappiness may be diagnosed and addressed. ✓✓
- Using aggressive advertising campaigns✓ to sustain/increase the market share. ✓✓
- Any other relevant answer related how the marketing function contributes to success of the business.

Max (4)

3.7 Impact of TQM if poorly implemented

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

Max (6)

BREAKDOWN OF MARKS

QUESTION 3	MARKS
3.1	4
3.2	4
3.3	6
3.4	6
3.5	4
3.6.1	6
3.6.2	4
3.7	6
TOTAL	40



QUESTION 4: MISCELLANEOUS TOPICS

BUSINESS ENVIRONMENTS

Challenges 4.1.1	Business environments 4.1.2	Extent of control 4.1.3
1. SLS cannot repay their loan due to increase in interest rates. ✓	Macro environment ✓	No control ✓
2. Their general employees are on strike as they demand increase in wages. ✓	Micro environment ✓	Full control ✓
3. Another law firm Zingelwayo Attorneys has just set up a law practice in the same office block as SLS. ✓	Market environment ✓	Partial/some/little/limited control/has influence ✓
Sub max (3)	Sub max (3)	Sub max (3)

Max (9)

- NOTE:**
1. Mark the first challenge for each environment only.
 2. If the business environment is not linked to the challenge, mark the challenge only.
 3. Award full marks for the business environment even if the challenge is not quoted in full.
 4. The extent of control must be linked to the business environment.
 5. Do not award marks for the extent of control if the business environment is not mentioned.
 6. Accept responses in any order



4.2 Penalties/consequences for non-compliance with the NCA

- The business may not demand payment, sue or attach the clients/ consumers ✓ salaries/assets. ✓
- The business may not charge any fee/interest/other charges ✓ under that specific credit agreement. ✓
- The court may declare the granting of credit by the business reckless ✓ and may order consumers not to repay the credit/or part thereof to the business. ✓
- The National Credit Regulator may impose a fine/penalty on the business ✓ for non-compliance. ✓
- The business will bear all costs of removing the negative information of clients/ consumers ✓ who were blacklisted as a result of reckless lending. ✓
- Any other relevant answer related to penalties for non-compliance with National Credit Act.

Max (6)

4.3 Impact of the EEA on business

Positives/Advantages

- Encourages consultation between employer and employees. ✓✓
- Promotes equal opportunity and fair treatment in the workplace. ✓✓
- Impacts positively on BEE ratings for businesses. ✓✓
- Appointment process is clearly defined, so all parties are well informed. ✓✓
- Motivates employees because the workforce is more diverse representative/inclusive. ✓✓
- Motivates employees because everyone has the same employment opportunities. ✓✓
- Promotes the implementation of affirmative action measures to redress the imbalances in employment. ✓✓
- Provides employees with legal recourse if they believe they have been unfairly discriminated against. ✓✓
- Provides all employees with an equal opportunity to be selected/appointed/promoted in a position. ✓✓
- Prevents unfair discrimination as it ensures that the workforce represents the demographics of the country. ✓✓
- Creates a framework of acceptable employment practices/affirmative action measures. ✓✓
- Encourages diversity in business by employing people from various racial backgrounds. ✓✓
- Businesses are in a better position to negotiate contracts with the government/Impacts positively of BEE ratings of businesses. ✓✓
- Certified psychometric tests may be used to assess applicants/employees to ensure that suitable. ✓✓
- Any other relevant answer related to positive impact of Employment Equity Act on businesses

AND/OR

Negatives/Disadvantages

- Expensive to train/employ someone who knows little about the Act. ✓✓
- Fines/Penalties for non-compliant businesses may be expensive for the business. ✓✓
- Diversity in the workplace may lead to conflict/unhappiness. ✓✓
- Often positions go unfilled because there are no suitable EE candidates. ✓✓
- Skilled people from designated groups may demand higher salaries which increase salary expenses. ✓✓
- Job hopping of skilled/trained EE appointees may increase staff turnover. ✓✓
- Increased administration burden, as businesses must compile/submit employment equity reports every two years. ✓✓
- Employers have to appoint one or more senior managers to ensure the implementation of the plan, which increases salary expenditure. ✓✓
- Businesses must submit a compliance certificate before they can conduct business with state businesses. ✓✓

- Businesses are sometimes pressurised to appoint an unsuitable EE Person to meet EE requirements. ✓✓
- Other groups may not respect the knowledge/skills/experience of an EEA appointment and it may lead to conflict. ✓✓
- Any other relevant answer related to positive impact of Employment Equity Act on businesses.

Max (6)

4.4 Meaning of an employment contract

- Employment contract is an agreement between the employer and the employee ✓ and is legally binding. ✓
- Any other relevant answer related to meaning of an employment Contract.

Max (2)

4.5 Benefits of induction for businesses

- Allows new employees to settle in quickly ✓ and work effectively. ✓
- Ensures that new employees understand rules and restrictions ✓ in the business. ✓
- New employees may establish relationships with fellow employees ✓ at different levels. ✓
- Make new employees feel at ease in the workplace, ✓ which reduces anxiety/ insecurity/fear. ✓
- The results obtained during the induction process provide a base ✓ for focussed training. ✓
- Increases ✓ quality of performance/productivity. ✓
- Minimises the need for on-going training and development. ✓
- Employees will be familiar ✓ with organisational structures, ✓ e.g. who are their supervisors/low level managers. ✓
- Opportunities are created for new employees ✓ to experience/explore different departments. ✓
- New employees will understand their role/responsibilities ✓ concerning safety regulations and rules. ✓
- New employees will know the layout of the building/factory/offices/ where everything is, ✓ which saves production time. ✓
- Learn more about the business so that new employees understand their roles/ responsibilities ✓ in order to be more efficient. ✓
- Company policies are communicated, regarding conduct and procedures/ safety ✓ and security/employment contract/conditions of employment/ working hours/ leave. ✓
- Realistic expectations for new employees ✓ as well as the business are created. ✓
- New employees may feel part of the team ✓ resulting in positive morale/ motivation. ✓
- Employees may have a better understanding of business policies ✓ regarding ethical/professional conduct/procedures/CSR, ✓ etc.
- Any other relevant answer related to the benefits of induction for businesses.

Max (6)

4.6**4.6.1 Benefit of good quality management systems to businesses**

- ANB always ensures that effective customer services are rendered to increase customer satisfaction. ✓

(1)**NOTE: Mark ONE (1) benefit only****Award mark for response quoted from scenario****4.6.2 Other benefits of good quality management system for ANB**

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

Max (6)**NOTE: Do not award marks if response to QUESTION 4.6.1 is repeated and/ or for facts repeated from the scenario****4.7 Impact of continuous improvement to processes and systems as a TQM element on large businesses****Positives/Advantages**

- Large businesses have more resources ✓ to check on quality performance in each unit. ✓
- Enough capital resources are available for new equipment ✓ required for processes and systems. ✓
- Large businesses have a person dedicated ✓ to the improvement of processes ✓ and systems. ✓
- Willing to take risk on/try new processes and systems ✓ because they are able to absorb the impact of losing money. ✓
- They can afford to use the services of the quality circles ✓ to stay ahead of their competitors. ✓
- Large businesses use the PDCA model ✓ to continuously plan/do/check/act on new/revised processes and systems. ✓
- Any other relevant answer related to the positive impact/advantages of continuous improvement to processes and systems as a TQM element on large businesses.

AND/OR

Negatives/Disadvantages

- Large scale manufacturing✓ can complicate quality control. ✓
- Processes and systems take time and effort to be implemented in large businesses✓ as communication/buy-in/distrust may delay the implementation process. ✓
- Face the of risk in changing parts of the business✓ that are actually working well. ✓
- Not all negative feedback from employees and customers is going to be accurate, ✓ which may result in incorrect/unnecessary changes to processes and systems. ✓
- Any other relevant answer related to the negative impact/disadvantages of continuous improvement to processes and systems as a TQM element on large businesses.

Max (6)

BREAKDOWN OF MARKS

QUESTION 3	MARKS
4.1.	9
4.2	6
4.3	6
4.4	2
4.5	6
4.6.1	1
4.6.2	6
4.7	4
TOTAL	40

SECTION C**QUESTION 5: BUSINESS ENVIRONMENTS (BUSINESS STRATEGIES)****5.1 Introduction**

- Businesses need to put necessary strategies in place to deal with various challenges that they may encounter. ✓
- Decline in sales may lead to a decline in profits/profitability and unsustainable business operations. ✓
- Strategies applied by businesses must be thoroughly evaluated to ensure effectiveness / take corrective action if necessary. ✓
- Porter's Five Forces model is industrial tool that business can apply in scanning the market environment. ✓
- Any other relevant introduction related to the Strategic management process/ Types of intensive strategies/ Steps to consider when evaluating strategies/Application of Porters Five Forces.

Any (2 x 1) (2)**5.2 Strategic management process****Option 1**

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

OR**Option 2**

- Review/Analyse/Re-examine their vision/mission statement. ✓✓
- Conduct an environmental analysis using models such as PESTLE/PORTER'S/SWOT. ✓✓
- Formulate a strategy such as a defensive/retrenchment strategy. ✓✓
- Implement a strategy, using a template such as an action plan. ✓✓
- Control/Evaluate/Monitor the implemented strategy to identify gaps/ deviations in implementation. ✓✓
- Take corrective action to ensure goals/objectives are met. ✓✓

NOTE: The steps may be in any order.**Max (12)**

5.3 Three types of intensive strategies

Market penetration ✓✓

- New products penetrate an existing market at a low price, ✓ until it is well known to the customers and then the prices increases. ✓
- It is a growth strategy ✓ where businesses focus on selling existing products to existing markets. ✓
- Focuses on gaining a larger share of the market ✓ by reducing prices to increase sales/increasing advertising and promotion. ✓
- Any other relevant answer related to market penetration as an intensive strategy.

Strategy (2)
 Discussion (4)
 Sub max (6)

Market Development ✓✓

- It is a growth strategy where businesses aim to sell its existing products ✓ in new markets. ✓
- This strategy involves finding new markets ✓ and new ways to distribute product. ✓
- Any other relevant answer related to market development as an intensive strategy

Strategy (2)
 Discussion (4)
 Sub max (6)

Product Development ✓✓

- It is a growth strategy where businesses aim to introduce new products ✓ into existing markets/modifies an existing product. ✓
- Businesses generate new ideas ✓ and develop new products/ services. ✓
- Any other relevant answer related to product development as an intensive strategy

Strategy (2)
 Discussion (4)
 Sub max (6)
Max (16)

5.4 Steps businesses should consider when evaluating strategies

- Examine the underlying basis✓ of a business strategy. ✓
- Look forward and backward into the implementation process. ✓
- Compare the expected performance✓ with the actual performance. ✓
- Take corrective action✓ so that deviations may be corrected. ✓
- Set specific dates✓ for control and follow up. ✓
- Draw up a table✓ of the advantages and disadvantages of a strategy. ✓
- Decide on the desired outcome. ✓
- Consider the impact of the strategic implementation✓ in the internal and external environments of the business. ✓
- Compare the expected results in order to determine the reasons✓ for deviations and analyse these reasons. ✓
- Any other relevant answer related to steps that businesses should consider when evaluating strategies.

NOTE: Accept steps in any order.

Max (10)

5.5 Application of Porter's Five Forces model to analyse the market environment

5.5.1 Power of buyers

- Assess how easy it is for buyers/customers to drive prices down. ✓✓
- Buyers buying in bulk can bargain for prices in their favour. ✓✓
- Conduct market research to gather more information about its buyers. ✓✓
- Determine the number of buyers/the importance of each buyer to the business and the cost of switching to other products. ✓✓
- A few powerful buyers are often able to dictate their terms to the business. ✓✓
- If buyers can do without the business's products then they have more power to determine the prices and terms of sale. ✓✓
- Any other relevant answer related to how businesses could apply the power of buyers to analyse their position in the market environment. Sub max (4)

5.5.2 Threat of new entrants to the market

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

Sub max (4)

Max (8)

5.6 Conclusion

- Developing effective strategies enables businesses to stay ahead of their competitors and increase sales/profitability. ✓✓
- Strategy evaluation enables businesses to deal with challenges in implementing new strategies. ✓✓
- The application of the Porter's Five Forces model guides businesses on how to analyse the power of each force in the market. ✓✓
- Any other relevant conclusion related to Strategic management process/ Types of intensive strategies/ steps to consider when evaluating strategies/ application of Porter’s Five Forces model.

Any (1 x 2) (2)

[40]

QUESTION 5: BREAKDOWN OF MARK ALLOCATION

DETAILS	MAXIMUM	TOTAL
Introduction	2	Max 32
Outline strategic management process	12	
Types of intensive strategies	16	
Steps to consider when evaluating a strategy	10	
Application of the following Porter’s Five Forces:	4	
○ Power of buyers	4	
○ Threat of substitution/substitutes	4	
Conclusion	2	8
INSIGHT		
Layout	2	
Analysis/Interpretation	2	
Synthesis	2	
Originality/Examples	2	
TOTAL MARKS		40

LASO – For each component:
 Allocate 2 marks if all requirements are met.
 Allocate 1 mark if some requirements are met.
 Allocate 0 marks where requirements are not met at all

QUESTION 6 (QUALITY OF PERFORMANCE)**Introduction**

- Businesses should always find ways to keep cost of quality as low as possible. ✓
- Good quality management systems enable businesses to identify and reduce defective goods at an early stage. ✓
- Continuous skills development of employees ensures that good quality products/ services are produced' rendered to satisfy the needs of consumers. ✓
- Businesses should always apply PDCA cycle to improve the quality of goods and services. ✓
- Any other relevant introduction related to ways TQM reduce cost of quality/ Differences between quality management and quality performance/ Impact of total client satisfaction and continuous skills development/ Application of PDCA cycle/model.

Any (2 x 1) (2)**6.2 Ways in which TQM can reduce the cost of quality**

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

Max (12)

6.3 Differences between quality management and quality performance

Quality management		Quality performance	
-	Techniques/tools✓ used to design/improve the quality of a product. ✓	-	Total performance of each department✓ measured against the specified standards. ✓
-	Can be used for accountability✓ within each of the business functions. ✓	-	Can be obtained if all departments work together✓ towards the same quality standards. ✓
-	Aims to ensure that the quality of goods/ services✓ is consistent✓/ focuses on the means✓ to achieve consistency. ✓	-	Quality is measured through physical product/statistical output of processes / surveys ✓ of the users and/ or buyers of goods/services. ✓
-	Any other relevant answer related to quality management	-	Any other relevant answer related to quality performance
Sub max (6)		Sub max (6)	

- NOTE :**
1. The answer does not have to be in a tabular format.
 2. The differences do not have to be linked, but must be clear.
 3. Award a maximum of SIX (6) marks if the differences are not clear/Mark either quality management or quality performance only.

Max (12)

6.4.1 Impact of total client/customer satisfaction

Positives/Advantages

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

AND/OR

Negatives/Disadvantages

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

Sub max (8)

6.4.2 Impact of continuous skills development/ Education and training**Positives/Advantages**

- Large businesses have a human resources department ✓ dedicated to skills training and development. ✓
- Human resources experts ensure that training programmes are relevant ✓ to increased customer satisfaction. ✓
- Ability ✓ to afford specialised/skilled employees. ✓
- Large businesses could conduct skills audits to establish the competency/ education levels of staff performing work ✓ which could affect the quality of products/processes positively. ✓
- May be able to hire qualified trainers to train employees on a regular basis. ✓

AND/OR**Negatives/Disadvantages**

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

Sub max (8)
Max (16)

6.5 Application of the PDCA model/cycle in improving the quality of products

Plan ✓

- The business should identify the problem. ✓
- Develop a plan for improvement to processes and systems. ✓
- Answer questions such as 'what to do' and 'how to do it'. ✓
- Plan the method and approach. ✓

Heading (1)
 Discussion (2)
 Sub max (3)

Do ✓

- The business should implement the change on a small scale. ✓
- Implement the processes and systems. ✓

Heading (1)
 Discussion (2)
 Sub max (3)

Check/Analyse ✓

- Use data to analyse the results of change. Determine whether it made a difference. ✓
- Check whether the processes are working effectively. ✓
- The business should assess, plan and establish if it is working/ if things are going according to plan. ✓

Heading (1)
 Discussion (2)
 Sub max (3)

Act as needed ✓

- Institutionalise the improvement. ✓
- Devise strategies on how to continually improve. ✓
- If the change was successful, implement it on a wider scale. ✓
- Continuously revise the process. ✓

Heading (1)
 Discussion (2)
 Sub max (3)
Max (8)

6.6 Conclusion

- Reducing cost of quality will enable business to produce quality goods which can be sold at reasonable prices. ✓✓
- Implementation of good quality management systems enables business to increase its return and improve its image. ✓✓
- Total quality management is the responsibility of all employees within an organisation. ✓✓
- Management should pay attention to the TQM elements of total client satisfaction, continuous skills development/ education and training to ensure business sustainability. ✓✓
- Any other relevant conclusion related to ways TQM reduce cost of Quality/ Differences between quality management and quality performance/ Impact of total client satisfaction and continuous skills development/ Application of PDCA cycle/model.

Any (1 x 2) (2)

[40]

QUESTION 6: BREAKDOWN OF MARK ALLOCATION

DETAILS	MAXIMUM	TOTAL
Introduction	2	Max 32
Ways in which TQM can reduce cost of quality	12	
Differences between quality management and quality performance	10	
Impact of the following TQM elements: <ul style="list-style-type: none"> ○ Total client /customer satisfaction ○ Continuous skills development/Education and training 	08	
	08	
Application of PDCA cycle to improve quality of products/services	08	
Conclusion	2	8
INSIGHT		
Layout	2	
Analysis/Interpretation	2	
Synthesis	2	
Originality/Examples	2	
TOTAL MARKS		40

LASO – For each component:
 Allocate 2 marks if all requirements are met.
 Allocate 1 mark if some requirements are met.
 Allocate 0 marks where requirements are not met at all