



REPUBLIC OF SOUTH AFRICA
DEPARTMENT OF
EDUCATION
REPUBLIC OF SOUTH AFRICA



**NATIONAL
SENIOR CERTIFICATE**

GRADE 12

BUSINESS STUDIES P2
PREPARATORY EXAMINATION
SEPTEMBER 2022

MARKS: 150

TIME: 2 hours

This question paper consists of 9 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 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 questions in SECTION C will be marked.

- Number the answers carefully according to the numbering system used in this question paper. No marks will be awarded for answers that are numbered incorrectly.

- Except where other instructions are given, answers must be written in full sentences.

- Use the mark allocation and nature of each question to determine the length and depth of an answer.

- Use the table below as guide for mark and time allocation when answering each question.

| SECTION | QUESTION | MARKS | TIME(minutes) |
|--|----------|------------|---------------|
| A: Objective-type questions COMPULSORY | 1 | 30 | 20 |
| B: THREE direct/indirect-type questions | 2 | 40 | 35 |
| | 3 | 40 | 35 |
| | 4 | 40 | 35 |
| CHOICE: Answer any TWO. | | | |
| C: TWO essay-type questions | 5 | 40 | 30 |
| | 6 | 40 | 30 |
| CHOICE: Answer any ONE. | | | |
| TOTAL | | 150 | 120 |

- 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 This form of ownership is established by a group of people who agree to work together for their mutual economic benefit.
- A. Close corporation
 - B. Cooperative
 - C. Personal-liability company
 - D. Public company
- 1.1.2 Insurance companies apply the ... clause when goods are under-insured .
- A. average
 - B. reinstatement
 - C. insured value
 - D. excess
- 1.1.3 Mzamo Traders practice the right to ... by ensuring that employees are not forced to do degrading work
- A. dignity
 - B. privacy
 - C. information
 - D. equity
- 1.1.4 John should be firm and assertive when dealing with the ... as a type of difficult personality
- A. quiet person
 - B. complainer
 - C. expert
 - D. aggressive person
- 1.1.5 Team members show respect for the skills of other team members. This is known as ... criteria for successful team performance.
- A. communication
 - B. interpersonal attitude and behaviour
 - C. collaboration
 - D. shared values/mutual trust and support

(5x2) (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.

simple; ...oral; ...language; ...nominal group; ...health and safety representative; ...compound; ...Delphi; ...race; ...employer; ...written

- 1.2.1 Tony earned ... interest calculated on the principal amount and accumulated interest
- 1.2.2 A nonverbal presentation would be information in the form of a... report.
- 1.2.3 Fled Enterprise hired an interpreter to ensure that everyone understand what is being said in the meeting. The business is addressing ... as a diversity issue.
- 1.2.4 Sasko Traders applied the ... problem-solving technique when they allowed employees to silently brainstorm ideas then share them with other colleagues.
- 1.2.5 The responsibility of the ... is to provide all the necessary equipment for workers to perform their duties.

(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 | Grievance | A | shares cannot be converted into ordinary shares |
| 1.3.2 | Public company | B | encourage employees to participate in cultural activities |
| 1.3.3 | Economic right | C | covers a specified event that will occur sooner or later |
| 1.3.4 | Redeemable preference shares | D | raises capital by inviting the communities to buy shares |
| 1.3.5 | Assurance | E | clash of opinions in the workplace |
| | | F | covers a specified event that may occur |
| | | G | equal pay for work of equal pay |
| | | H | shares can be bought back at the option of the issuing company |
| | | I | raises capital by inviting all potential investors to buy shares in the company |
| | | J | when an employee is unhappy in the workplace |

(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 VENTURES

- 2.1 List any FOUR types of benefits paid out by Unemployment Insurance Fund (UIF). (4)
- 2.2 Identify the type of shares offered by Mageba Ltd EACH of the statements below:
 - 2.2.1 Shareholders will receive compensation in the form of shares for unpaid dividends. (2)
 - 2.2.2 Ntando and Ishaak only receive dividends when the company made a profit. (2)
- 2.3 Explain the function of the Johannesburg Securities Exchange/JSE. (6)
- 2.4 Discuss the advantages of a state-owned company. (6)
- 2.5 Read the scenario below and answer the questions that follow.

TILDA TRADING (TT)

Tilda Trading is known of selling quality products to various customers. The management of Tilda Trading insured their business against fire and theft. TT disclosed everything that may affect the extent of the risk.

2.5.1 Identify TWO principles of insurance that are applicable to TT. Motivate your answer by quoting from the scenario above.

Use the table below as a GUIDE to answer QUESTION 2.5.1

| PRINCIPLES OF INSURANCE | MOTIVATIONS |
|-------------------------|-------------|
| 1 | |
| 2 | |

- (6)
- 2.5.2 Discuss the advantages of insurance for businesses. (4)
- 2.6 Explain the aspects that must be considered when designing a multimedia presentation. (4)
- 2.7 Recommend ways in which the presenter can handle feedback after the presentation in non-aggressive and professional manner. (6)

[40]

QUESTION 3: BUSINESS ROLES

- 3.1 Name any TWO social rights in the workplace. (2)
- 3.2 Outline the differences between *problem solving* and *decision making* (4)
- 3.3 Read the scenario below and answer the question that follows.

NAIDOO MANUFACTURERS (NM)

Naidoo Manufacturers specialises in the manufacturing of cargo ships. The management of NM ensures that decisions are clearly communicated to all stakeholders. They appointed external auditors to audit their financial statements. NM conducts business in a professional, responsible, and ethical

- 3.3.1 Identify TWO King Code principles for good corporate governance applied by NM. Motivate your answer by quoting from the scenario above. (6)

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

| KING'S CODE PRINCIPLES | MOTIVATIONS |
|------------------------|-------------|
| 1. | |
| 2. | |

- 3.3.2 Advise NM on ways in which professional, responsible, ethical and effective business practice should be conducted. (4)
- 3.4 Discuss the impact of brainstorming as a problem-solving technique. (6)
- 3.5 Read the scenario below and answer the questions that follow.

SMART TEAM (SM)

Smart Team specialises in organising social events. The SM team members value the contributions of individual members. They also appreciate each other's' efforts. Team members share a set of team values and implement group decisions.

- 3.5.1 Quote TWO characteristics of successful team performance from the scenario above. (2)
- 3.5.2 Explain other characteristics of successful team performance. (4)
- 3.6 Discuss causes of conflict in the workplace. (6)
- 3.7 Suggest ways in which businesses could create an environment that promote creative thinking in the workplace. (6)

[40]

QUESTION 4: MISCELLANEOUS TOPICS

BUSINESS VENTURES

- 4.1 Name any FOUR factors that should be considered when making investment decisions. (4)
- 4.2 Outline the difference between limited and unlimited liability. (4)
- 4.3 Read the scenario below and answer the questions that follow.

MZANSI CONSULTING (MC)

Mzansi Consulting offers financial advice to various clients. MC requested Elsie, the financial manager, to do a presentation about the business products. Elsie distributed hard copies at the end of the presentation for future reference.

- 4.3.1 Identify the visual aid used by Elsie in the scenario above (2)
- 4.3.2 Discuss the impact of the type of visual aid identified in QUESTION 4.3.1 (6)
- 4.4 Advise businesses on the advantages of the charismatic leadership style. (4)

BUSINESS ROLES

- 4.5 Name THREE types of unprofessional business practices. (3)
- 4.6. Outline the benefits of diversity in the workplace. (6)
- 4.7 Discuss the roles of the health and safety representative in protecting the workplace environment. (4)
- 4.8 Read the scenario below and answer the questions that follow.

MACO TRADERS (MT)

Maco Traders is located in an area where many people are unable to find work due to illiteracy. MT wishes to address this issue.

- 4.8.1 Identify the socio-economic issue that is applicable to MT. Motivate your answer by quoting from the scenario above. (3)
- 4.8.2 Suggest ways in which MT can deal with socio-economic issue identified in QUESTION 4.8.1. (4)

**TOTAL SECTION B: [40]
80**

SECTION C

Answer **ANY ONE** question from this section

NOTE: Clearly indicate the QUESTION NUMBER of the question chosen.

QUESTION 5: BUSINESS VENTURES (MANAGEMENT AND LEADERSHIP)

Businesses believe that the autocratic and democratic leadership styles are equally effective in leading employees in the workplace. They also realise the importance of the role of personal attitude in successful leadership. Some leaders apply the laissez-faire leadership and the transactional leadership styles in the

Write an essay on management and leadership in which you include the following aspects:

- Outline the differences between the *autocratic* and *democratic* leadership styles.
- Explain the role of personal attitude in successful leadership.
- Discuss the impact of the laissez-faire leadership style on businesses.
- Suggest situations in which the transactional leadership style can be applied in the workplace.

[40]

QUESTION 6: BUSINESS ROLES (SOCIAL RESPONSIBILITY, CSR AND CSI)

Businesses are expected to be socially responsible through Corporate Social Responsibility (CSR) and Corporate Social Investment (CSI) projects. They must also know the relationship between triple bottom line and social responsibility as well the impact of CSI on their operations. Businesses should contribute time and effort in improving the well-being of their employees.

Write an essay on CSR and CSI in which you address the following aspects:

- Outline the differences between CSR and CSI.
- Explain the relationship between triple bottom line and social responsibility.
- Discuss the impact of corporate social investment on businesses.
- Suggest ways in which businesses can contribute time and effort in improving the well-being of employees

[40]

TOTAL SECTION C: 40
GRAND TOTAL: 150



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23/09/2022

**TO: THE CHIEF INVIGILATOR OF ALL SCHOOLS OFFERING:
BUSINESS STUDIES P2**

**NATIONAL SENIOR CERTIFICATE: PREPARATORY EXAMINATION
SEPTEMBER 2022: GRADE 12**

DATE OF EXAMINATION: 27 SEPTEMBER 2022

ERRATA

Please take note of the following change:

| PAGE | NUMBER | ERROR | CORRECTION |
|------|---|---|---|
| 7 | Question 3.3 (Scenario – Last sentence) | NM conducts business ... and ethical ... | NM conducts business ... and ethical manner . |
| 9 | Question 5 (Last sentence) | Some leaders ... in the ... | Some leaders ... in the workplace . |

Kindly ensure that candidates are informed of the Errata.

**MS E. COETZEE
PROVINCIAL EXAMINATIONS
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23/09/2022
DATE



KWAZULU-NATAL PROVINCE
EDUCATION
REPUBLIC OF SOUTH AFRICA

**NATIONAL
SENIOR CERTIFICATE**

GRADE 12

**BUSINESS STUDIES P2
PREPARATORY EXAMINATION
SEPTEMBER 2022
MARKING GUIDELINE**

MARKS: 150



This marking guideline consists of 25 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. Candidates' responses must in full sentences for SECTION B and C. However, this would depend on the nature of the question.
2. 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 different expression from that which appears in the marking guideline
 - Comes from another credible source
 - Original
 - A different approach is issued
- **NOTE: There is only ONE correct answer in SECTION A.**
3. Take note of other relevant answers provided by candidates and allocate marks accordingly. (In case where the answer is unclear or indicates some understanding, part-marks should be awarded, for example, one mark instead of the maximum of maximum two marks)
4. The word 'Sub-max' is used to facilitate the allocation of marks within a question or sub-question.
5. The purpose of circling marks (guided by the 'max' in the breakdown of marks) on the right-hand side is to ensure the consistency and accuracy in the marking of scripts as well as for calculation and moderation purposes.
6. Subtotals to questions must be written in the right-hand side 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.
7. In an indirect question, the theory as well as the response must be relevant and related to the question.
8. 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.

9. No additional credit must be given for repetition of facts. Indicate with an 'R'

10. The differentiation between 'evaluate' and 'critical evaluate' can be expressed as follows:

10.1 When 'evaluate' is used, candidates are expected to respond in either a positive/negative manner or take neutral (positive and negative) stance, e.g. Positive: 'COIDA eliminates time and costs spent on lengthy civil court proceedings' ✓

10.2 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.

11. 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:

11.1 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.

11.2 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.

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

13. SECTION B

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

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

13.2 If two facts are written in one sentence, award the candidate FULL credit point above still applies.

13.2 If candidates are required to provide their own examples/views, brainstorm this at memo discussions.

13.3 Use of the cognitive verbs and allocation of marks:

13.3.1 If the number of facts is specified, questions that require candidate 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.

13.3.2 If the number of facts requires 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.

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

14. SECTION C

14.1 The breakdown of the mark allocation of the essays is as follows:

| | |
|--------------|----------------|
| Introduction | Maximum: 32 |
| Content | |
| Conclusion | |
| Insight | 8 |
| TOTAL | 40 |

14.2 Insight consists of the following components:

| | | |
|------------------------------|--|-----------|
| Layout/Structure | Is there an introduction, body and 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 must be allocated using this guide: All headings addressed: 1 (One 'A') interpretation (16 to 32 marks) | 2 |
| Synthesis | Are there relevant decisions/facts/responses made based on the questions? Marks to be allocated using this guide: Option 1: Only relevant facts: 2 marks (No '-S') Where a candidate answer 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: Some relevant facts: 1 mark (One '-S') Where a candidate answer 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: Some relevant facts: 1 mark (One '-S') Where a candidate writes FOUR sub-questions, but one/ two/three sub-question of the question with no relevant facts; one '-S' appears in the left margin. Award a maximum of ONE (1) mark for synthesis. Option 4: No relevant facts: 0 marks (Two '-S') Where a candidate answer less than 50% (only one sub-question) of the question with no relevant facts; two '-S' appear in the left margin. Award a ZERO mark for synthesis. | |
| Originality | Is there evidence of examples based on recent information, current trends and development? | 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 content repeated from the introduction and conclusion.**
- 2. The candidate forfeits marks layout in 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.**

- 14.3 Indicate insight in the left-hand margin with a symbol e.g. (L, A, S, and/or O)
- 14.4 The breakdown of marks is indicated at the end of the suggested answer/markings guideline to each question.
- 14.5 Mark all the 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"
- 14.6 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 |

- 14.7 When awarding marks for facts, take notes of the sub-maximum indicated, especially if candidates do not make use of the same headings. Remember, headings and sub-headings are encouraged and contribute to insight (See MARK BREAKDOWN at the end of each question.)
- 14.8 If the candidate identifies/interprets the question INCORRECTLY, then she/he may still obtain marks for layout.
- 14.9 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 guidelines.
- 14.10
- 14.10.1 Award TWO marks for complete sentences. Award ONE for phrases, incomplete sentences and vague answers.
- 14.10.2 With effect from November 2015, the TWO marks will not necessarily 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.
- 14.11 With the 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 to the nature of question.

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

1.1

1.1.1 B√√

1.1.2 A√√

1.1.3 A√√

1.1.4 C√√

1.1.5 D√√

(5 x 2) (10)

1.2.1 compound √√

1.2.2 written √√

1.2.3 language√√

1.2.4 nominal group √√

1.2.5 employer√√

(5 x 2) (10)

1.3.1 J√√

1.3.2 I√√

1.3.3 G√√

1.3.4 H√√

1.3.5 C√√

(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 from this Section.

QUESTION 2: BUSINESS VENTURES



2.1 Types of benefits paid out by the UIF

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

NOTE: Mark the first FOUR (4) only.

(4x1) (4)

2.2 Types of shares from the statements

2.2.1 Bonus shares ✓✓

(2)

2.2.2 Ordinary shares ✓✓

(2)

2.3 Functions of the Johannesburg Securities Exchange /JSE

- Gives opportunities to financial institutions ✓ such as insurance companies to 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, research, 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 ✓ as shares can be sold at any time. ✓
- Facilitates electronic trading ✓ of shares/STRATE. ✓/Channels financial resources ✓ and facilitates trading. ✓
- Enhance job creation ✓ and increases economic growth/development. ✓
- Any other relevant answer related to the functions of the Johannesburg Securities Exchange/JSE.



Max (6)

2.4 Advantages of a state-owned company

- Profits are distributed ✓ to all sectors. ✓
- Profits may be used to finance ✓ other state departments/reduce taxes. ✓
- Prices are kept reasonable/Create sound competition with the private sector ✓ to make services affordable to more citizens. ✓
- Offer essential services ✓ which may not be offered by the private sector ✓
- Government subsidies ✓ ensure that businesses meet their operational costs ✓
- Requires three or more directors and one or more shareholders ✓, which eliminate complicated formalities. ✓
- 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 (6)

2.5 Principles of insurance

2.5.1 Principles of insurance from the scenario

| PRINCIPLES OF INSURANCE | MOTIVATIONS |
|---------------------------------|--|
| - Indemnification/indemnity ✓✓ | The management of Tilda Trading insured their business against fire and theft. ✓ |
| - Absolute/Utmost good faith ✓✓ | TT disclosed everything that may affect the extent of the risk. ✓ |
| Submax (4) | Submax (2) |

- NOTE:**
1. **Mark the first TWO (2) only.**
 2. **Award marks for the principles of insurance even if the motivations were incomplete.**
 3. **Do not award marks for the motivations if the principles of insurance were incorrectly identified.**

Max (6)

2.5.2 Advantages of insurance for businesses

- Transfers the risk from businesses/ insured ✓ to an insurance company/ insurer. ✓
- Transfer of risk is subject to terms and conditions ✓ of the insurance contract. ✓
- Protects businesses against theft/ loss of stock / damages ✓ caused by natural disasters e.g. floods/ storms damage etc. ✓
- Businesses will be compensated ✓ for insurable losses. ✓
- Valuable business assets ✓ e.g. vehicles/ equipment / buildings need to be insured against damage. ✓
- Businesses are protected against loss of earnings ✓, e.g. strikes by employees which results in losses worth millions. ✓
- Protects businesses ✓ against dishonest employees. ✓
- Life insurance can be taken on the life of partners in a partnership ✓ to prevent of loss of capital. ✓
- Should the services of key personnel be lost due to accidents/ death ✓, the proceeds of the insurance policy can be paid out to the business. ✓
- Replacement costs for damaged machinery / equipment are very high ✓ therefore insurance can reduce/ cover such costs. ✓
- Protects businesses against losses ✓ due to the death of a debtor. ✓
- Insurance policies can be ceded to financial institutions ✓ as security / collateral for loans ✓
- Any other relevant answer related to the advantages of insurance for businesses.

Max (4)

2.6 Aspects that must be considered when designing a multimedia presentation

- Start with the text√ which forms the basis of the presentation √
- Use legible font and font size√ so that it is easy to see/read√
- Select the background√ to compliment or enhance the text√
- Choose images√ that may help to communicate the message. √
- Include/Create graphics√ to assist the information which conveyed. √
- Add special effects/sound/pictures/animation√ to make it interesting for the audience. √
- Create hyperlinks to allow quick access√ to other files/documents/video clips. √
- Keep slides/images/graphs/font simple√ by not mixing different style or colours. √
- Make sure there are no language√ and spelling errors. √
- Use bright colours√ to increase visibility. √
- Structure information in a logical sequence√ so that the audience can easily follow the content of the presentation. √
- Limit the information on each slide√ by using key words and not full sentences√
- Any other relevant answer related to aspects that must be considered when designing a multimedia presentation.

Max (4)

2.7 Handling feedback after a presentation in a non-aggressive and professional manner.

- The presenter should stand throughout the feedback session. √√
- Be polite/confident/courteous when responding to questions. √√
- Ensure that each question/comment is clearly understood before responding/re-phrase questions if uncertain. √√
- The presenter should first listen and then respond. √√
- Provide feedback as soon as possible after the question was asked or after the session. √√
- Be direct/honest/sincere when responding to questions. √√
- Use simple language to support the examples used in the presentation. √√
- Keep answers short and to the point. √√
- Apologise/acknowledge errors/mistakes if pointed out by the audience. √√
- Encourage questions from the audience/investors. √√
- Always address the questions and not the person. √√
- Acknowledge good questions to motivate audience to ask more questions. √√
- The presenter should not involve himself in a debate when responding to questions.√√
- The presenter should not avoid the questions if he/she does not know the answer, but rather feedback on it. √√
- Address the full audience/investors and not only the person who posed the question. √√
- Any other relevant answer related to ways in which the presenter can handle feedback in a non-aggressive and professional.

Max (6)

BREAKDOWN OF MARKS

| QUESTION 2 | MARKS |
|------------|-------|
| 2.1 | 4 |
| 2.2 | 4 |
| 2.3 | 6 |
| 2.4 | 6 |
| 2.5.1 | 6 |
| 2.5.2 | 4 |
| 2.6 | 4 |

| | |
|--------------|-----------|
| 2.7 | 6 |
| TOTAL | 40 |

QUESTION 3: BUSINESS ROLES

3.1 Social rights

- Access to clean water ✓
- Social security ✓
- Basic education ✓
- Health care services ✓
- Cultural participation ✓
- Protection ✓

NOTE: Mark the first TWO (2) only.

(2 x 1)(2)

3.2 Difference between problem solving and decision making

| PROBLEM SOLVING | DECISION MAKING |
|---|---|
| - Problems can be solved by a group/team or an individual team member. ✓✓ | - It is often done by one person/a member of senior management who makes it 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 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 decision making or problem solving only.

Max (4)

3.3 King code principles

3.3.1 King code principles from the scenario

| KING CODE PRINCIPLES | MOTIVATIONS |
|-----------------------------|---|
| 1. Transparency ✓✓ | The management of NM ensures that decisions are clearly communicated to all stakeholders. ✓ |
| 2. Accountability ✓✓ | They appointed external auditors to audit their financial statements. ✓ |
| 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 King Code principles even if the quotes were incomplete.**
 - 4. Do not award marks for the motivations if the King Code principles were incorrectly identified.**

Max (6)

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

- Mission statement should include the values of equality / respect. √√
- Businesses should treat all employees equally, regardless of their race/ colour/ age/ Gender / disability √√ etc.
- 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 is line with minimum requirements of BCEA / Remunerate employees for working overtime / during public holidays. √√
- Engage in environmental awareness programmes / refraining from polluting the environment, e.g. legally disposing of toxic waste. √√
- Refrain from starting a business 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. √√
- Draw up a code of ethics / conduct. √√
- On-going training and development of 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 (4)

3.4 Impact of brainstorming

Positives/Advantages

- Non-critical discussion takes place√ where all ideas are considered. √
- Team members can build√ on each other's ideas. √
- It stimulates√ creative thinking√
- Allows team members to look at a problem√ from a different perspective. √
- Any other relevant answer related to the positive impact/advantages of brainstorming as a problem-solving technique.

AND/OR

Negatives/Disadvantages

- Brainstorming is time consuming as all stakeholders/employees may generate too many ideas√ which can delay decision making. √
- Some team members√ may dominate discussion. √
- Fear of criticism may prevent √full participation in brainstorming sessions. √
- Any other relevant answer related to the negative impact/disadvantages of brainstorming as a problem-solving technique.

Max (6)

3.5 Characteristics of successful team performance

3.5.1 Characteristics of successful team performance in the scenario

- The SM team members value the contributions of individual members. ✓
- Team members share a set of team values and implement group decisions. ✓

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

- 2. Only award marks for characteristics of a successful team performance quoted from the scenario. (2X1) (2)**

3.5.2 Other characteristics of successful team performance

- Successful teams share a common goal ✓ as team members are part of the process of setting goals for the group. ✓
- There is a climate of respect/trust ✓ and honesty. ✓
- Team members enjoy open communication ✓ and deal with items of conflict immediately. ✓
- Teams are accountable and members know the time frame ✓ for achieving their goals. ✓
- Teams pay attention to the needs ✓ of the individual team members. ✓
- Successful teams have sound ✓ intra-team relations. ✓
- Any other relevant answer related to other characteristics of a successful team performance.

NOTE: Do not allocate marks for responses that are quoted from the scenario. Max (4)

3.6 Causes of conflict in the workplace

- 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, ✓ e.g., 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 worker inputs. ✓
- Unrealistic deadlines/Heavy workloads ✓ lead to stress resulting in conflict. ✓
- Lack of agreement on mutual matters ✓, e.g., 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

Max (6)

3.7 Ways to in which businesses could create an environment that promote creative thinking in the workplace

- Businesses must emphasise the importance of creative thinking to ensure that all staff know that their ideas will be heard. ✓✓

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

Max (6)
[40]

BREAKDOWN OF MARKS

| QUESTION 3 | MARKS |
|--------------|-----------|
| 3.1 | 2 |
| 3.2 | 4 |
| 3.3.1 | 6 |
| 3.3.2 | 4 |
| 3.4 | 6 |
| 3.5.1 | 2 |
| 3.5.2 | 4 |
| 3.6 | 6 |
| 3.7 | 6 |
| TOTAL | 40 |

QUESTION 4: MISCELLANEOUS TOPICS

BUSINESS VENTURES

4.1 Factors that should be considered when making investment decisions

- Return of investment (ROI) √
- Risk √
- Investment term/period √
- Inflation rate √
- Taxation √
- Liquidity √

NOTE: Mark the first FOUR (4) only

(4 x 1) (4)

4.2 **Difference between limited and unlimited liability**

| LIMITED LIABILITY | UNLIMITED LIABILITY |
|---|--|
| - Losses are limited to the amount that the owner invested in the business. ✓✓ | - The owner’s personal assets may be seized to pay for the debts of the business ✓✓ |
| - The owner’s personal assets are protected against the debts of the business. ✓✓ | - The liability of the owner to pay debts/claims is not limited to the business only ✓✓ |
| - Applicable to forms of ownership/companies that have a separate legal entity/personality. | - Applicable to forms of ownership companies that do not have a separate legal entity/personality ✓✓ |
| - Any other relevant answer related to limited liabilities. | - Any other relevant answer related to unlimited liabilities |
| Submax (2) | Submax (2) |

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

4.3 **Type of visual aid**

4.3.1 **Type of visual aid from the scenario**

Hand-outs/flyers/brochures ✓✓ (2)

4.3.2 **Impact of hand-outs/flyers/brochures**

Positives/Advantages

- Meaningful hand-outs may be handed out at the start of the presentation ✓ to attract attention/encourage participation. ✓
- Notes/Hard copies of the slide presentation can be distributed at the end of the presentation ✓ as a reminder of the key facts of the presentation. ✓
- It is easy to update hand-outs ✓ with recent information or developments. ✓
- Notes may be compared with electronic slides ✓ to validate the accuracy. ✓
- Any other relevant answer related to the positive impact /advantages of hand-outs/flyers/brochures as a visual aid.



AND /OR

Negatives/Disadvantages

- Hand-outs cannot be combined with audio material, ✓ so it only focuses on the visual aspects of support material. ✓
- Handing out material at the start of the presentation ✓ may distract/lose audience attention. ✓
- As it only summarises key information, ✓ some details might be lost/omitted. ✓
- Printed material is expensive ✓ and it is easy to lose hard copies. ✓
- Increases the risk of unauthorised duplication/use ✓ of confidential information. ✓
- Any other relevant answer related to the negative impact /disadvantages of hand-outs/flyers/brochures as visual aid.

Max (6)

4.4 Advantages of the charismatic leadership style

- Expert at selling vision and achieve excellent results. √√
- Employees are motivated as the leader is energetic/ inspiring. √√
- Inspires loyalty/hard work among employees. √√
- Any other relevant answer related to advantages/positives of the charismatic leadership style

**Max (4)****BUSINESS ROLES****4.5 Types of unprofessional business practices**

- Sexual harassment √
- Unauthorised use of workplace funds and resources √
- Abuse of work time √

NOTE: Mark the first THREE (3) only.**(3x1) (3)****4.6 Benefits of diversity in the workplace**

- Workplace diversity improves the ability of the business to solve problems/ innovate/cultivate diverse markets. √√
- Employees 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 the business because they feel respected / accepted and understood. √√
- Diversified workforce can give the business a competitive advantage, as they can render a better service. √√
- Be respectful of differences / demonstrating diversity makes good business sense/ improves profitability √√
- Diverse businesses ensures that its 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 the business √√
- A diversified workforce stimulates debate on new / improved ways of getting things done. √√
- Employees represent various groups and therefore better able to recognise customer needs and satisfy customers. √√
- 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)**4.7 Roles of health and safety representative in protecting the workplace environment**

- Identify potential dangers √ in the workplace. √
- Ensure that protective clothing is provided /available √ to all workers. √
- Initiate/promote/Maintain /Review measures √ to ensure the health and safety of workers. √
- Check/Monitor the effectiveness √ of health and safety measures with management. √
- Ensure that all equipment that is necessary to perform work √ are provided /maintained regularly. √

- Promote safety training so that employees√ may avoid potential dangers/act pro-actively √
- Ensure that dangerous equipment is used √under the supervision of trained/qualified workers. √
- Ensure that workers' health and safety√ is not endangered by hazards resulting from production /processing/storage/transportation of material/equipment. √
- Work together with the employer to investigate any accidents/complaints√ from the workers concerning health and safety in the workplace. √
- Ensure that employers√ comply with COIDA. √
- Any other relevant answer related to the role of health and safety representative in protecting the workplace environment.

Max (4)

4.8 Socio economic issues

4.8.1 Socio economic issue from the scenario

Unemployment√√

(2)

Motivation:

Maco Traders is located in an area where many people are unable to find work due to illiteracy√ (1)

NOTE: Do not award marks for responses that are not quoted from the scenario.

Max (3)

4.8.2 Dealing with unemployment as a socio-economic issue

- Provide skills development programmes through learnerships. √√
- Offer bursaries to the community to improve the level of education. √√
- Create jobs for members of the community. √√
- Provide entrepreneurial programmes that can promote self-employment. √√
- Support existing small businesses to create more employment opportunities. √√
- Any other relevant answer related to dealing with unemployment as a socio-economic issue.

Max (4)

[40]

BREAKDOWN OF MARKS

| QUESTION 4 | MARKS |
|--------------|-----------|
| 4.1 | 4 |
| 4.2 | 4 |
| 4.3.1 | 2 |
| 4.3.2 | 6 |
| 4.4 | 4 |
| 4.5 | 3 |
| 4.6 | 6 |
| 4.7 | 4 |
| 4.8.1 | 3 |
| 4.8.2 | 4 |
| TOTAL | 40 |

TOTAL SECTION B: 80

SECTION C

Mark the FIRST question in this section.

QUESTION 5: BUSINESS VENTURES (MANAGEMENT AND LEADERSHIP)

5.1 Introduction

- Good leaders can also be good managers, as both can inspire/energise people and bring about change. ✓
- Many managers are also good leaders with excellent management skills. ✓
- Autocratic leaders may have positive impact on the wrong groups and worst situations. ✓
- Laissez-Faire leader delegates tasks to followers with little or no direction which might have both positive and negative impact on business. ✓
- The attitude of a leader has an influence on the success and or failure of the business. ✓
- Leaders and managers can create opportunities and motivate people to be productive which lead to successful businesses. ✓
- The democratic and laissez-faire leadership styles can be used in different situations to influence employees. ✓
- Any other relevant introduction related to differences between autocratic and democratic leadership styles/role of personal attitude in successful leadership/ impact of the laissez faire leadership style /situations in which transactional leadership style can be applied in the workplace. **Any (2x1) (2)**

5.2 Differences between the autocratic and democratic leadership styles

| AUTOCRATIC | DEMOCRATIC |
|---|---|
| - A leader takes all decisions alone without involving employees. ✓✓ | - The leader involves employees in the decision making process. ✓✓ |
| - Line of command/communication is clear✓ as it is top-down/followers know exactly what to do. ✓✓ | - Clear/Two-way communication as it ensures group commitment to final decision(s). ✓✓ |
| - Task-orientated ✓ as the opinions of employees are not considered. ✓✓ | - People-oriented, as employee's feelings and opinions are considered. ✓✓ |
| - New employees feel confident/safe as strong leadership is provided. ✓✓ | - Workers feel empowered as they are involved in the decision-making process. ✓✓ |
| - Useful in a crisis/urgent situation, e.g. after an accident/meeting tight deadlines. ✓✓ | - Useful when the leader depends on the inputs of experienced followers. ✓✓ |
| - Handles conflict situations by telling followers✓ what they should do. ✓✓ | - Handles conflict situations by involving followers in finding the best solution. ✓✓ |
| - Any other relevant answer related to the autocratic leadership style. | - Any other relevant answer related to the autocratic leadership style |
| Submax (6) | Submax(6) |

- NOTE: 1. The answer does not have to be in tabular format.**
2. The differences do not have to be linked.
3. Award a maximum of SIX (6) marks If the differences are not clear, mark either autocratic or democratic leadership style.

Max (12)**5.3 The role of personal attitude in successful leadership**

- Positive attitude√ releases leadership potential. √
 - A leader's good/bad attitude can influence√ the success/failure of the business. √
 - Leaders must know their strengths and weaknesses √to apply their leadership styles effectively. √
 - Great leaders understand that the right attitude√ will set the right atmosphere. √
 - Leaders' attitude may influence√ employees'/teams' thoughts/behaviour. √
 - Leaders should model the behaviour√ that they want to see in team members. √
 - Successful leaders consider the abilities/skills√ of team members to allocate tasks/roles effectively. √
 - Enthusiasm √ produces confidence in a leader. √
 - A positive attitude is critical for good leadership√ because good leaders will stay with the task regardless of difficulties/challenges. √
 - Successful employees and leaders have a constant desire to work√ and achieve personal/professional success. √
 - Leaders with a positive attitude√ know that there is always more to learn/space to grow. √
- Any other relevant answer related to the role of personal attitude in successful leadership.

Max (12)**5.4 Impact of the Laissez-faire leadership style****Positives/ Advantages**

- Workers/Followers are allowed to make decisions√ on their own work/ methods. √
- Subordinates have maximum freedom√ and can work independently. √
- Leader motivates workers by trusting them√ to do things themselves/on their own. √
- Authority is delegated√, which can be motivating/empowering to competent workers' skills/increase productivity. √
- Subordinates are experts√ and know what they want/can take responsibility for their actions. √
- Suitable for coaching/mentoring to motivate employees√ to achieve more/better things. √
- It can be empowering for competent followers√ as they are completely trusted to do their job. √
- Individual team members may improve/develop√ leadership skills. √
- Any other relevant answer related to the positive impact /advantages of the Laissez-faire as a leadership style on businesses

AND/OR**Negatives/ Disadvantages**

- Lack of clear direction/leadership√ may be demotivating to employees. √
- Employees can be held responsible for their own work√ which may lead to underperformance. √
- Could lead to conflict√ when some team members act as leaders and dictate to other team members. √



- Workers are expected to solve[√] their own conflict situations[√].
- Productivity may be compromised[√] with a lack of tight control over workers not meeting deadlines. [√]
- Productivity might be low[√] if employees lack the necessary knowledge or skills. [√]
- Any other relevant answer related to the negative impact / disadvantages of the Laissez-Faire as a leadership style on businesses

Max (14)

5.5 Situations in which transactional leadership style can be applied in the Workplace

The 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 do not have to change. ^{√√}
- productivity levels are very low/not according to targets. ^{√√}
- Any other relevant answer related to situations in which transactional leadership style can be applied in the workplace.

Max (8)

5.6 Conclusion

- Managers can also be successful leaders if they do not only focus on the task at hand, but also the people/workers who will execute the task. ^{√√}
- Leaders who understand various leadership styles may be able to lead effectively and handle any situation. ^{√√}
- A leader who is positive/enthusiastic/energetic will inspire his followers to improve/empower/uplift themselves to achieve their own personal goals. ^{√√}
- The democratic leadership style encourages innovative ideas and boosts the morale of workers. ^{√√}
- The laissez-faire leadership style provides experienced employees the opportunity for persona/career growth. ^{√√}
- The style used depends on the personality of the leader and nature of the business. ^{√√}
- Any other relevant conclusion related differences between autocratic and democratic leadership style/ role of personal attitude in successful leadership/ impact of the laissez faire leadership style / situations in which transactional leadership style can be applied in the workplace.

Any (1 x 2) (2)

QUESTION 5: BREAKDOWN OF MARK ALLOCATION

| DETAILS | MAXIMUM | TOTAL |
|---|---------|-------------------|
| Introduction | 2 | Max 32 |
| Differences between the democratic and autocratic leadership styles. | 12 | |
| The role of personal attitude in successful leadership | 12 | |
| The impact of the Laissez-Faire leadership style on businesses | 14 | |
| Situations in which transactional leadership style can be applied in the workplace. | 8 | |
| Conclusion | 2 | |
| INSIGHT | | 8 |
| 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 only some of the requirements are met.
 Allocate 0 marks where requirements are not met at all.

QUESTION 6: BUSINESS ROLES (SOCIAL RESPONSIBILITY, CSR AND CSI)

6.1 Introduction

- Social responsibility means that businesses contribute towards the well-being of the community and the environment in which they live in. ✓
- Corporate social responsibility means continuing commitment by business to behave ethically /contribute to economic development while improving the quality of life of communities ✓
- Triple bottom-line provides guidelines on CSI focus areas that must be implemented as part social responsibility. ✓
- Corporate social responsibility enables businesses to consider the impact of their operation on both the internal and external stakeholders. ✓
- Businesses have to identify the needs of their employees so that they develop relevant strategies that are aimed at promoting their well-being. ✓
- Any other relevant introduction related to the differences between CSR and CSI/ relationship between triple bottom line and social responsibility/ impact of CSI on businesses / ways in which businesses can contribute time and effort in improving the well-being of employees

Any (2x1) (2)

6.2 Differences between CSR and CSI

| CORPORATE SOCIAL RESPONSIBILITY | CORPORATE SOCIAL INVESTMENT |
|--|--|
| - The intention is to change business practices. ✓✓ | - Actively committing money and resources to uplift the community. ✓✓ |
| - Focus is on increasing image and profits. ✓✓ | - Focus is on the upliftment of community without return on investment. ✓✓ |
| - Ensure that all internal CSI policies/ - practices include stakeholders' interests/environmental issues. ✓✓ | - Ensure that CSI projects are relevant to the needs of communities. ✓✓ |
| - Often intended as a marketing initiative. ✓✓ | - Intended to benefit and uplift communities through social development. ✓✓ |
| - Projects are usually linked to the business, e.g. a manufacturing business offering to train the unemployed. ✓✓ | - Projects are external to the business and have a strong developmental approach. ✓✓ |
| - Refers to strategies used by business to take responsibility for their impact on society/ the environment ✓✓ | - Refers to any project undertaken by business which is not directly aimed at increased profit. ✓✓ |
| - Aims at improving the quality of life for employees/their families and the community in which the business operates ✓✓ | - Regarded as direct investments in projects that will benefit the community ✓✓ |
| - It is a way in which companies manage their business operations so that impacts positively on all stakeholders ✓✓ | - CSI projects are developmental in nature and business resources are used for the benefit / uplift the communities ✓✓ |
| - Focus is in the commitment from business to act ethically by contributing to social/ economic development ✓✓ | - CSI focuses on how businesses manage their expenditure on CSI projects ✓✓ |
| - Any other relevant answer related to CSR. | - Any other relevant answer related to CSR. |
| Submax (6) | Submax (6) |

- 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 Six (6) marks if the differences are not clear/Mark either CSR or CSI only.

Max (12)

6.3 Relationship between triple bottom line and social responsibility

6.3.1 Profit/Economic √√

- Triple Bottom line means that businesses should not only focus on profit/charge high prices√ but should also invest in CSI projects. √
- Businesses should not make a profit√ at the expense of its community. √
- Any other relevant answer related to the relationship between profit/economic as a triple bottom line element.

Heading (2)
Explanation (2)
Sub-max (4)

6.3.2 People/Social √√

- Business operations should not√ have a negative impact on/exploit people/ employees/customers/community. √
- Businesses should engage/invest in sustainable community programmes/ projects√ that will benefit/uplift communities. √
- Improve the lifestyle/quality of life √of their human resources/employees.
- Any other relevant answer related to the relationship between people/social and social responsibility as a triple bottom line element.

Heading (2)
Explanation (2)
Sub-max (4)

6.3.3 Planet/Environment √√

- Businesses should not exhaust resources/harm the environment√ for production/profit purposes. √
- They may support√ energy-efficient/eco-friendly products/production methods. √
- Recycle/Re-use waste√, e.g. packaging from recycled material. √
- Any other relevant answer related to the relationship between planet / environment as a triple bottom line element.

Heading (2)
Explanation (2)
Sub-max (4)
Max (12)

- NOTE: 1. The relationship should be clear in each of the three P'S (people, planet and profit)**
- 2. Award a maximum of SIX (6) marks for listing the elements without a clear explanation.**

6.4 Impact of corporate social investment/CSI on businesses

Advantages/Positives

- 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. √

- The business enjoys ✓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. ✓
- Assists in solving socio-economic issues✓ like poverty/unemployment, etc. ✓
- 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. ✓
- Businesses become more community-based✓ by working closely with the community to roll out skills development projects✓.
- Any other relevant answer related to the positive impact/advantages of corporate social investment/CSI on businesses

AND/OR

Negatives/Disadvantages

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

Max (12)

6.5 Ways in which businesses can contribute time and effort in improving the well-being of employees

- Pay fair wages/salaries to the workers based on the nature of their work/the prevailing economic conditions in the market. ✓✓
- Working conditions should include safety/medical/canteen facilities/benefits like housing/leave/retirement, etc. ✓✓
- Pay fair bonuses, based on business earnings, as acknowledgement for hard work and commitment. ✓✓

- Provide for employees' participation in decision making that affects them. √√
 - Provide recreational facilities for employees. √√
 - Offer annual physical/medical assessments to workers. √√
 - Make trauma debriefing/counselling/assistance available to any employee who requires these services. √√
 - Offer financial assistance in the case of any hardship caused by unexpected medical costs. √√
 - Allow flexible working hours to enhance productivity. √√
 - Offer support programmes for employees infected and affected by HIV/Aids. √√
 - Make childcare facilities available on the premises for working mothers in the business.
 - Start a nutritional programme so that employees can enjoy one meal per day to keep them in a healthy condition. √√
 - Give time to staff to get involved in projects they choose/Allow staff to use some of the working hours to participate in the projects of their choice. √√
 - Encourage employees to stay fit and healthy by getting them involved in health activities to minimize stress/substance abuse/obesity. √√
 - Provide transport for employees who work unusually long hours. √√
 - Establish coaching and mentoring programmes for junior employees. √√
 - Conduct team-building sessions to improve employees' morale. √√
 - Encourage employees to attend capacity-building workshops/training programmes/ staff development programmes/team-development programmes. √√
 - Any other relevant answer related ways in which businesses can contribute time and effort in improving the well-being of employees
- Max (10)**

6.6 Conclusion

- Businesses should form partnership with the government when engaging into CSI projects that require a huge capital investment. √√
 - The triple bottom line is a sustainability framework that measures a business's success in three key areas: profit, people, and the planet. √√
 - Businesses are obligated to implement CSR programmes that benefit communities and their operations. √√
 - The contribution of businesses towards the well-being of employees may be perceived as good corporate governance and improves the employees' morale. √√
 - The well-being of employees is vital for a business's sustainability/ productivity in the market. √√
 - Any other relevant conclusion related to the differences between CSR and CSI/ relationship between triple bottom line and social responsibility/ impact of CSI on businesses /ways in which businesses can contribute time and effort in improving the well-being of employees.
- Any (1 x 2) (2)**

QUESTION 6: BREAKDOWN OF MARK ALLOCATION

| DETAILS | MAXIMUM | TOTAL |
|---|---------|-------------------|
| Introduction | 2 | Max 32 |
| Differences between (CSR) and (CSI) | 12 | |
| Relationship between triple bottom line and social responsibility | 12 | |
| The impact of CSI on businesses | 12 | |
| Ways in which businesses could contribute to the wellbeing of their employees | 10 | |



| | | |
|-------------------------|----------|-----------|
| Conclusion | 2 | |
| INSIGHT | | |
| Layout | 2 | 8 |
| 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 only some of the requirements are met.

Allocate 0 marks where requirements are not met at all.

TOTAL SECTION C: 40