



Western Cape
Government

FOR YOU

**WESTERN CAPE
EDUCATION DEPARTMENT**



GRADE 12

BUSINESS STUDIES

PREPARATORY EXAMINATION

PAPER 2

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** for all the candidates.
SECTION B: Consists of THREE questions.
 Answer any TWO of the three questions in this section.
SECTION C: Consists of TWO questions.
 Answer ONE of the two questions in this section.
- Read the instructions for each question and take careful note of what is required. Note that only the first TWO questions in SECTION B and the FIRST question in SECTION C will be marked.
- Number the answers correctly according to the numbering system used in this question paper. NO marks will be awarded for incorrectly numbered answers.
- Except where other instructions are given, answers must be in **FULL SENTENCES**.
- Use the mark allocation and nature of each question to determine the length and depth of an answer.
- Use the table below as a guide for mark and time allocation when answering each question.

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

- Start the answer to EACH question on a NEW page, for example QUESTION 1 - new page, QUESTION 2 - new page
- You may use a non-programmable calculator.
- Write neatly and legibly.
- Use a BLUE / BLACK pen.

SECTION A - COMPULSORY

QUESTION 1

- 1.1 Various options are given 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 Jane uses the... leadership style by allowing her employees to give their inputs when making strategic decisions.
- A. autocratic
 - B. transactional
 - C. democratic
 - D. Laissez-faire
- 1.1.2 Bafana & Banyana Attorneys are jointly and severally liable for the debts of the business. This form of ownership is known as a ...
- A. public company.
 - B. partnership.
 - C. sole trader.
 - D. private company.
- 1.1.3 Clinton invested R2 000 in a savings account at ABC Bank at 8% simple interest per year. He will earn ... interest after two years.
- A. R160
 - B. R320
 - C. R2 160
 - D. R2 320
- 1.1.4 Team dynamic theories help businesses to ...
- A. allocate tasks to team members with similar personalities.
 - B. allocate tasks according to the role of each team member.
 - C. establish good relationships with teams.
 - D. promote individual satisfaction.
- 1.1.5 Reporting unsafe working conditions to management is the responsibility of the...
- A. employee.
 - B. trade union.
 - C. production manager.
 - D. employer.

(5 x 2) (10)


- 1.2 Complete the following statements by using the word(s) provided in the list below. Write only the word(s) next to the question numbers (1.2.1 to 1.2.5) in the ANSWER BOOK

shares; excess; aggressive; grievance; Corporate Social Responsibility; expert; conflict; premium; debentures; Corporate Social Investment
--

- 1.2.1 The insurer requested Sue Stores to first pay an amount of R3 000 as a ... payment when claiming for damages to their vehicle.
- 1.2.2 Teko Limited issued ... to raise borrowed capital from the public.
- 1.2.3 The ... procedure may be used to resolve the case of verbal abuse of the secretary by her manager.
- 1.2.4 The manager did not accuse the employee with an ... type of personality of being incorrect.
- 1.2.5 The internal policy of Kopano (Pty) Ltd includes stakeholders' interests and environmental issues as part of their...programmes.

(5 x 2) (10)

1.3 Choose a term from COLUMN A that matches the description in COLUMN B. 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
<p>1.3.1 Charismatic leadership style</p> <p>1.3.2 Limited liability</p> <p>1.3.3 Graphs</p> <p>1.3.4 King code principle of Transparency</p> <p>1.3.5 Professional business conduct</p> 	<p>A. leaders reward employees for meeting targets</p> <p>B. shows the appearance of data in a schematic representation</p> <p>C. businesses should make auditing and other reports available to shareholders</p> <p>D. leaders use their personality to inspire and motivate employees</p> <p>E. employees ignoring the dress code of the business</p> <p>F. shareholders' personal assets may be seized to pay for the debts of the business</p> <p>G. employees adhering to business policies at all times</p> <p>H. shareholders only lose capital invested to pay for the debts of the business</p> <p>I. businesses should be accountable for their actions</p> <p>J. shows the relationship between two sets of variables</p>

(5 x 2) (10)

TOTAL SECTION A: [30]

SECTION B

Answer **ANY TWO** questions in this section.

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

QUESTION 2: BUSINESS VENTURES

- 2.1 Name any THREE factors that should be considered when making investment decisions. (3)
- 2.2 Identify the form of investment chosen by Josh in EACH statement below:
- 2.2.1 Josh invested a small amount of money in a financial institution where it is managed by a fund manager.
- 2.2.2 He chose an investment listed on the JSE with no charges and commission payable. (4)
- 2.3 Read the scenario below and answer the questions that follow.

ELSE COMMUNICATIONS (EC)

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

- 2.3.1 Identify the visual aid that Charmelle used in her presentation. Motivate your answer by quoting from the scenario above. (3)
- 2.3.2 Explain the advantages of the visual aid identified in QUESTION 2.3.1. (4)
- 2.3.3 Outline factors that should be considered by the presenter while presenting. (6)
- 2.4 Explain how the following factors could contribute to the success and/or failure of a public company.
- 2.4.1 Capital (4)
- 2.4.2 Legislation (4)
- 2.5 Discuss the importance of the RAF/RABS as a type of compulsory insurance. (6)
- 2.6 Evaluate the advantages of unit trusts as a form of investment. (6)

[40]

QUESTION 3: BUSINESS ROLES

- 3.1 List FOUR social rights of employees in the workplace. (4)
- 3.2 Identify the human rights applied at L'ABEILLA Bakery in EACH of the statements below:
 - 3.2.1 L'abeilla treats all her employees the same regardless of their socio-economic status.
 - 3.2.2 Employees can raise their grievances without fear of victimisation.
 - 3.2.3 Employees work in a safe working environment that is free from hazardous products. (6)
- 3.3 Explain the implication of equality, respect and dignity on businesses. (6)
- 3.4 Recommend ways in which businesses could promote cultural rights in the workplace. (4)
- 3.5 Read the scenario below and answer the questions that follow:

HYDRA SPA (HS)

HS realize the importance of creative thinking and effective problem-solving in business. Employees were requested to suggest new ideas in a large group without working individually. These ideas were used to inspire new thoughts. The management of HS evaluated the advantages and disadvantages of each idea.

- 3.5.1 Identify TWO problem-solving techniques used by HS. Quote from the scenario above to support your answer. (6)
- 3.5.2 Discuss the advantages of ONE of the problem-solving techniques identified in QUESTION 3.5.1. (4)
- 3.6 Distinguish between decision-making and problem-solving. (4)
- 3.7 Advise on ways in which HS can create an environment that promotes creative thinking. (6)

[40]



QUESTION 4: MISCELLANEOUS TOPICS

BUSINESS VENTURES

- 4.1 State any FOUR examples of insurable risks. (4)
- 4.2 Read the scenario below and answer the questions that follow.

DELFT TRADERS (DT)

Delft Traders bought inventory to the value of R900 000, but they insured it for R600 000. DT lost inventory to the value of R60 000 due to damage caused by heavy storms.

- 4.2.1 Name the insurance clause that is applicable in the above scenario. (2)
- 4.2.2 Calculate the amount that DT will receive as compensation from the insurer. Show ALL calculations. (4)
- 4.3 Discuss the advantages of insurance for businesses. (6)
- 4.4 Advise businesses on any TWO aspects that should be considered when designing a multimedia presentation. (4)

BUSINESS ROLES

- 4.5 List TWO diversity issues in the workplace. (2)
- 4.6 Read the scenario below and answer the questions that follow.

SIYAZAKHA TECH (ST)

Ismail and Jawaad are computer science graduates who want to undertake a research project. Jawaad always questioned the other members' ideas and opinions as he wanted to be the team leader. The team members eventually reached an agreement and consensus on the way forward.

- 4.6.1 Identify the TWO stages of team development that were experienced by ST. Motivate your answer by quoting from the scenario above. Use the table below as a guide to answer QUESTION 4.5.1. (6)

STAGES OF TEAM DEVELOPMENT	MOTIVATION

- 4.6.2 Explain TWO other stages of team development. (6)
- 4.7 Suggest ways in which businesses may deal with difficult employees in the workplace. (6)

[40]

TOTAL SECTION B: [80]

SECTION C

Answer **ONE** question in this section.

NOTE: Clearly indicate the QUESTION NUMBER of each question you select. The answer to EACH question must start on a NEW page, for example QUESTION 5 on a NEW page or QUESTION 6 on a NEW page.



QUESTION 5: BUSINESS VENTURES (MANAGEMENT AND LEADERSHIP)

Managers and leaders have realised that they need both management and leadership skills for successful business ventures. They are also in agreement that personal attitude plays an important role in promoting a good team spirit. Leadership theories include traits that people need to increase their leadership capabilities. Different leadership styles can be used in different situations.

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

- Outline the role of personal attitude in successful leadership.
- Distinguish between management and leadership.
- Discuss the situational and transformational management and leadership theories.
- Advise business on the impact of autocratic and transactional leadership styles.

[40]

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

Businesses are required to address socio-economic issues through corporate social responsibility (CSR) and corporate social investment (CSI) initiatives. Businesses must know the purpose of CSI, as well as the differences between CSR and CSI. There is also a direct link between social responsibility and the triple bottom line. Businesses must bear in mind the impact of CSR on communities.

Write an essay on social responsibility, CSR and CSI in which you include the following aspects:

- Outline the purpose of CSI.
- Distinguish between CSR and CSI.
- Explain the link between social responsibility and the triple bottom line.
- Advise businesses on the advantages of CSR for communities.

[40]

TOTAL SECTION C: [40]

TOTAL: [150]



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**PREPATORY EXAMINATION
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MARKING GUIDELINE

MARKS: 150

TIME: 2 HOURS

This question paper consists of 30 pages.

NOTES TO MARKERS

PREAMBLE

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

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

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

Marker:	Red
Senior Marker:	Green
Deputy Chief Marker:	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 responses provided by candidates, that are relevant within the context of a particular question, and allocate marks accordingly. (In cases where the answer is unclear or indicates some understanding, part-marks should be awarded, for example, one mark instead of the maximum of two marks.)

5. The word 'Submax' is used to facilitate the allocation of marks within a question or sub-question.

6. The purpose of circling marks (guided by 'max' in the breakdown of marks) on the right-hand side is to ensure consistency and accuracy in the marking of scripts as well as for calculation and moderation purposes.

7. Subtotals to questions must be written in the right-hand margin. Circle the subtotals as indicated by the allocation of marks. This must be guided by 'max' in the marking guidelines. Only the total for each question should appear in the left-hand margin next to the appropriate question number.

8. In an indirect question, the theory as well as the response must be relevant and related to the question.

9. Correct numbering of answers to questions or sub questions is recommended in SECTIONS A and B. However, if the numbering is incorrect, follow the sequence


of the candidate's responses. Candidates will be penalised if the latter is not clear.

10. No additional credit must be given for repetition of facts. Indicate with an 'R'.
11. The differentiation between 'evaluate' and 'critically evaluate' can be explained as follows:
 - 11.1 When 'evaluate' is used, candidates are expected to respond in either a positive/negative manner or take a neutral (positive and negative) stance, e.g. **Positive:** *'COIDA eliminates time and costs spent√ on lengthy civil court proceedings.'*√
 - 11.2 When 'critically evaluate' is used, candidates are expected to respond in either a positive/negative manner or take a neutral (positive and negative) stance. In this instance candidates are also expected to support their responses with more depth, e.g. *'COIDA eliminates time and costs spent√ on lengthy civil court proceedings√, because the employer will not be liable for compensation to the employee for injuries sustained during working hours as long as it can be proved that the business was not negligent.'*√

NOTE: 1. The above could apply to 'analyse' as well.
 2. Note the placing of the tick (√) in the allocation of marks.

12. The allocation of marks must be informed by the nature of the question, cognitive verb used, mark allocation in the marking guideline and the context of each question.

Cognitive verbs, such as:

- 12.1 Advise, name, state, outline, motivate, recommend, suggest, (*list not exhaustive*) do not usually require much depth in candidates' responses. Therefore, the mark allocation for each statement/answer appears at the end. 
- 12.2 Define, describe, explain, discuss, elaborate, distinguish, differentiate, compare, tabulate, analyse, evaluate, critically evaluate (*list not exhaustive*) require a greater depth of understanding, application and reasoning. Therefore, the marks must be allocated more objectively to ensure that assessment is conducted according to established norms so that uniformity, consistency and fairness are achieved.

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

14. **SECTION B**

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

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

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

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

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

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

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

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

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

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

15. **SECTION C**

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

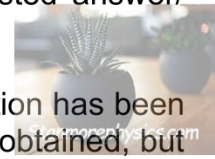
Introduction	Maximum: 32
Content	
Conclusion	
Insight	8
TOTAL	40

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? Option 1: Only relevant facts: 2 (No '-S') 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: 1 (One '-S') 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: 1 (One '-S') 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. Option 4: No relevant facts: 0 mark (Two '-S') Where a candidate answers less than 50% (only one sub-question) of the questions with no relevant facts; two '-S' appears in the left margin. Award a ZERO mark synthesis	2
Originality	Is there evidence of one example per topic/subtopic based on recent information, current trends and developments not older than one (1) year?	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 SUBMAX/MAX mark in a subsection has been attained. Write SUBMAX/MAX after maximum marks have been obtained, but continue reading for originality "O".
- 15.6 At the end of each essay indicate the allocation of marks for facts and marks for insight as follows: (L – Layout, A – Analysis, S – Synthesis, O – Originality) as in the table below.



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

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

This will be informed by the nature and context of the question, as well as the cognitive verb used.
- 15.11 With effect from November 2017, the maximum of TWO (2) marks for facts shown as headings in the marking guidelines, will not necessarily apply to each question. This would also depend on the nature of the question.

**SECTION A - COMPULSORY
QUESTION 1**

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

(5 x 2) (10)

- 1.2.1 Excess ✓✓
- 1.2.2 Debentures ✓✓
- 1.2.3 grievance ✓✓
- 1.2.4 expert ✓✓
- 1.2.5 Corporate Social Responsibility ✓✓



(5 x 2) (10)

- 1.3.1 D ✓✓
- 1.3.2 H ✓✓
- 1.3.3 J ✓✓
- 1.3.4 C ✓✓
- 1.3.5 G ✓✓

(5 x 2) (10)

TOTAL SECTION A: [30]

SECTION B

Mark the first TWO (2) questions answered.

QUESTION 2: BUSINESS VENTURES

2.1 **Factors that should be considered when making investment decisions**

- Return on investment (ROI) ✓
- Risk ✓
- Investment term/period ✓
- Inflation rate ✓
- Liquidity ✓
- Taxation / Tax implications ✓
- Any other relevant answer related to the factors that should be considered when making investment decisions.

NOTE: Mark the first THREE (3) only.

(3x1) (3)

2.2 **Form of investment**

2.2.1 Unit trusts ✓✓

2.2.2 Government / RSA retail savings bonds ✓✓

Max (4)

2.3 **Visual Aid**

2.3.1 PowerPoint / Google slides / Data projector / Projector ✓✓

(2)

Motivation

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

(1)

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

Max (3)

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

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

NOTE: Accept relevant facts if the visual aid was incorrectly identified as an answer in QUESTION 2.3.1.

Max (4)

2.3.3 **Factors that should be considered while presenting**

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

Max (6)

2.4 **Factors that contribute to the success and/or failure of a public company**

2.4.1 **CAPITAL SUCCESS**

- Large amounts of capital can be raised ✓ as shares / debentures can be sold to the public / shareholders / no limit to the number of shareholders. ✓
- The share capital clause in the Memorandum of Incorporation (MOI) ✓ may be changed to issue more shares. ✓
- The company can access long term capital ✓ and therefore has good long-term growth opportunities. ✓
- A public company's shares are listed on the JSE ✓ which gives the company exposure to more potential investors. ✓
- Any other relevant answer related to how capital could contribute to the success of a public company.

AND/OR

FAILURE

- Large amounts of capital required ✓ to start a public company. ✓
- Growth is limited ✓ if sufficient capital cannot be raised. ✓
- Raising extra capital may be difficult ✓ if the economic climate is unfavourable. ✓
- Share prices change all the time ✓ decreasing the value of shares. ✓
- An increase in the number of shares issued ✓ may lead to more dividends being paid out / less retained income from company profits. ✓
- Any other relevant answer related to how capital could contribute to the failure of a public company.

Max (4)

2.4.2 **LEGISLATION**

SUCCESS

- Procedures to form a public company have been simplified ✓ by the new Companies Act 71 of 2008. ✓
- Limited liability allows for greater risk taking, ✓ and may lead to growth of the business. ✓
- Auditing of financial statements gives shareholders the assurance ✓ and supports raising additional finance. ✓
- The company and its shareholders are separate entities, ✓ which may encourage more people to join the company. ✓
- A public company can benefit from government programmes ✓ if they comply with the relevant legislation. ✓
- Personal liability of shareholders ✓ does not affect the company's assets. ✓
- Companies which comply with legislation ✓ build a positive image/may attract investors. ✓
- Continuity of existence ✓ due to the legal personality of the company. ✓
- Any other relevant answer related to how legalisation could contribute to the success of a public company.

AND/OR

FAILURE

- Formation procedures are time consuming / complicated / expensive, ✓ as many legal documents need to be prepared/submitted. ✓
- High formation / establishment expenses ✓ require large start-up capital. ✓
- Annual audit of financial statements is costly ✓ as auditors must be paid. ✓
- If a public company does not comply with legislation, ✓ its licence maybe withdrawn by the CIPC. ✓
- Directors' fees increase the company's expenses ✓ which reduces the cash flow / net profit. ✓
- Any other relevant answer related to how legislation could contribute to the failure of a public company.

- NOTE:** 1. The answers do not have to be in tabular format.
 2. Mark either the success and/or failure of EACH factor.

Max (4)

2.5 **Importance of the RAF/RABS as a type of compulsory insurance**

- RAF/RABS insures road-users ✓ against the negligence of other road users. ✓
- The RAF/RABS provides compulsory cover for all road users ✓ in South Africa, which include South African businesses. ✓
- Drivers of business vehicles are indemnified against claims ✓ by persons injured in vehicle accidents. ✓
- RAF/RABS is funded by a levy ✓ on the sale of fuel/diesel/petrol. ✓
- The amount that can be claimed for loss of income ✓ is limited by legislation. ✓
- The next of kin of workers/ breadwinners ✓ who are injured/killed in road accidents, may claim directly from RAF/RABS. ✓
- Injured parties and negligent drivers ✓ are both covered by RAF/RABS. ✓
- The injured party will be compensated, ✓ irrespective of whether the negligent driver is rich/poor/insured/uninsured. ✓
- RAF/RABS aims to simplify / expedite the claim process ✓ because victims of road accidents no longer have to prove who caused the accident. ✓
- RAF/RABS quickly enables road accident victims to access medical care ✓, as delays due to accident investigation are reduced ✓
- Any other relevant answer to the importance of the RAF/RABS.

Max (6)



2.6 **Positives/Advantages of unit trusts as a form of investment**

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

Max (6)
[40]

QUESTION 3: BUSINESS ROLES

3.1 Social rights of employees in the workplace.

- Clean water ✓
- Education ✓
- Protection ✓
- Health care ✓
- Any other relevant answer.

NOTE: Mark the first FOUR (4) only.

(4 x 1) (4)

3.2 Human rights from statements

3.2.1 Equity ✓✓

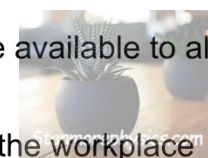
3.2.2 Freedom of speech and expression ✓✓

3.2.3 Safety/security and protection of life ✓✓

Max (6)

3.3 Implication of equality, respect and dignity on businesses

- Employees must be treated equally ✓, regardless of their race, colour, age, gender, disability, and so on. ✓
- Equal access to opportunities, positions, and resources ✓ must be available to all employees. ✓
- Legislation concerning equal opportunities and human rights ✓ in the workplace must be implemented by employers and employees. ✓
- Businesses should develop equity programmes ✓ that promote strategies to ensure that all employees are treated equally regardless of status, rank, or power. ✓
- The mission statement of the business should include values ✓ of equality and respect. ✓
- Businesses should include issues such as diversity, discrimination, and harassment in their training ✓, information, or business policies. ✓
- Incidents of discrimination must be reported ✓, and employers should respond swiftly and fairly to these issue in the workplace. ✓
- Employers must ensure that the workplace environment is safe ✓, fair, and free from embarrassment. ✓
- Employers must give orders or tasks respectfully ✓ and if appropriate, allow the employees to have a say in the way the task should be performed. ✓
- Workers should be treated with respect ✓ and dignity by recognising work well done. ✓
- Any other relevant answer related to implication of equality, respect and dignity on businesses.



Max (6)

3.4 **Ways in which businesses could promote cultural rights in the workplace.**

- The business must respect the right of workers to participate in the cultural life of their choice. ✓✓
- They must provide an environment in which employees are free to use their language when interacting with others during their free time. ✓✓
- To help employees respect each other, the business can hold regular cultural information sessions in the workplace. ✓✓
- Different cultures can be accommodated by providing different food in the canteen as well as staff functions. ✓✓
- According to the EEA, the business must employ people from various cultural backgrounds. ✓✓
- The business must train employees to tolerate other cultures in the workplace.
- Any other relevant answer.

Max (4)

3.5.1

PROBLEM SOLVING TECHNIQUE	QUOTE FROM SCENARIO
Brainstorming ✓✓	Employees were requested to suggest new ideas in a large group without working individually / These ideas were used to inspire new thoughts. ✓
Force-field analysis ✓✓	The management of HS evaluated the advantages and disadvantages of each idea. ✓

Sub max (4)

Sub max (2)

NOTE: 1. Mark the first TWO (2) only.
2. Do not award marks for quotes if the problem-solving techniques are incorrectly identified.

Max (6)

3.5.2 **Advantages of problem-solving techniques**

Advantages of brainstorming:

- Better solutions are developed ✓ through collective contributions. ✓
- Combinations of ideas/improvements can be chosen ✓ after all the ideas have been written down. ✓
- Employees are motivated ✓ as they can contribute to problem-solving. ✓
- Stimulates creative thinking ✓ in the workplace. ✓
- People get ideas from others ✓ and build on them. ✓
- Any other relevant answer related to the advantages of brainstorming as a problem-solving technique.

OR

Advantages of Force-field analysis

- Employees feel included ✓ and understood. ✓
- Employees develop ✓ and grow with the business. ✓
- Informed decisions can be made ✓ as forces for and against are critically evaluated. ✓
- Enables businesses to strengthen the driving forces ✓ and weaken the restraining forces. ✓
- Any other relevant answer related to the advantages of Force-field analysis as a problem-solving technique.

NOTE: 1. Accept relevant facts, if brainstorming/force-field analysis was incorrectly identified as answers in QUESTION 3.5.1.
 2. Do not award marks for 'change the design'/'inspire new thoughts' as advantages of problem-solving techniques.

Max (4)

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

DECISION MAKING	PROBLEM-SOLVING
<ul style="list-style-type: none"> • It is often done by one person/a member of senior management ✓ who makes it authoritarian. ✓ • Various alternatives are considered ✓ before deciding on the best one. ✓ • It is part of the problem-solving cycle ✓ as decisions need to be taken in each step. ✓ • Any other relevant answer related to decision making. 	<ul style="list-style-type: none"> • Problems can be solved by a group/team ✓ or an individual team member. ✓ • Alternative solutions are generated/identified and critically evaluated. ✓ • Process of analysing a situation ✓ to identify strategies to bring about change. ✓ • Any other relevant answer related to problem solving.

Sub max (2)

Sub max (2)

NOTE: 1. The answer does not have to be in tabular format, but the distinction must be clear.
 2. If the distinction is not clear, award a maximum of TWO (2) marks / Mark either decision making or problem solving only.

Max (4)

3.7 **Ways to create an environment that promotes creative thinking.**

- Emphasise the importance of creative thinking to ensure that all staff know that management wants to hear their ideas. ✓✓
- Encourage staff to come up with new ideas / opinions / solutions. ✓✓
- Make time for brainstorming sessions to generate new ideas, e.g. regular workshops / generate more ideas / build on one another's ideas. ✓✓
- Place suggestion boxes around the workplace and keep communication channels open for new ideas. ✓✓
- 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. ✓✓
- Respond enthusiastically to all ideas and never let anyone feel less important. ✓✓
- Any other relevant answer related to the ways in which business can promote creative thinking.

Max (6)
[40]

QUESTION 4: MISCELLANEOUS BUSINESS VENTURES

4.1 **Examples of insurable risks**

- Theft ✓
- Fidelity insurance ✓
- Burglary ✓
- Money in transit ✓
- Fire ✓
- Natural disasters / storms / wind / rain / hail ✓
- Damage to / loss of assets / vehicles / equipment / buildings / premises ✓
- Injuries on premises ✓
- Any other relevant answer.

NOTE: Mark only the first FOUR (4).

(4x1) (4)

4.2 **Insurance**

4.2.1 Average clause ✓✓

Max (2)

4.2.2 **Calculation of average clause**

$\frac{\text{Insured amount} \times \text{Loss/Damage}}{\text{Market value}}$ ✓

$$\frac{R600\ 000 \times R60\ 000}{R900\ 000} = R40\ 000 \quad \checkmark\checkmark\checkmark\checkmark$$

- NOTE:**
1. Award full marks FOUR (4) if the answer is correct and no workings are shown.
 2. If workings were shown correctly but the final answer is wrong, award a maximum of THREE (3) marks.
 3. If the answer is incorrect, award a maximum of TWO (2) marks for the understanding of concept and method.

Max (4)

4.3 **Importance of insurance for businesses**

- Transfers the risk from businesses / insured ✓ to an insurance company / insurer. ✓
- Transfer of risk is subject to the terms and conditions ✓ of the insurance contract. ✓
- Protects businesses against theft/loss of stock and/or damages ✓ caused by natural disasters such as floods, storm damage, ✓ etc.
- Businesses will be compensated for insurable losses ✓, e.g. destruction of property through fire. ✓
- Businesses' assets, e.g. vehicles / equipment / buildings need to be insured ✓ against damage and / or theft. ✓
- Businesses are protected against the loss of earnings ✓, e.g. strikes by employees which result in losses worth millions. ✓
- Protects businesses ✓ against dishonest employees. ✓
- Life insurance can be taken on the life of partners in a partnership ✓ to prevent unexpected loss of capital. ✓
- Protects businesses against losses ✓ due to death of a debtor. ✓
- Any other relevant answer related to the advantages of insurance for businesses.

Max (6)

4.4 **Designing a multimedia presentation.**

- Start with the text which forms the basis of the presentation. ✓✓
- Select the background to complement/enhance the text. ✓✓
- Choose images that may help to communicate the message. ✓✓
- Include/Create graphics to assist the information which is 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. ✓✓
- Use legible font and font size so that it is easy to see/read ✓✓
- Keep slides/images/graphs/font simple by not mixing different styles/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 should be considered when designing a multimedia presentation.

NOTE: Mark the first TWO (2) only.

Max (4)

BUSINESS ROLES

4.5 **Diversity issues in the workplace**

- poverty ✓
- race ✓
- gender ✓
- language ✓
- age ✓
- culture/religion ✓
- disability ✓

NOTE: Mark the first TWO (2) only.

(2x1) (2)

4.6.1 **Stages of team development from the scenario**

STAGES OF TEAM DEVELOPMENT	MOTIVATION
Storming ✓✓	Jawaad always questioned the other member's ideas and opinions as he wanted to be the team leader. ✓
Norming / Settling / Reconciliation ✓✓	The team members eventually reached an agreement and consensus on the way forward. ✓

Sub max (4)

Sub max (2)

NOTE: 1. Do not award marks for motivation if the stages of team development were incorrectly identified.
 2. Award marks for the stages of team development even if the quote is incomplete.

Max (6)

4.6.2 **Other stages of team development**

FORMING ✓✓

- Individuals gather information and impressions about each other and the scope of the task and how to approach it. ✓
- This is a comfortable stage to be in. ✓
- People focus on being busy with routines, such as team organisation e.g. who does what, when to meet each other ✓, etc.
- Any other relevant answer related to the forming stage of team development.

Stage (2)

Explanation (1)

Sub max (3)

PERFORMING STAGE / WORKING AS A TEAM TOWARDS A GOAL ✓✓

- Team members are aware of strategies and aims of the team. ✓
- They have direction without interference from the leader. ✓
- Processes and structures are set. ✓
- Leaders delegate and oversee the processes and procedures. ✓

- All members are now competent, autonomous and able to handle the decision-making process without supervision. ✓
- Differences among members are appreciated and used to enhance the team's performance. ✓
- Any other relevant answer related to the performing stage/working as a team towards a goal of team development.

Stage (2)
Explanation (1)
Sub max (3)

ADJOURNING / MOURNING ✓✓

- The focus is on the completion of the task/ending the project. ✓
- Breaking up the team may be traumatic as team members may find it difficult to perform as individuals once again. ✓
- All tasks need to be completed before the team finally dissolves. ✓
- Any other relevant answer related to the adjourning/mourning stage of team development

Stage (2)
Explanation (1)
Sub max (3)

**NOTE: 1. Mark the first TWO (2) only.
2. Do not allocate marks for Storming / Norming as identified in QUESTION 4.6.1**

Max (6)

4.7 Ways in which businesses can deal with difficult employees

OPTION 1

- Get perspective from others who have experienced the same kind of situation to be able to understand difficult employees. ✓✓
- Act pro-actively if possible, as a staff/personnel problem is part of a manager's responsibilities. ✓✓
- Regular meetings with supervisors/departmental heads should help to identify difficult/problem behaviour. ✓✓
- Ask someone in authority for their input into the situation. ✓✓
- Identify the type of personality which is creating the problem. ✓✓
- Meet privately with difficult employees, so that there are no distractions from other employees/issues. ✓✓
- Make intentions and reasons for action known, so that difficult person/people feel at ease. ✓✓
- Employees should be told what specific behaviours are acceptable by giving details about what is wrong/unacceptable and also an opportunity to explain their behaviour. ✓✓
- A deadline should be set for improving bad/difficult behaviour. ✓✓
- The deadline date should be discussed with the difficult employee and his/her progress should be monitored/assessed prior to the deadline. ✓✓

- Guidelines for improvement should be given. ✓✓
- Do not judge the person, but try to understand him/her/Understand his/her intentions and why he/she reacts in a certain way. ✓✓
- Keep communication channels open/Encourage employees to communicate their grievances to management. ✓✓
- Build rapport/sound relations by re-establishing personal connection with colleagues, instead of relying on e-mails/messaging/social media. ✓✓
- Help difficult employees to be realistic about the task at hand. ✓✓
- Remain calm and in control of the situation to get the person(s) to collaborate. ✓✓
- Treat people with respect, irrespective of whether they are capable/competent or not. ✓✓
- Sometimes it may be necessary to ignore and only monitor a difficult person. ✓✓
- Identify and provide an appropriate support program to address areas of weakness. ✓✓
- Any other relevant answer related to how businesses can deal with difficult people/personalities.

AND/OR

OPTION 2 (Personalities)

TYPE OF PERSONALITY	STRATEGY TO DEAL WITH A PERSONALITY
Complainer✓	Listen to the complaints but do not acknowledge them. ✓ Interrupt the situation and move to the problem-solving process as soon as possible. ✓
Indecisiveness✓	Guide them through alternatives. ✓ Stay in control and emphasise the importance of making a decision. ✓ Help them make the decision or solve the problem. ✓
Over agree✓	Be firm and do not let them make promises that they cannot keep. ✓ Follow up on their actions. ✓
Negativity✓	Be firm with them and do not let them draw the supervisor into their negativity. ✓ Listen to them but do not agree with them. ✓
Experts✓	Be firm and assertive. ✓ Do not accuse them of being incorrect/Do not get caught in their game. ✓ Know your facts. ✓
Quiet✓	Do not fill their silence with words. ✓ Wait for their response. ✓ Prompt them through the process so that they give input. ✓ Restrict the time of the discussion. ✓
Aggressive✓	Allow them time to speak and blow off steam. ✓ Be firm, but do not attack them. ✓ Do not allow them to be hostile towards others. ✓



NOTES: (Only applicable to OPTION 2)

1. Allocate a maximum of TWO (2) marks for only identifying the type of personality without a strategy.
2. Allocate ONE (1) mark for indicating the strategy without identifying the type of the personality / Take particular note of overlap of strategies.

Max (6)

[40]

TOTAL SECTION B: [80]

SECTION C

Answer ONE question in this section. Mark the FIRST question only.

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. ✓
- 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. ✓
- Many managers are also good leaders with excellent management skills. ✓
- Any other relevant introduction related to the role of personal attitude in successful leadership / distinction between leadership and management / situational and transformational leadership theories / impact of autocratic and transactional leadership styles.

(2x1) (2)

5.2 **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 (10)

5.3 Distinguish between the term's management and leadership

MANAGEMENT	LEADERSHIP
• Guides human behaviour. ✓	• Influences human behaviour. ✓
• Controls systems and procedures to get the job done. ✓	• Inspires staff to trust and support each another. ✓
• Focuses on how and when. ✓	• Focuses on what and why. ✓
• Manages the process of getting things done by exercising responsibility. ✓	• Guides/Leads people to become active participants. ✓
• Ensure that tasks are completed. ✓	• Always trying to find more efficient ways of completing tasks. ✓
• Instructional in their approach. ✓	• Motivational/Inspirational in their approach. ✓
• Task orientated. ✓	• People orientated. ✓
• Manage by planning/organising/leading/control. ✓	• Lead by example/trust/respect. ✓
• Does the right things. ✓	• Does things right. ✓
• Any other relevant fact related to management.	• Any other relevant fact related to leadership.

Sub max (4)

Sub max (4)

NOTE: 1. The answer does not have to be in tabular format but differences must be clear.

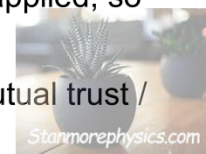
2. Award a maximum of FOUR (4) marks if differences are not clear.

Max (8)

5.4 Situational and transformational theories of leadership

5.4.1 Situational leadership theory

- Different leadership characteristics ✓ are needed for different situations ✓
- The task / situation dictates the leadership style ✓ that should be applied, so leaders are adaptable / flexible / self-assured ✓
- Relationships between leaders and employees ✓ are based on mutual trust / respect / loyalty / integrity / honesty. ✓
- Leaders can analyse the situation / get the most suitable people ✓ in the right positions to complete tasks successfully. ✓
- Effective application of this theory ✓ may enable leaders to accomplish their goals. ✓
- Can lead to conflict ✓ when leaders use different leadership styles / when employees are managed in different situations. ✓



Sub max (8)

5.4.2 **Transformational theory**

- Suitable for a dynamic environment ✓ where change could be drastic ✓
- The passion / vision / personality of leaders inspire followers ✓ to change their expectations / perceptions / motivation to work towards a common goal ✓
- Leaders have the trust / respect / admiration ✓ of their followers / subordinates ✓
- Promotes intellectual stimulation / creative thinking / problem solving ✓ which result in the growth / development / success of the business ✓
- Strategic thinking leaders develop a long-term vision ✓ for the organisation and sell it to subordinates / employees ✓

Sub max (8)

Max (16)

5.5 **Impact of autocratic and transactional leadership styles on businesses**

5.5.1 **Autocratic leadership style**

Positives/Advantages

- Quick decisions can be taken without consulting/followers/employees. ✓✓
- Work gets done in time/on schedule. ✓✓
- Line of command/communication is clear as it is top-down/followers know exactly what to do. ✓✓
- Direct supervision/Strict control ensures high quality products/service. ✓✓
- Provides strong leadership which makes new employees feel confident and safe. ✓✓
- Works well in large businesses where consultation with every employee is impractical. ✓✓
- Clear guidance can be given to low-skilled/inexperienced/new staff. ✓✓

AND/OR

Negatives/Disadvantages

- Leaders and followers may become divided / may not agree on ways to solve problems / no effective communication. ✓✓
- Workers can be demotivated as their ideas are not considered. ✓✓
- De-motivated workers impact negatively on productivity. ✓✓
- New / Creative / Cost reducing ideas may not be used / implemented / never be considered. ✓✓
- Followers may feel that they are not valued resulting in high absenteeism/high employee turnover. ✓✓
- Experienced / Highly skilled workers will resist an autocratic leadership style as it results in lower personal growth / participation / creativity. ✓✓
- Any other relevant answer related to the positives/advantages and/or negatives/disadvantages of the autocratic leadership style.

Sub max (6)

5.5.2 **Transactional leadership style**

Positives/Advantages

- Encourages employees to work hard because they will receive rewards. ✓✓
- Improves employees' productivity and morale. ✓✓
- The goals and objectives of the business can be achieved ✓ as workers are motivated. ✓✓
- Employees know what is expected of them. ✓✓
- Disciplinary actions/procedures are well communicated. ✓✓

AND/OR

Negatives/Disadvantages

- Employees can become bored because they have to follow rules / procedures / there is no creativity in the workplace. ✓✓
- A transactional leader will have to monitor the work performance of employees / ensure that expectations are met which can be time-consuming. ✓✓
- Some employees may be demoralised / unmotivated, if they fail to reach / meet targets despite having worked very hard. ✓✓
- Usually not suitable for teamwork, because all team members can be punished for poor performance caused by a member of a team. ✓✓
- Any other relevant answer related to the positives/advantages and/or negatives/disadvantages of the transactional leadership style.

Sub max (6)

Max (12)

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. ✓✓
- Any other relevant conclusion related to the role of personal attitude in successful leadership / distinction between leadership and management / situational and transformational leadership theories / impact of autocratic and transactional leadership styles.

(1x2) (2)

QUESTION 5: BREAKDOWN OF MARK ALLOCATION

DETAILS	MAXIMUM	TOTAL
Introduction	2	32 max
Role of personal attitude in successful leadership	10	
Distinction between management and leadership	8	
Situational and transformational theories of management and leadership	16	
Impact of autocratic and transactional leadership styles	12	
Conclusion	2	
INSIGHT		8 max
Layout	2	
Analysis/Interpretation	2	
Synthesis	2	
Originality/Examples	2	
TOTAL		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 & CSI)

6.1 INTRODUCTION

- Businesses are corporate citizens and therefore have a responsibility towards society. ✓
- CSR is the way in which the business manage its processes, including time and effort, to affect all the stakeholders of the business positively. ✓
- CSR programmes and CSI projects should be relevant to the needs of the community. ✓
- Businesses should not only focus on profits but also on the wellbeing of the community in which they operate. ✓
- The triple bottom line suggests that business should commit to measuring their social and environmental impact in addition to their financial performance rather than solely focusing on generating profit. ✓
- Any other relevant introduction related to the purpose of CSI/distinction between CSR and CSI/link between social responsibility and the triple bottom line/positive impact of CSR on the community.

(2x1) (2)

6.2 Purpose of CSI

- It aims at contributing towards sustainable development of its immediate communities. ✓✓
- Law and government require business to make CSI contributions. ✓✓
- CSI projects reveals a positive business's attitude towards the local community and help the community to develop. ✓✓
- The CSI projects are long-term investment and must be sustainable. ✓✓
- CSI is relevant in South Africa because there is a great need to uplift communities all over the country. ✓✓
- Any other relevant answer related to the purpose of CSI.

Max (8)

6.3 Distinction between CSR and CSI

CSR	CSI
<ul style="list-style-type: none"> • The intention is✓ to change business practices. ✓ 	<ul style="list-style-type: none"> • Actively committing ✓money and resources to uplift the community. ✓
<ul style="list-style-type: none"> • Focus is on✓ increasing image and profits✓ 	<ul style="list-style-type: none"> • Focus is on the upliftment of community ✓ without return on investment. ✓
<ul style="list-style-type: none"> • Ensure that all internal CSI policies/practices✓ include stakeholders' interests/environmental issues. ✓ 	<ul style="list-style-type: none"> • Ensure that CSI projects are relevant ✓to the needs of communities. ✓
<ul style="list-style-type: none"> • Often intended✓ as a marketing initiative. ✓ 	<ul style="list-style-type: none"> • Intended to benefit and uplift communities ✓through social development. ✓

<ul style="list-style-type: none"> Projects are usually linked ✓ to the Business. ✓ 	<ul style="list-style-type: none"> Projects are external to the business ✓ and have a strong developmental approach. ✓
<ul style="list-style-type: none"> Any other relevant answer related to corporate social responsibility 	<ul style="list-style-type: none"> Any other relevant answer related to corporate social investment.

Sub max (8)

Sub max (8)

- NOTE:**
- The answer does not have to be in tabular format.
 - The differences do not have to link, but they must be clear.
 - If the difference is not clear, award only EIGHT (8) marks. / Mark either CSR or CSI.

Max (16)

6.4 **Link between social responsibility and the triple bottom line**

6.4.1 **PEOPLE / SOCIAL ✓✓**

- Businesses/organisations should not harm or exploit ✓ people, their employees, customers, or the community. ✓
- Businesses should engage and invest in sustainable community programmes or projects ✓ that will benefit and/or uplift communities. ✓
- Businesses should contribute to the well-being ✓ of all their stakeholders. ✓
- Any other relevant answer related to people/social as a component of the triple bottom line.

Component (2)

Explanation (2)

Sub max (4)

6.4.2 **PROFIT / ECONOMIC ✓✓**

- The triple bottom line means that businesses should not only focus on their profit and charge high prices ✓ but should also invest in CSI projects. ✓
- Businesses should not make a profit ✓ at the expense of their community. ✓
- Any other relevant answer related to profit/economic as a component of the triple bottom line.

Component (2)

Explanation (2)

Sub max (4)

6.4.3 **PLANET / ENVIRONMENT ✓✓**

- Businesses should not exhaust resources or harm the environment ✓ for production or to gain profit for themselves. ✓
- They should support ✓ energy-efficient or eco-friendly products and production methods. ✓
- They must take part in recycling or re-use of waste ✓, for example, making use of recycled material for packaging or in products.
- Any other relevant answer related to planet/environment as a component of the triple bottom line.

Component (2)
 Explanation (2)
 Sub max (4)
 Max (12)

6.5 **Positive impact of CSR for communities**

- The welfare of the community will improve because the issue of the community will be attended to. ✓✓
- Skills development take place and it will increase the possibility of appointments of members of the community. ✓✓
- Developmental programmes which the business implements, will improves entrepreneurial skills of communities. ✓✓
- The provision of bursaries increase the level of education and enable the community to apply for jobs. ✓✓
- Better educational and recreational facilities are established in poor communities. ✓✓
- Any other relevant answer related to the positive impact of CSR on communities.

Max (10)

6.6 **CONCLUSION**

- Corporate Social Responsibility is an obligation required by law and beneficiary to both business and society. ✓✓
- Businesses use CSI programmes to comply with laws and ethical business practices. ✓✓
- Businesses must always consider the impact of their CSI projects on their own stakeholders as well as the community. ✓✓
- Businesses have the responsibility to balance their operations and look after the environment. ✓✓
- Any other relevant conclusion related to related to the purpose of CSI/distinction between CSR and CSI/link between social responsibility and the triple bottom line/positive impact of CSR on the community.

(1x2) (2)

QUESTION 6: BREAKDOWN OF MARK ALLOCATION

DETAILS	MAXIMUM	TOTAL
Introduction	2	32 max
Purpose of CSI	8	
Distinction between CSR and CSI	16	
Link between social responsibility and the triple bottom line	12	
Positive impact of CSR for communities	10	
Conclusion	2	
INSIGHT		
Layout	2	8 max
Analysis/Interpretation	2	
Synthesis	2	
Originality/Examples	2	
TOTAL		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]

TOTAL: [150]