



KWAZULU-NATAL PROVINCE

EDUCATION
REPUBLIC OF SOUTH AFRICA



**NATIONAL
SENIOR CERTIFICATE**

GRADE 11

BUSINESS STUDIES P2

Stanmorephysics.com

COMMON TEST

JUNE 2024

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MARKS : 150

TIME : 2 Hours

This question paper consists of 12 pages.

INSTRUCTIONS AND INFORMATION

Read the following instructions carefully before answering the questions.

1. This question paper consists of THREE sections

SECTION A:

SECTION B:

SECTION C: COMPULSORY

Consists of THREE questions

Answer any TWO of the THREE questions in this section.

Consists of TWO questions

Answer ONE of the TWO questions in this section.

2. Read the instructions for each question carefully and take note of what is required.
3. Number the answers correctly according to the numbering system used in this question paper. No marks will be awarded for answers that are numbered incorrectly.
4. 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.
6. Use the table below as a guide for mark and time allocation when answering each question.

SECTION	QUESTION	MARKS	TIME
A: Objective-type questions COMPULSORY	1	20	20 minutes
B: THREE direct/indirect- type questions CHOICE (Answer any TWO)	2	20	35 minutes
	3	20	35 minutes
	4	20	35 minutes
C: TWO essay-type questions CHOICE (Answer any ONE essay)	5	40	30 minutes
	6	40	30 minutes
TOTAL		100	120 minutes

7. Begin the answer to EACH question on a NEW page, for example QUESTION 1 – new page, QUESTION 2 – new page, et cetera.
8. You may use a non-programmable calculator.
9. Write neatly and legibly.

SECTION A (COMPULSORY)**QUESTION 1**

- 1.1** Various options are provided as possible answers to the following questions. Write down the question number (1.1.1–1.1.5) and the correct letter next to it **ONLY**. Example: 1.1.6 A

1.1.1 A company's ... are elected by the shareholders to represent the shareholder's interest.


- A partners
- B directors
- C members
- D owners

1.1.2 The ... is the person or company that owns the business model and related trademarks.

- A franchisee
- B franchise
- C franchising
- D franchisor

1.1.3 Franchises have to pay ... or a share of the profit to franchisors.


- A royalties
- B initial costs
- C capital
- D finances



1.1.4 Joe believes in doing things differently to remain competitive. He applies ... thinking to generate new ideas.

- A conventional
- B routine
- C creative
- D inductive

1.1.5 A theory that recognises that ethics and values vary from country to country and area to area is known as ...

- 
- A consequential theory
 - B common good approach
 - C right approach
 - D preferential approach

(5x2) [10]

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

Delphi technique ; ~~non-profit company~~; ~~prospectus~~; lessee;
good; lessor; force-field analysis ; ~~bad~~; profit company;
memorandum of incorporation

1.2.1 A ... is a company incorporated for financial gain for its shareholders.

1.2.2 The ... must comply with specific obligations as defined in the lease agreement.

1.2.3 The ... must include aspects concerning the securities of a company.

1.2.4 After weighing up the positives and negatives, Lotus Solutions could determine the viability of their project by means of a ...

1.2.5 A... decision is consistent with sufficient information which is in line with the company's values and ethical principle.

(5x2) (10)

1.3

Choose a description from **COLUMN B** that matches a term in **COLUMN A**. Write only the letter (A – J) next to the question numbers (1.3.1 to 1.3.5) in the ANSWER BOOK, e.g. 1.3.6. K.

COLUMN A	COLUMN B
1.3.1 Unlimited liability	A. To not exist even if a change of ownership takes place.
1.3.2 Outsourcing	B. Type of legal structure for an organisation where the loss of the business will not exceed the amount invested in the business by the owners
1.3.3 Continuity	C. An act that eliminates discrimination in the workplace
1.3.4 Affirmative action	D. Is the business practice of hiring a party outside a company to perform services that were traditionally performed in-house by the company's staff.
1.3.5 Ethical behaviour	E. To exist even if a change of ownership takes place.
	F. Refers to the principles of right and wrong in business.
	G. The full legal responsibility that business owners and partners assume for all business debts.
	H. Refers to the principles of right and wrong in a society.
	I. Is a contract outlining the terms under which one party agrees to rent goods, such as equipment and technology, owned by another party
	J. Policy that ensures that qualified people from designated groups have equal opportunities in the workplace

Stanmorephysics.com (5x2) (10)

TOTAL SECTION A: [30]

SECTION B

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

NOTE: Clearly indicate the QUESTION NUMBER of each question that you choose.
The answer to EACH question must start on a NEW page, for example QUESTION 2 on a NEW page, QUESTION 3 on a NEW page, et cetera.

QUESTION 2: BUSINESS VENTURES

- 2.1 Outline any **THREE** aspects that must be included in the prospectus. (3)
- 2.2 Read the extract below and answer the questions that follow.

TRAVELSURE SOC Ltd

Travelsure Soc Ltd is a company that provides transport services to businesses around South Africa. Travelsure Soc Ltd headquarters are in Durban. The majority of the company's shares are owned by government.

- 2.2.1 Identify the form of ownership from the scenario above.
Motive your answer by quoting from the extract above. (3)
- 2.2.2 Explain the characteristics of the form of ownership, identified in **QUESTION 2.2.1.** (4)
- 2.3 Differentiate between a Sole trader and Partnership. (4)
- 2.4 Identify the form of ownership from the given statements below:
- 2.4.1 Mabula CC has a maximum of 10 members who share a common goal. (2)
- 2.4.2 Lunar (Pty)Ltd does not offer securities to the public. (2)
- 2.4.3 The shares of Maxi Ltd is freely transferrable. (2)
- 2.5 Explain the disadvantages of a personal liability company. (6)
- 2.6 Suggest the advantages of a private company. (4)
- 2.7 Discuss any **TWO** benefits of establishing a company versus other forms of ownership. (6)
- 2.8 Advise businesses on the procedure for the formation of a company. (4)

[40]

QUESTION 3: BUSINESS ROLES

- 3.1 Elaborate on the meaning of professional behaviour. (4)
- 3.2 Read the scenario below and answer the questions that follow.

TDKAY HOME FURNISHINGS (THF)

TDKay Home Furnishings specialises in the unique home furnishings. The management of THF ensures that all employees have access to equal opportunities. They also engage in environmental awareness programmes.

- 3.2.1 Quote TWO ways in which THF conducts business professionally, responsibly and ethically. (2)
- 3.2.2 Advise THF on other ways in which professional, responsible and effective business should be conducted. (6)
- 3.3 Differentiate between professionalism and ethics. (4)
- 3.4 Discuss the advantages of creative thinking in the workplace. (6)
- 3.5 Read the scenario below answer the questions that follow.

ASISIPHO HOLDINGS (AS)

Asisipho Holdings specialises in the manufacturing of bricks, cement and blocks. They want to improve the quality of their products. They requested the panel of experts to complete questionnaires on how to improve the quality of their bricks and cement blocks.

- 3.5.1 Name the problem solving technique used by Asisipho Holdings (2)
- 3.5.2 Explain how businesses apply the problem-solving technique identified in **QUESTION 3.5.1** (4)
- 3.6 Elaborate on the meaning of problem solving. (4)
- 3.7 Recommend ways in which businesses can create an environment that stimulates creative thinking. (6)

[40]

QUESTION 4: MISCELLANEOUS TOPICS**BUSINESS VENTURES**

- 4.1 Outline any THREE characteristics of a Non-profit company. (3)
- 4.2 Read the scenario below and answer the questions that follow.

SIMPLE LEISURE (SL)

Simpson Simple has decided to start a leisure travel company. He came up with an original and non-misleading company name, called Simple Leisure (SL). SL will offer affordable holiday packages to their clients. Simpson also reserved the company name at CIPC, so that it cannot be used by another company. He was told that his company name will be reserved for six months.

- 4.2.1 Quote THREE legal requirements of the name of a company from the scenario above. (3)
- 4.2.2 Explain other legal requirements of the name of a company. (4)
- 4.3 Discuss the advantages a public company. (6)
- 4.4 Advise businesses on the challenges of establishing a company versus other forms of ownership. (4)

BUSINESS ROLES

- 4.5 Outline any THREE external causes of change in the workplace. (3)
- 4.6 Read the scenario below and answer the questions that follow.

MAGEBA PHARMACY (MP)

Aphelele, a pharmacist at Mageba Pharmacy, recently opened her pharmacy and her expectations for success are to adhere to the business ethical code of conduct. Aphelele act within the law when issuing medicine, safe guarding the confidentiality of client information and she is committed to quality and apply skills and knowledge to the benefit of the society.

- 4.6.1 Quote THREE principles of professionalism in the scenario above. (3)
- 4.6.2 Explain the advantages of ethical business ventures. (6)
- 4.7 Suggest strategies a business can use to deal with the following changes:
- 4.7.1 Affirmative action (4)
- 4.7.2 Globalisation (4)

[40]

TOTAL SECTION B: [80]

SECTION C

Answer **ONE** question in this section.

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

The answer to EACH question must start on a NEW page, for example
QUESTION 5 on a NEW page, QUESTION 6 on a NEW page, etcetera.

QUESTION 5: BUSINESS VENTURES

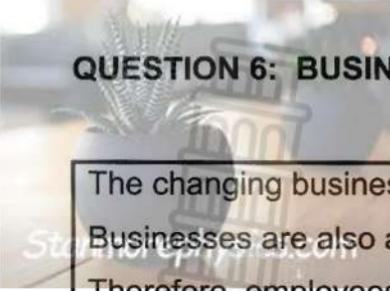
Businesses must be up to date with the contractual implications of leasing. It is beneficial for businesses to know the advantages of leasing when making a decision. There are various reasons why entrepreneurs may decide to purchase an existing business. Businesses should understand the disadvantages of outsourcing in order to safe guard their business information.

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Write an essay on avenues of acquiring a business, in which you take the following into account:


- Outline the contractual implications of leasing.
- Explain the advantages of leasing.
- Discuss the reasons why entrepreneurs may decide to purchase an existing business.
- Advise businesses on the disadvantages of outsourcing.

[40]

**QUESTION 6: BUSINESS ROLES**

The changing business environments in which businesses operate are increasingly stressful. Businesses are also aware that managing stress can maintain productivity in the workplace. Therefore, employees must be encouraged to find ways to manage their own stress levels daily. Businesses must be knowledgeable on how to avoid and deal with crises in the workplace.

Write an essay on stress, crisis and change management, taking the following aspects into consideration:

- 
- Elaborate on the meaning of stress and crisis.
 - Explain ways businesses can deal with crisis in the workplace.
 - Discuss the importance of stress management in the workplace.
 - Recommend ways employees can manage stress in the workplace.

[40]**TOTAL SECTION C: [40]****TOTAL MARKS: [150]**



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FINAL

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GRADE 11

BUSINESS STUDIES P2

COMMON TEST JUNE 2024

MARKING GUIDELINES

MARKS : 150

TIME : 2 Hours

These marking guidelines consist of 33 pages.

NOTES TO MARKERS


PREAMBLE


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

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

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

Marker:	Red
Senior Marker:	Green
Deputy Chief Marker:	Brown
Chief Marker:	Pink
Internal Moderator:	Orange
DBE Moderator:	Turquoise

- 
2. Candidates' responses must be in full sentences for SECTIONS B and C. However, this would depend on the nature of the question.
 3. A comprehensive marking guideline has been provided but this is by no means exhaustive. Due consideration should be given to an answer that is correct but:
 - Uses a different expression from that which appears in the marking guideline
 - Comes from another credible source
 - Original
 - A different approach is used



NOTE: There is only ONE correct answer in SECTION A.

4. Take note of other relevant answers provided by candidates and allocate marks accordingly. (In cases where the answer is unclear or indicates some understanding, part-marks should be awarded, for example, one mark instead of the maximum of two marks.)
5. The word 'Sub-max' is used to facilitate the allocation of marks within a question or sub-question.
6. The purpose of circling marks (guided by 'max' in the breakdown of marks) on the right-hand side is to ensure consistency and accuracy in the marking of scripts as well as for calculation and moderation purposes.
7. Subtotals to questions must be written in the right-hand margin. Circle the subtotals as indicated by the allocation of marks. This must be guided by 'max' in the marking guidelines. Only the total for each question should appear in the left-hand margin next to the appropriate question number.
8. In an indirect question, the theory as well as the response must be relevant and related to the question
9. Correct numbering of answers to questions or sub questions is recommended in SECTIONS A and B. However, if the numbering is incorrect, follow the sequence of the candidate's responses. Candidates will be penalised if the latter is not clear.

10. No additional credit must be given for repetition of facts. Indicate with a 'R'.
11. The differentiation between 'evaluate' and 'critically evaluate' can be explained as follows:

- 11.1 When 'evaluate' is used, candidates are expected to respond in either a positive/negative manner or take a neutral (positive and negative) stance, e.g. **Positive:** *'COIDA eliminates time and costs spent\ on lengthy civil court proceedings.'*✓
- 11.2 When 'critically evaluate' is used, candidates are expected to respond in either a positive/negative manner or take a neutral (positive and negative) stance. In this instance candidates are also expected to support their responses with more depth, e.g. *'COIDA eliminates time and costs spent\ on lengthy civil court proceedings\, because the employer will not be liable for compensation to the employee for injuries sustained during working hours as long as it can be proved that the business was not negligent.'*✓

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

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

Cognitive verbs, such as:

- 12.1 Advise, name, state, outline, motivate, recommend, suggest, (*list not exhaustive*) do not usually require much depth in candidates' responses. Therefore, the mark allocation for each statement/answer appears at the end.



12.2 Define, describe, explain, discuss, elaborate, distinguish, differentiate, compare, tabulate, justify, analyse, evaluate, critically evaluate (*list not exhaustive*) require a greater depth of understanding, application and reasoning. Therefore, the marks must be allocated more objectively to ensure that assessing is conducted according to established norms so that uniformity, consistency and fairness are achieved.

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

14. **SECTION B**

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

NOTE: This applies only to questions where the number of facts is specified.

- 14.2 If two facts are written in one sentence, award the candidate FULL credit. Point 14.1 above still applies.
- 14.3 If candidates are required to provide their own examples/views, brainstorm this at the marking centre to finalise alternative answers.
- 14.4 **Use of the cognitive verbs and allocation of marks:**

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

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

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

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

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

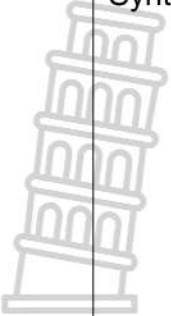

15. **SECTION C**

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

Introduction		Maximum: 32
Content		
Conclusion		
Insight	Stanmorephysics.com	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	<p>Is the candidate able to break down the question into headings/subheadings/interpret it correctly to show understanding of what is being asked?</p> <p>Marks to be allocated using this guide:</p> <p>All headings addressed: 1 (One 'A')</p> <p>Interpretation (16 to 32 marks): 1 (One 'A')</p>	2

<p>Synthesis</p>  	<p>Are there relevant decisions/facts/responses made based on the questions?</p> <p>Option 1 :Only relevant facts: 2 marks (No '-S') Where a candidate answers 50% or more (two to four sub-questions) of the question with only relevant facts; no '-S' appears in the left margin. Award the maximum of TWO (2) marks for synthesis</p> <p>Option 2 : Some relevant facts: 1 mark (One '-S') Where a candidate answers less than 50% (only one sub-questions) of the question with only OR some relevant facts; one '-S' appears in the left margin. Award a maximum ONE (1) mark for synthesis.</p> <p>Option 3 : Some relevant facts: 1 mark (One '-S') Where a candidate writes FOUR sub-questions, but one/two/three sub-question with irrelevant facts; one '-S' appears in the left margin. Award a maximum of ONE (1) mark for synthesis.</p> <p>Option 4 :No relevant facts : 0 marks (Two '-S') Where a candidate answers 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</p>	
<p>Originality</p>	<p>Is there evidence of one or two examples, not older than two (2) years, that are based on recent information, current trends and developments?</p>	<p>2</p>
<p>TTAL FOR INSIGHT: TOTAL MARKS FOR FACTS: TOTAL MARKS FOR ESSAY (8 + 32):</p>		<p>8 32 40</p>



- NOTE:**
1. No marks will be awarded for contents repeated from the introduction and conclusion.
 2. The candidate forfeits marks for layout if the words **INTRODUCTION** and **CONCLUSION** are not stated.
 3. No marks will be awarded for layout, if the headings **INTRODUCTION** and **CONCLUSION** are not supported by an explanation.

- 15.3 Indicate insight in the left-hand margin with a symbol e.g. ('L, A, -S and/or O').
- 15.4 The breakdown of marks is indicated at the end of the suggested answer/marking guideline to each question.
- 15.5 Mark all relevant facts until the SUB MAX/MAX mark in a subsection has been attained. Write SUB MAX/MAX after maximum marks have been obtained, but continue reading for originality "O".
- 15.6 At the end of each essay indicate the allocation of marks for facts and marks for insight as follows: (L – Layout, A – Analysis, S – Synthesis, O – Originality) as in the table below.

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

- 15.7 When awarding marks for facts, take note of the sub-maxima indicated, especially if candidates do not make use of the same subheadings. Remember, headings and subheadings are encouraged and contribute to insight (structuring/logical flow/sequencing) and indicate clarity of thought. (See MARK BREAKDOWN at the end of each question.)
- 15.8 If the candidate identifies/interprets the question **INCORRECTLY**, then he/she may still obtain marks for layout.
- 15.9 If a different approach is used by candidates, ensure that the answers are assessed according to the mark allocation/subheadings as indicated in the marking guideline.

15.10



15.10.1 Award TWO marks for complete sentences. Award ONE mark for phrases, incomplete sentences and vague answers.

15.10.2 With effect from November 2015, the TWO marks will not necessarily appear at the end of each completed sentence. The ticks (✓) will be separated and indicated next to each fact, e.g. 'Product development is a growth strategy ✓, where businesses aim to introduce new products into existing markets ✓'.

This will be informed by the nature and context of the question, as well as the cognitive verb used.

15.11 With effect from November 2017, the maximum of TWO (2) marks for facts shown as headings in the marking guidelines, will not necessarily apply to each question. This would also depend on the nature of the question.

NB: Question 2.4.1 does not fall within the scope of testing, do not mark question 2.4.1, therefore the paper must be marked out of 148 instead of 150.

Each learner's total mark for this question paper should then be converted to a mark out of 150, and this converted mark should then be recorded on SA-SAMS.

SECTION A

QUESTION 1

1.1

1.1.1 B ✓✓

1.1.2 D ✓✓

1.1.3 A ✓✓

1.1.4 C ✓✓

1.1.5 B ✓✓

(5 x 2) (10)

1.2

1.2.1 profit company ✓✓

1.2.2 lessee ✓✓

1.2.3 memorandum of incorporation ✓✓

1.2.4 force-field analysis ✓✓

1.2.5 good ✓✓

1.3

1.3.1 G ✓✓

1.3.2 D ✓✓

1.3.3 E ✓✓

1.3.4 J ✓✓

1.3.5 H ✓✓

(5 x 2) (10)

(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 **ONLY** the **FIRST TWO** questions answered in this Section.

QUESTION 2: BUSINESS VENTURES

2.1 Aspects that must be included in the prospectus

- 
- Name of the company✓
 - Company overview, including the vision, mission, and goals of a business✓
 - Product or service portfolio✓
 - Market analysis and strategy✓
 - Management team✓
 - The risks and potential of the business✓
 - Available financial and share information✓
 - Company's assets and liabilities✓
 - Financial position✓
 - Profits and losses✓
 - Cash flow✓
 - Prospects for growth ✓
 - Pre-incorporation contracts that have been signed✓
 - Date of registration of the prospectus✓
 - The minimum subscription✓
 - Purpose of the offer✓
 - Share capital✓
 - Shares issued ✓
 - Property owned✓
 - Preliminary expenses✓

Max (3)

Note: Mark the first THREE only

2.2.1 Identification

- State-owned company✓✓

Sub max (2)

Motivation

- The majority of the companies shares are owned by government. ✓
- Traveisure Soc Ltd is a company that provides transport services to businesses around South Africa. ✓
- Traveisure Soc Ltd headquarters are in Durban. ✓



Sub max (1)

Max (3)

Note: Do not award marks for motivation, if identification is incorrect.

2.2.2 Other characteristics of a State-owned company

- Requires three or more directors✓ and one or more shareholders. ✓
- Register with the Registrar of Companies✓ by drawing up a Memorandum of Incorporation. ✓
- It is owned by the government✓ and operated for profit. ✓
- SOC is listed✓ as a public company. ✓
- The company is owned by the government or a municipality✓ and otherwise similar to a public company. ✓
- A state-owned company have financial autonomy✓ because they are to depend on the government for initial investment✓
- The name of a state-owned company must end with✓ the letters SOC. ✓
- State-owned companies support private businesses by supplying infrastructure✓ such as communication service, post office and supply of electricity. ✓
- State-owned companies are subject to✓ disclosure and transparency requirements. ✓
- Information in the state-owned company✓ is available to shareholders. ✓

- 
- All distributions to shareholders require board approval✓ and need to satisfy the solvency and liquidity tests. ✓
 - Distributors are unfortunately extremely widely defined✓ and include dividends and share buybacks. ✓
 - Payments will be according to the class, preferences, rights✓ and limitations of shares held. ✓
 - The new takeover regulations apply to every state-owned company✓, unless exempted by law. ✓
 - State-owned company must give 10 business days' notice✓ for shareholder meetings. ✓
 - A state-owned company must implement✓ a reporting process for whistle-blowers. ✓
 - Any other relevant answer related to characteristics of state-owned company.
- 

Max (4)

2.3

SOLE TRADER	PARTNERSHIP
<ul style="list-style-type: none"> • Own name as per ID, or name registered✓ with the Companies and Intellectual Property Commission (CIPC) ✓ 	<ul style="list-style-type: none"> • Name must be registered✓ with the Companies and Intellectual Property Commission (CIPC) ✓
<ul style="list-style-type: none"> • No formalities✓ – the owner starts doing business✓ 	<ul style="list-style-type: none"> • No formalities✓ – partners usually sign a partnership agreement✓
<ul style="list-style-type: none"> • Owner is liable for all debts✓ incurred by the business✓ 	<ul style="list-style-type: none"> • Partners are jointly and severally liable for debts✓ of the partnership. ✓
<ul style="list-style-type: none"> • Assets and profits✓ in this business belong to the owner✓ 	<ul style="list-style-type: none"> • Profit is divided among partners in a ratio✓ as agreed in the partnership agreement. ✓
<ul style="list-style-type: none"> • Owned and managed✓ by one person. ✓ 	<ul style="list-style-type: none"> • A partnership is an agreement✓ between 2 or more persons. ✓
<ul style="list-style-type: none"> • Any other relevant answer related to sole trader 	<ul style="list-style-type: none"> • Any other answer related to partnership
Sub max (2)	Sub max (2)

Max (4)



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


2.4

- | | |
|----------------------------|----------------|
| 2.4.1 Close corporations✓✓ | Sub max (2) |
| 2.4.2 Private company✓✓ | Sub max (2) |
| 2.4.3 Public company✓✓ | Sub max (2) |
| | Max (4) |




2.5 Disadvantages of a personal liability company

- Difficult and expensive to establish a Personal Liability Company✓ compared to Close Corporations and Sole Proprietorship. ✓
- Large management structures✓ can result in decision-making taking time. ✓
- The Personal Liability Company✓ is not allowed to sell shares to the public. ✓
- Directors may sometimes act in their own interest✓, not in the company's best interest. ✓
- Annual financial statements must be reviewed by a qualified person✓, which is an extra expense to the company. ✓
- Difficult and expensive to establish✓ as the company is subjected to many legal requirements. ✓
- Pays tax on the profits of the business✓ and on declared dividends/subject to double taxation. ✓
- Directors of the personal liability company✓ have unlimited liability. ✓
- Some shareholders may not exercise their voting rights✓ resulting in choosing the wrong person as a director. ✓
- A meeting may not begin, or a matter may not be debated✓ unless at least three shareholders are present. ✓
- Restricted from raising funds✓ directly from the public. ✓

- 
- Costs and formalities associated✓ with forming a company. ✓
 - Tax is paid on the taxable income of the company✓, and companies pay secondary tax on dividends distributed to shareholders. ✓
 - Any other relevant answer related to disadvantages of a personal liability company.

Max (6)

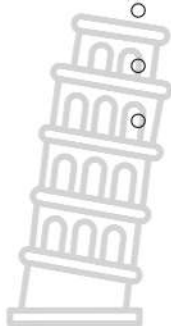
2.6 Advantages of a private company

- 
- More capital can be raised by a company than by an individual. ✓✓
 - Auditing of the financial statements is voluntary. ✓✓
 - Not necessary to appoint an auditor, audit committee, or company secretary. ✓✓
 - More opportunities to pay less taxation. ✓✓
 - Good long-term growth opportunities. ✓✓
 - Own legal identity and shareholders have no direct legal implications/ limited liability. ✓✓
 - Board of directors with expertise/experience can be appointed to make decisions. ✓✓
 - Not required to file annual financial statements with the commission. ✓✓
 - It is a legal person and can sign contracts in its own name. ✓✓
 - The new Act forces personal liability on directors who knowingly participated in conducting business in a reckless/fraudulent manner. ✓✓
 - Financial statements are private and not available to the general public. ✓✓
 - A company has continuity of existence. ✓✓
 - It is possible to sell a private company as it is a legal entity in its own right. ✓✓
 - It can easily raise capital by issuing shares to its members. ✓✓
 - Any other relevant answer related to advantages of private company.

Max (4)

2.7 Benefits of establishing a company versus other forms of ownership

- **Legal status and liability**✓✓
 - A company has its own legal status, trading name, and owns its assets. ✓
 - Shareholders' private assets are protected as they have limited liability. ✓



- The shareholders have no direct legal responsibility. ✓
- Companies have their names, and these are protected. ✓
- Any other relevant answer related to legal status and liability.

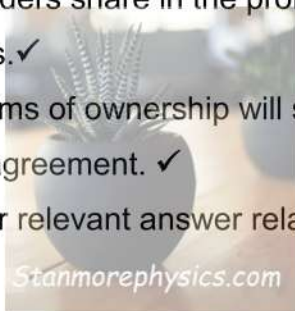
Heading (2)

Explanation (1)

Sub max (3)

• **Profit-sharing ✓✓**

- Shareholders share in the profits of the company in the form of dividends. ✓
- Other forms of ownership will share profit according to their contribution or internal agreement. ✓
- Any other relevant answer related to profit-sharing.



Heading (2)

Explanation (1)

Sub max (3)

• **Ownership and management ✓✓**

- Shareholders are able to buy and sell shares freely in a public company. ✓
- The company is managed by qualified and competent board of directors. ✓
- A company is less likely to use consultants as it has a larger pool of skills and expertise. ✓
- Directors are more likely to take risks and allow growth opportunities for the business. ✓
- Some of the other forms of ownership e.g. sole proprietor has to rely on his/her own abilities to manage the business. ✓
- Any other relevant answer related to ownership and management.

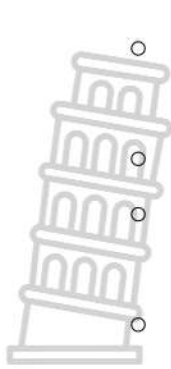
Heading (2)

Explanation (1)

Sub max (3)

• **Capital and cash flow ✓✓**

- A company may have more investors to fund the setting up of the business. ✓✓
- Companies have a better cash flow than sole traders. ✓✓
- A company is not limited to the individual contribution of the members' capital. ✓✓



- The long-term growth opportunities for companies are good as there are always possibilities of getting in more investors. ✓✓
- Directors do not have to take out personal loans to grow the business. ✓✓
- Companies have a bigger potential to gain capital than any other form of ownership. ✓✓
- Any other relevant answer related to capital and cash flow.

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

- **Life span and continuity** ✓✓

- A company has continuity of existence. ✓
- Company shares can be transferred, bought, or sold. ✓
- The life span of a sole proprietor and partnership is limited ✓
- Any other relevant answer related to life span and continuity.

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

- **Taxation** ✓✓

- Companies have tax benefits that other enterprises do not have. ✓
- They may obtain tax rebates if they are involved in social responsibility projects. ✓
- Allowances made for companies such as tax-deductible business expenses are: ✓
 - Day to day expenses such as: material and equipment costs, employee costs and administrative costs, business/office rental costs ✓
 - Capital expenses ✓
 - Education ✓
 - Entertainment ✓
 - Business start-up expenses ✓
- The life span of a sole proprietor and partnership is limited. ✓
- Any other relevant answer related to taxation.

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

Note: Mark the first TWO only.



2.8 Procedure for the formation of a company

- Determine the people establishing the company. ✓✓
- Prepare a memorandum of incorporation, open a bank account, and register for taxation. ✓✓
- File a notice of incorporation and obtain a unique registration number. ✓✓
- Draw up a prospectus for potential investors. ✓✓
- Register the company at the Companies and Intellectual Property Commission (CIPC). ✓✓
- A company becomes a legal entity once registration has been finalised. ✓✓
- Reserve a company name with a Registrar of companies. ✓✓
- A company is registered and may start doing business once:
 - the name of the company has been approved. ✓✓
 - the prescribed fees have been paid. ✓✓
 - the Notice of Incorporation have been lodged. ✓✓
 - the application to incorporate a new company has been processed by the CIPC. ✓✓
- Any other relevant answer related to procedure for the formation of a company.

Max (4)

[40]



BREAKDOWN OF MARKS

QUESTION 2	MARKS
2.1	3
2.2.1	3
2.2.2	4
2.3	4
2.4.1	2
2.4.2	2
2.4.3	2
2.5	6
2.6	4
2.7	6
2.8	4
TOTAL	38

QUESTION 3: BUSINESS ROLES

3.1 Meaning of professional behaviour

- The competence or skill expected✓ of a profession person. ✓
- It includes showing respect for others/ taking responsibility✓ for your work / performing according to a job description. ✓
- Accept any other relevant answer related to the meaning of professional behavior.

Max (4)

3.2

3.2.1

- Management of TD ensures that all employees have access to equal opportunities. ✓ *Stanmorephysics.com*
- They also engage in environmental awareness programmes. ✓

Max (2)

3.2.2 Other ways to conduct business professionally, responsibly, ethically and effectively

- Plan properly and put preventative measures in place. ✓✓
- Pay fair wages/salaries which are in line with the minimum requirements of the BCEA/Remunerate employees for working overtime/during public holidays. ✓✓
- Refrain from starting a venture using other businesses' ideas that are protected by law. ✓✓
- Business decisions and actions must be clear/transparent to all stakeholders. ✓✓
- Businesses should be accountable /responsible for their decisions and actions/patent rights. ✓✓
- Hiring honest/trustworthy accountants/financial officers with good credentials. ✓✓
- Regular/Timeous payment of taxes. ✓✓
- Draw up a code of ethics/conduct. ✓✓
- Ongoing development and training for all employees. ✓✓

- Performance management systems/Appraisals should be in place . ✓✓
- Adequate internal controls/monitoring/evaluation. ✓✓
- Any other relevant answer related to ways in which professional, responsible, ethical and effective business practices should be conducted.

Note: Do not award marks for answers quoted from QUESTION 3.2.1.

Max. (6)

3.3 Differences between professionalism and ethics

PROFESSIONALISM	ETHICS
<ul style="list-style-type: none"> • Refers to when a person acquires knowledge✓ and skills to practice a specific job or profession. ✓ 	<ul style="list-style-type: none"> • Refers to the principles of right and wrong✓ and what is acceptable in society. ✓
<ul style="list-style-type: none"> • Set of standards✓ of expected behaviour. ✓ 	<ul style="list-style-type: none"> • Conforms to a set of values✓ that are morally acceptable within a business or organization. ✓
<ul style="list-style-type: none"> • Applies a code of conduct✓ of a profession or business. ✓ 	<ul style="list-style-type: none"> • Forms part of a code of conduct✓ to guide employees to conduct themselves ethically. ✓
<ul style="list-style-type: none"> • Focuses on upholding the reputation✓ of a business or profession. ✓ 	<ul style="list-style-type: none"> • Focuses on developing a moral compass✓ for decision-making. ✓
<ul style="list-style-type: none"> • Includes guidelines✓ for the appearance, conduct, communication, attitude, roles and responsibilities of employees✓ within the business or organisation. 	<ul style="list-style-type: none"> • Involves following the principles✓ of right and wrong in business practices. ✓
<ul style="list-style-type: none"> • Accept any other relevant answer related to professionalism. 	<ul style="list-style-type: none"> • Accept any other relevant answer related to ethics.
Sub max (2)	Sub max (2)

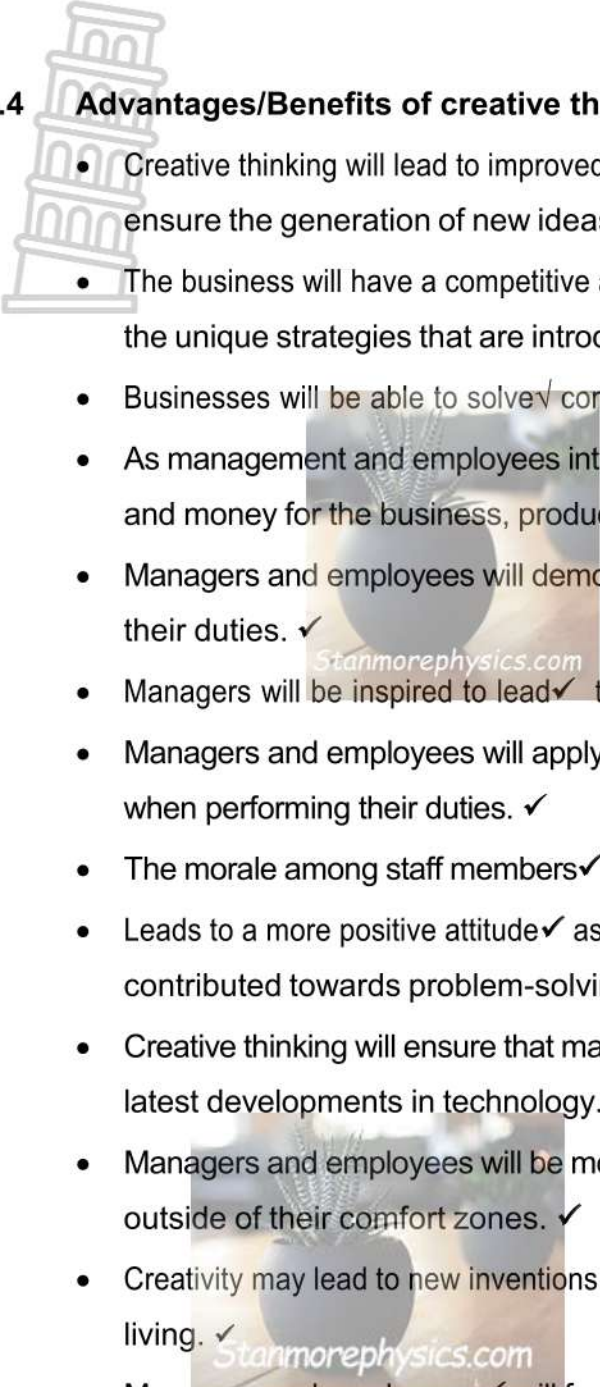
NOTE : 1. The differences must be clear.

2. Answer does not have to be in tabular format.

3. Award a maximum of TWO (2) marks if the differences are not clear. Mark either professionalism or ethics

Max (4)

3.4 Advantages/Benefits of creative thinking in the workplace

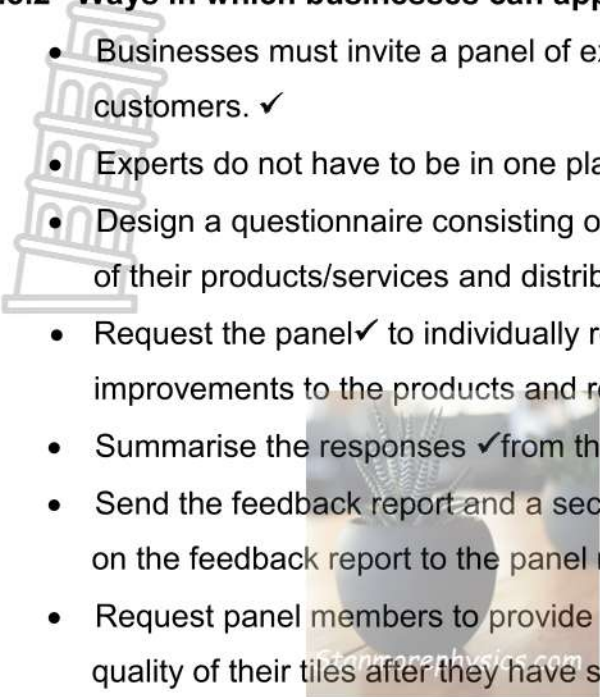
- 
- Creative thinking will lead to improved participation ✓ of staff members, which will ensure the generation of new ideas. ✓
 - The business will have a competitive advantage ✓ over other businesses because of the unique strategies that are introduced. ✓
 - Businesses will be able to solve ✓ complex problems. ✓
 - As management and employees introduce and create many ideas ✓, saving time and money for the business, productivity will increase. ✓
 - Managers and employees will demonstrate more confidence ✓ as they perform their duties. ✓
 - Managers will be inspired to lead ✓ their teams more efficiently. ✓
 - Managers and employees will apply their knowledge ✓ in a collaborative manner when performing their duties. ✓
 - The morale among staff members ✓ will be improved. ✓
 - Leads to a more positive attitude ✓ as managers and employees feel that they have contributed towards problem-solving. ✓
 - Creative thinking will ensure that managers and employees ✓ stay abreast of the latest developments in technology. ✓
 - Managers and employees will be more creative ✓ as they are challenged to work outside of their comfort zones. ✓
 - Creativity may lead to new inventions , ✓ which will improve the general standard of living. ✓
 - Managers and employees ✓ will feel that they have contributed towards problem-solving. ✓
 - Any other answer related to the benefits of creative thinking in the workplace.

Max (6)

3.5.1 Delphi-technique ✓✓

(2)

3.5.2 Ways in which businesses can apply the Delphi Technique

- 
- Businesses must invite a panel of experts✓ to research the complaints from customers. ✓
 - Experts do not have to be in one place✓ and will be contacted individually. ✓
 - Design a questionnaire consisting of questions ✓ on how to improve the quality of their products/services and distribute it to the panel members/experts. ✓
 - Request the panel✓ to individually respond to the questionnaire✓/suggest improvements to the products and return it to businesses. ✓
 - Summarise the responses ✓ from the experts in a feedback report. ✓
 - Send the feedback report and a second set of questions✓ /questionnaire based on the feedback report to the panel members. ✓
 - Request panel members to provide further input ✓/ideas on how to improve the quality of their tiles after they have studied the results/documentation. ✓
 - Distribute a third questionnaire✓ based on previous feedback from the second round. ✓
 - Prepare a final summary/feedback report ✓ with all the methods to improve the quality of products. ✓
 - Choose the best solution/proposal✓ after reaching consensus. ✓
 - Any other relevant answer related to ways in which businesses can apply the Delphi technique.

Max (4)

3.6 Meaning of problem solving

- Is the process of studying a situation✓ to find strategies to bring about change. ✓
- It involves collecting facts ✓ that include problem findings and problem shaping. ✓
- Creative and logical skills✓ need to be applied to find solutions to problems. ✓
- Alternative solutions are generated✓ and evaluated in response to problems. ✓
- Problems can be solved✓ by an individual , group or team member. ✓
- Any other relevant answer related to the meaning of problem solving.

Max (4)

3.7 Ways in which businesses can create an environment that stimulates creative thinking

- Businesses must emphasize the importance of creative thinking to ensure that all staff knows that their ideas will be heard. ✓ ✓
- Make time for brainstorming sessions to generate new ideas, e.g regular workshops/ generate more ideas/build on one another's ideas.. ✓ ✓
- Plan regular workshops so that brainstorming sessions can be held to generate new ideas. ✓ ✓
- Ensure that communication channels remain open by placing suggestion boxes around the workplace. ✓ ✓
- Train staff members to think creatively, solve problems, and use mind mapping and lateral thinking. ✓ ✓
- Encourage job exchanges within the organization and other businesses to improve creativity in the workplace. ✓ ✓
- Encourage alternative ways of working and doing things. ✓ ✓
- Accommodate employees' ideas and try not to let anyone feel less important in the workplace. ✓ ✓
- Reward creativity with reward schemes for teams / individuals that come up with creative ideas. ✓ ✓
- Any other relevant answer related to ways in which businesses can create an environment that stimulated creative thinking.

Max (6)

BREAKDOWN OF MARK ALLOCATION

3.1	4
3.2.1	2
3.2.2	6
3.3	4
3.4	6
3.5.1	2
3.5.2	4
3.6	6
3.7	6
TOTAL	40

QUESTION 4: MISCELLANEOUS

BUSINESS VENTURES

4.1 Characteristics of a Non-profit company

- Non-profit companies do make money; they just do not make a profit. ✓
- Any money raised by a non-profit company needs to be used by the company to cover its expenses. ✓
- The name of the non-profit company must end with NPC. ✓
- A non-profit company may register with the Department of Social Welfare as a non-profit organisation (NPO) ✓
- Any other relevant characteristics of a non-profit company.

Max (3)

Note: Mark the first THREE only

4.2.1 Quote


- He came up with an original and non-misleading company name, called Simple Leisure (SL). ✓
- Simpson also reserved the company name at CIPC, so that it cannot be used by another company. ✓
- He was told that his company name will be reserved for six months. ✓

Max (3)

Note: Mark the first THREE only

4.2.2 Other legal requirements of the name of a company


- A company's name must appear✓ on all company documents. ✓
- The name of the company must not be similar or same✓ as any other company unless it is part of the group. ✓
- The name of a company must show the type of company, that is:
 - the name of the non-profit company✓ must end with NPC. ✓
 - the name of a personal liability company✓ must end with Incorporated or Inc. ✓

- 
- the name of a private company✓ must end with Proprietary Limited or Pty Ltd. ✓
 - the name of a public company✓ must end with Limited or Ltd. ✓
 - the name of a state-owned company✓ must end with SOC Ltd. ✓
 - The name of the company must not be offensive✓, promote violence or hatred and cause any harm. ✓
 - The name must not be shortened✓ and translated. ✓
 - Any other relevant answer related to legal requirements of the name of a company.

Note: Do not award marks for answers quoted from QUESTION 4.2.1.

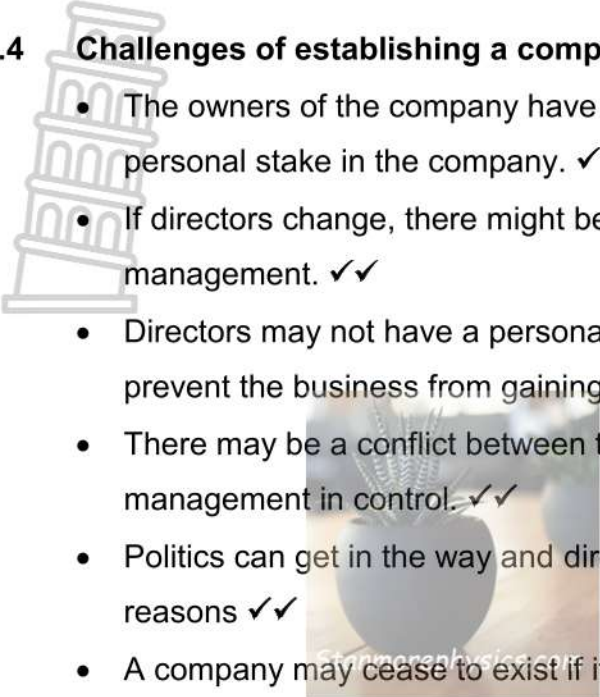
Max (4)

4.3 Advantages a public company

- 
- The business has its own legal identity✓ and can own assets and property. ✓
 - No limitation on the number of shareholders✓, so growth and expansion is not limited. ✓
 - Competent and knowledgeable directors✓ may be appointed by shareholders.✓
 - Easy to raise large amounts of capital for growth✓ through the issuing of shares to the public. ✓
 - Shareholders have a limited liability✓ for the debt of the company. ✓
 - Shareholders may only loose the amount✓ which they invested. ✓
 - Attracts small investors✓ as shares can be transferred freely and easily.
 - Shareholders can sell or transfer✓ their shares freely. ✓
 - The public has access to the information✓ as financial reports must be published annually. ✓
 - This could motivate the public✓ to buy shares from a company. ✓
 - Strict regulatory requirements✓ protect shareholders. ✓
 - Additional capital can be raised✓ by issuing debentures to the public. ✓
 - The company keeps its shareholders regularly informed✓ about its performance, share values and future. ✓
 - Any other relevant answer related to advantages of public company.

Max (6)

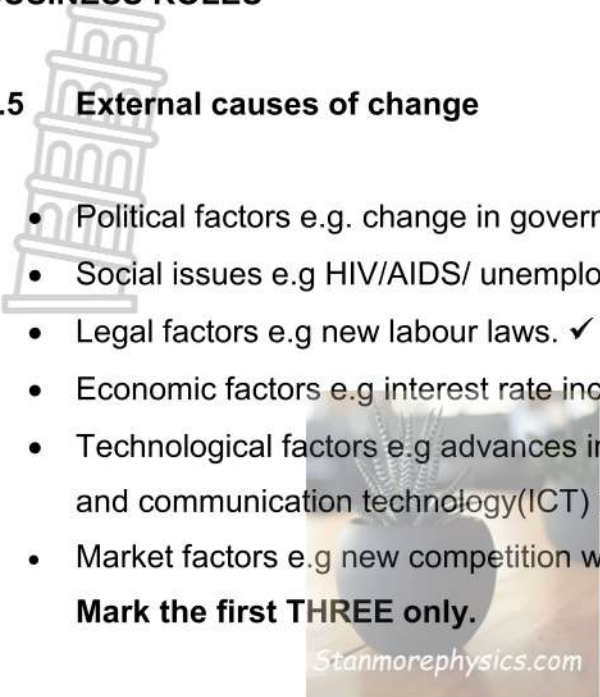
4.4 Challenges of establishing a company versus other forms of ownership

- 
- The owners of the company have more liability. Directors might not have a personal stake in the company. ✓✓
 - If directors change, there might be a difference in the continuity of management. ✓✓
 - Directors may not have a personal interest in the business, and this could prevent the business from gaining help to maximise growth and profits. ✓✓
 - There may be a conflict between the owners of the company and the management in control. ✓✓
 - Politics can get in the way and directors are appointed for the wrong reasons ✓✓
 - A company may cease to exist if it is deregistered by CIPC. ✓✓
 - Directors who do not have a personal interest in the business might not attract investors. ✓✓
 - The limited liability aspect of the company generates more paperwork in the registration process. ✓✓
 - When directors change, there could be a lack of continuity in management. ✓✓
 - Companies have more taxation requirements. ✓✓
 - The more shares there are the less profit per share. ✓✓
 - A company must submit a detailed report to all stakeholders at the end of each financial year. ✓✓
 - A large amount of money is spent on financial audits and accounting fees because of government regulations. ✓✓
 - Companies must disclose all financial information. ✓✓
 - This could provide their competitors with an unfair advantage. ✓✓
 - State-owned companies often deliver non-profitable services that leads to the government losing money through the business. ✓✓
 - Any other relevant answer related to challenges of establishing a company versus other forms of ownership.

Max (4)

BUSINESS ROLES

4.5 External causes of change

- 
- Political factors e.g. change in government policy✓.
 - Social issues e.g HIV/AIDS/ unemployment. ✓
 - Legal factors e.g new labour laws. ✓
 - Economic factors e.g interest rate increase / inflation. ✓
 - Technological factors e.g advances in production techniques and the information and communication technology(ICT) revolution. ✓
 - Market factors e.g new competition with new products. ✓

Mark the first THREE only.

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Max (3)

4.6

4.6.1

- Aphelele act within the law when issuing medicine ,✓ safe guarding the confidentiality of client information and she is committed to quality and apply skills✓ and knowledge to the benefit of the society. ✓

Max (3)

4.6.2 Advantages of ethical business ventures

- Businesses can build a good reputation✓ and attract more investors, thus increasing profitability. ✓
- Customer loyalty is created and nurtured✓ , and positive business image will be created. ✓
- Staff morale can be built and maintained✓ by paying employees fairly. ✓
- Staff who are hard - working and productive ✓will be loyal and dedicated to the business. ✓
- Positive relationships will develop between co-workers✓ , which will result in improved productivity. ✓
- Businesses that become compliant✓ with environmental regulations will avoid unnecessary fees or sanctions. ✓
- Any other relevant answer related to advantages of ethical business ventures.

Max (6)

4.7 Strategies a business can use to deal with the following changes



4.7.1 Affirmative action

- Inform employees on how affirmative action will be implemented in the business. ✓✓
- Businesses must have acceptable affirmative action programmes. ✓✓
- Businesses must indicate in all their job adverts that they are affirmative action employers. ✓✓
- They should open themselves to new ideas and opportunities instead of sticking to the past. ✓✓
- Employees need to focus on the job rather than the differences of the people in the team and how they were appointed. ✓✓
- Any other relevant answer related to how to deal with affirmative action.

Max (4)

4.7.2 Globalisation

- Adapt your approach to new operational complexities. ✓✓
- Businesses should be aware of changes in the related industry. ✓✓
- Keep abreast of new technology/processes and developments that could give your business a competitive edge. ✓✓
- Investigate overseas markets for their products. ✓✓
- Source overseas manufactures/materials/suppliers etc. ✓✓
- Build a strategy for connecting with governments. ✓✓
- Comply with international standards of quality. ✓✓
- Comply with international trade laws. ✓✓
- Upgrade the enterprise's information technology (IT) network to enable online purchasing. ✓✓
- Be creative in making products desirable and unique. ✓✓
- Any other relevant answer related to how to deal with globalization.

Max (4)





BREAKDOWN OF MARK ALLOCATION

4.1	3
4.2.1	3
4.2.2	4
4.3	6
4.4	4
4.5	3
4.6.1	3
4.6.2	6
4.7.1	4
4.7.2	4
TOTAL	40

SECTION C

QUESTION 5: BUSINESS VENTURES [AVENUES OF ACQUIRING A BUSINESS]

5.1 Introduction

- 
- 
- Managers should read through contractual implications of leasing before signing any contracts. ✓
 - Businesses must consider the advantages of leasing must before deciding to lease the asset. ✓
 - Entrepreneurs may choose to purchase existing businesses, as it is already known on the market. ✓
 - Businesses should be aware of the disadvantages of outsourcing , as it could expose business to security risks. ✓
 - Any other relevant introduction related to contractual implications of leasing/advantages of leasing/reasons why entrepreneurs may decide to purchase existing businesses/disadvantages of outsourcing.

Any (2 x 1) (2)

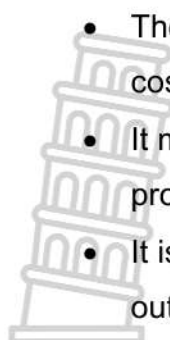
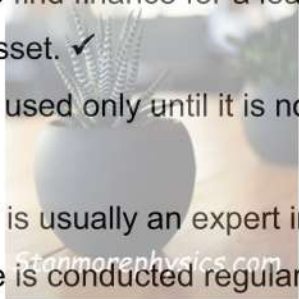
5.2 Contractual implications of leasing

- The right to occupy an asset, for example, a property✓✓
- The right to use the asset, for example, a delivery van✓✓
- The responsibility to keep the asset in good order or condition✓✓
- The responsibility of paying fees or rent on time not making any alterations or changes without the consent of the lessor✓✓
- Where an asset needs to be insured, the lease agreement must stipulate it.✓✓
- Any other relevant answer related to contractual implications of leasing.

Max (10)

5.3 Advantages of leasing

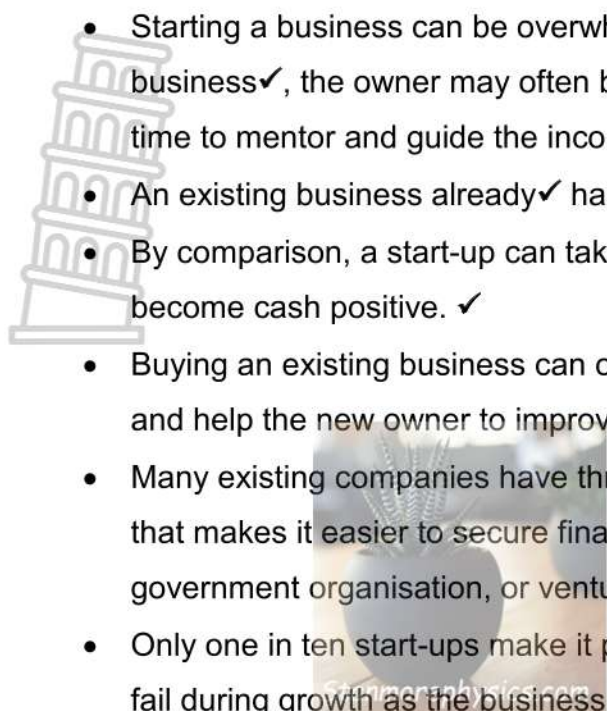
- There is no large financial outlay✓ as the cost is spread over a number of months or years. ✓
- The lessor normally covers the maintenance✓ or replaces any damaged parts or equipment. ✓
- The assets can be returned to the lessor✓ when it is no longer needed. ✓

- 
- 
- There are tax advantages✓, as rental payments are calculated as operating costs and therefore tax-deductible. ✓
 - It makes budgeting, planning and administration practices easier✓ and provides better control over cash flow. ✓
 - It is easy to lease a better or newer version of the product✓ without the capital outlay. ✓
 - Leasing costs✓ are tax-deductible. ✓
 - It is easier to find finance for a lease agreement✓ than for the purchasing of an expensive asset. ✓
 - The asset is used only until it is no longer needed✓ or until the end of the lease term. ✓
 - The lessor✓ is usually an expert in the field. ✓
 - Maintenance is conducted regularly✓ and should be written into the contract. ✓
 - Technicians are always on standby✓ to offer advice and training. ✓
 - The reputation of the company that leases the asset is at stake✓, so it will make sure that the lessee receives the best after-sales service. ✓
 - Any other relevant answer related to advantages of leasing.

Max (12)

5.4 Reasons why entrepreneurs may decide to purchase an existing business.

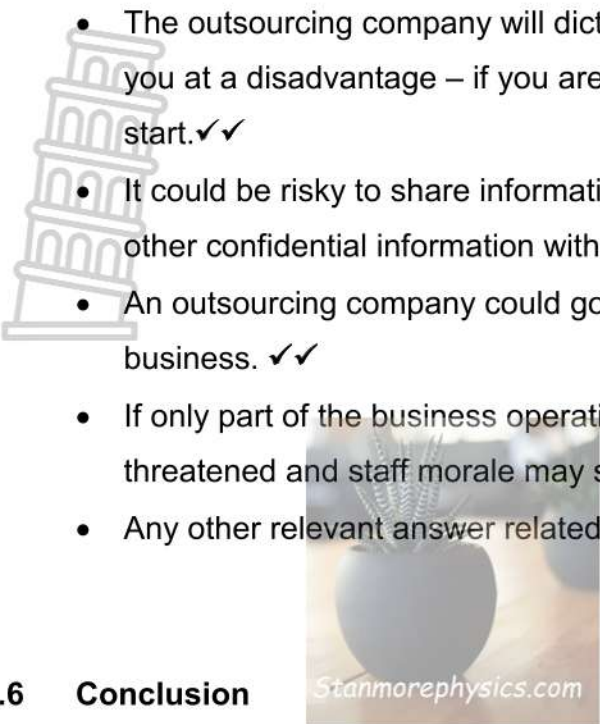
- An established business should not take up too much time to set up✓ as all requirements needed to run the business is already in place. ✓
- An established business✓ should have an existing customer base. ✓
- When an entrepreneur buys an existing business✓, it may come with goodwill from an established good reputation on the market. ✓
- People are creatures of habit✓ – if they have shopped at the same hardware store for several years, they will likely continue to shop there – even when a new owner takes over. ✓
- It is a good idea to state that the transfer of ownership✓ includes the company's phone number, website and registered name. ✓
- The market research has already been done for an existing business✓, so the new owner can use that information to form any future plans. ✓

- 
- Starting a business can be overwhelming if you purchase an existing business✓, the owner may often be willing to stay on for an agreed amount of time to mentor and guide the incoming owner. ✓
 - An existing business already✓ has customers and continued cash flow. ✓
 - By comparison, a start-up can take a long time✓ to attract new customers and become cash positive. ✓
 - Buying an existing business can offer greater security over working capital✓ and help the new owner to improve cash flow sooner. ✓
 - Many existing companies have three or more years of profitable financials✓ that makes it easier to secure financing either from a traditional bank, government organisation, or venture capitalist. ✓
 - Only one in ten start-ups make it past the second year✓ and many businesses fail during growth as the business tries to hire more staff. ✓
 - Having trained staff in place can ensure a smooth transfer✓ and contribute to the success of the business. ✓
 - When an entrepreneur buys an existing business✓, it can increase its market position. ✓
 - Similarly, it can increase✓ its customer base, market share, and resources. ✓
 - Any other reason why entrepreneurs may decide to purchase an existing business.

Max (14)

5.5 Disadvantages of outsourcing

- The loss of management control over the task may affect the staff and can lead to frustration. ✓✓
- There may be a lack of personal care and quality as the business is not personally involved in the execution of the function. ✓✓
- There are often hidden costs in outsourcing. ✓✓
- The business relies on the outsourced company to produce the goods and services and non-delivery by a supplier can lead to the loss of unsatisfied staff or customers, financial loss and frustration. ✓✓
- Confidential issues could be at risk if the information is given to another company that performs the function that is outsourced. ✓✓
- Control of the outsourced products can be more complex. ✓✓

- 
- The outsourcing company will dictate the terms of the contract, which could put you at a disadvantage – if you are in desperate need – when negotiations start. ✓✓
 - It could be risky to share information about payroll, medical records, or any other confidential information with the outsourcing company. ✓✓
 - An outsourcing company could go bankrupt, and this can seriously affect the business. ✓✓
 - If only part of the business operations are outsourced, current staff might feel threatened and staff morale may suffer. ✓✓
 - Any other relevant answer related to disadvantages of leasing.

Max (10)

5.6 Conclusion

- Businesses that are familiar with contractual implications of leasing, will make informed decisions that would benefit them. ✓✓
- Businesses tend to lease assets, as there are more advantages to leasing. ✓✓
- If entrepreneurs understands the reasons for purchasing an existing business, it could prove to be profitable in the future. ✓✓
- Managers must consider the negative impact that outsourcing might have on their businesses. ✓✓
- Any other relevant conclusion related to contractual implications of leasing/advantages of leasing/reasons why entrepreneurs may decide to purchase an existing business/disadvantages of outsourcing.

Any (1 x 2) (2)

BREAKDOWN OF MARKS

Details	Maximum	Total
Introduction	2	Max 32
Contractual implications of leasing	10	
Advantages of leasing	12	
Reason why entrepreneurs may decide to purchase and existing business	14	
Disadvantages of outsourcing	10	
Conclusion	2	
INSIGHT		
Layout	2	Max 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 some requirements are met.

Allocate 0 marks where requirements are not met at all.

Question 6: BUSINESS ROLES (STRESS, CRISIS AND CHANGE MANAGEMENT)

6.1 Introduction

- 
- Stress is experienced by everyone in different situations. ✓
 - Businesses must find ways to deal with crisis in the workplace, as it can negatively affect both employees and management. ✓
 - Managers should be aware of the importance of stress management and implement it effectively in the workplace. ✓
 - Businesses should conduct workshops on how employees can manage stress in the workplace. ✓
 - Any other relevant introduction related to stress, change and crisis.

Max (2)

6.2 Meaning

Stress

- The body's reaction ✓ to a change that requires a physical, mental or emotional adjustment or response. ✓
- The adverse reaction people have to excessive pressures ✓ or other types of demands placed on them at work. ✓
- Is the way the body reacts to situations ✓ that a person finds difficult to control. ✓
- Any other relevant answer related to defining stress.

Sub max (4)

Crisis

- Is a time ✓ of intense difficulty, trouble, or danger. ✓
- An event ✓ that can within a short period of time, harm the business's stakeholders, its property, finances or its reputation. ✓
- Any other relevant answer related to defining a crisis.

Sub max (4)

Max (8)

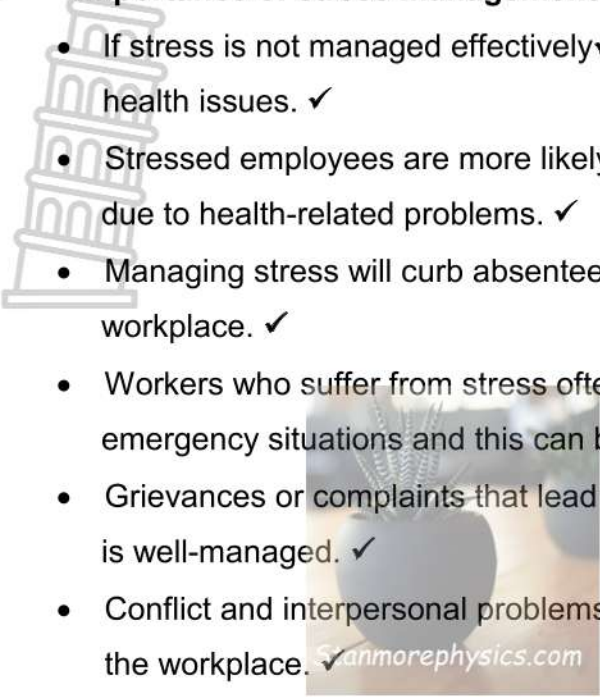
6.3 Ways businesses can deal with business related crisis



- Intervene swiftly and with urgency , ✓ but without panicking or overreacting. ✓
- Identify the real nature of the crisis ✓ by making a thorough assessment of the situation and seeking expert opinions. ✓
- Assess/If the crisis happens ✓, face up to it and quickly find out what has happened without over-reacting. ✓
- Deal with crisis directly and timeously ✓ without trying to avoid/minimise the seriousness of the situation. ✓
- Plan/Identify and prioritise ✓ the actions required. ✓
- Inform/Provide accurate ✓ and correct information. ✓
- Support/Guide others through the situation ✓ by providing training and support ✓
- Attempt to contain the situation ✓ to minimise further damage. ✓
- Communicate with all stakeholders so that they are properly informed about what has happened, ✓ what the impact is and how it is being dealt with. ✓
- Appoint a spokesperson from the management team ✓ who will deal with all questions and provide information. ✓
- Regain control/Manage the situation ✓ in a calm manner until the crisis is over. ✓
- Obtain expert advice ✓ if the crisis falls outside the business' scope of expertise. ✓
- Call for help and seek assistance/advice and support ✓ from the appropriate agencies and professional. ✓
- Arrange debriefing sessions for ✓ all those directly involved in the crisis or who have been traumatised by the event. ✓
- Evaluate how effective the emergency ✓ plan was throughout the crisis. ✓
- Amend the emergency plan ✓ after evaluating what worked and what did not work. ✓
- Any other relevant answer related to ways businesses can deal with crisis in the workplace.

Max (16)

6.4 Importance of stress management in the workplace

- 
- If stress is not managed effectively✓, it can get out of control and cause staff health issues. ✓
 - Stressed employees are more likely to miss work✓, both as a way to cope and due to health-related problems. ✓
 - Managing stress will curb absenteeism ✓✓in order to maintain productivity at workplace. ✓
 - Workers who suffer from stress often display poor judgement✓ in crisis or emergency situations and this can be avoided through managing stress. ✓
 - Grievances or complaints that lead to staff turnover✓ can be addressed if stress is well-managed. ✓
 - Conflict and interpersonal problems✓ can be avoided if stress is managed at the workplace. ✓
 - Having stressed and tired employees✓serving the public may lead to poor service and unhappy customers and this can be corrected through management of stress. ✓
 - Stressed employees are more likely to cling to the old ways✓ of doing things by resisting change and this can be controlled through proper management of stress. ✓
 - Constant stress can cause many problems for a business ✓since it can become an unhealthy environment. ✓
 - Too much stress can become a barrier✓ to success and lowers the performance of workers. ✓
 - Any other relevant answer related to importance of stress management in the workplace

Max (12)

6.5 Ways employees can manage stress in the workplace

- Develop self-awareness to recognise the signs of stress and its causes. ✓✓
- Create a balanced lifestyle and minimise extreme emotions. ✓✓
- Exercise regularly and keep fit. ✓✓
- Follow a balanced diet. ✓✓
- Get enough sleep and relaxation. ✓✓



- Replace negative self-talk with positive thoughts. ✓✓
- Apply good time-management skills. ✓✓
- Set personal realistic goals and targets. ✓✓
- Any other relevant answer related to ways employees can manage stress in the workplace.

Max (10)

6.6 Conclusion

- It is very important for a business to deal with stress, and crises to ensure the success of the business. ✓✓
- If businesses implement effective ways to deal with crisis in the workplace, it will be beneficial to the business in the future. ✓✓
- If stress management is correctly implemented by managers, it could lead to a more productive workforce. ✓✓
- Employees that implement the different ways to manage stress in the workplace, will become efficient and productive at their work. ✓✓
- Any other conclusion related to stress, change and crisis.

Max (2)

[40] BREAKDOWN OF MARKS

Details	Maximum	Total
Introduction	2	Max 32
Meaning of stress and crisis	8	
Ways business can deal with business-related crisis	16	
Importance of stress management	12	
Ways employees can management stress	10	
Conclusion	2	
INSIGHT		
Layout	2	Max 8
Analysis, interpretation	2	
Synthesis	2	

LASO – For each component:

Allocate 2 marks if all requirements are met.

Allocate 1 mark if some requirements are met.

Allocate 0 marks where requirements are not met at all.