



KWAZULU-NATAL PROVINCE

EDUCATION
REPUBLIC OF SOUTH AFRICA

**NATIONAL
SENIOR CERTIFICATE**

GRADE 12

BUSINESS STUDIES P1

COMMON TEST

JUNE 2024

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MARKS: 150

TIME: 2 hours

This question paper consists of 9 pages.

INSTRUCTIONS AND INFORMATION

Read the following instructions carefully before answering the questions.

1. This question paper consists of **THREE** sections and covers **TWO** main topics.

SECTION A: COMPULSORY

SECTION B: Consists of **THREE** questions.

Answer any **TWO** of the three questions in this section.

SECTION C: Consists of **TWO** questions.

Answer any **ONE** of two questions in this section.

2. Read the instructions for each question carefully and take note of what is required.

Note that **ONLY** the first **TWO** questions in **SECTION B** and the **FIRST** questions in **SECTION C** will be marked.

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

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

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

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

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

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

8. You may use a non-programmable calculator.

9. Write neatly and legibly.

SECTION A (COMPULSORY)**QUESTION 1**

1.1 Various options are provided as possible answers to the following questions. Choose the answer and write only the letter (A-D) next to the question numbers (1.1.1 to 1.1.10) in the ANSWER BOOK, e.g. 1.1.6 D.

1.1.1 This Act promotes diversity and affirmative action in the workplace.

- A. Consumer Protection Act, 2008 (Act 68 of 2008)
- B. Employment Equity Act, 1998 (Act 55 of 1998)
- C. Broad-Based Black Economic Empowerment Act, 2003 (Act 53 of 2003)
- D. Labour Relations Act, 1995 (Act 66 of 1995)

1.1.2 The aim of horizontal integration strategy is to....

- A. decrease the business dependency on the supplier.
- B. take over the distributor down the supply chain
- C. take over its supplier up the supply chain
- D. take over businesses in the same industry

1.1.3. SA Insurance Company operates under...sector.

- A. tertiary
- B. primary
- C. secondary
- D. economic

1.1.4 Ben Clothing pays its employees according to the number hours spent at work. This salary determination method is known as...

- A. piecemeal
- B. salary
- C. time-related
- D. wage

1.1.5 One of the quality indicators of public relations function is to...

- A. adhere to ethical advertising practices when promoting products/service.
- B. implement sustainable Corporate Social Investment programmes.
- C. use modern technology efficiently.
- D. buy raw material in bulk at lower prices.

(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.

do; family responsibility leave; job specification; CCMA; act; SWOT analysis; sick leave; job description; SETAs; PESTLE model

1.2.1 Employees are entitled to 6 weeks... in a 3 year cycle.

1.2.2 Businesses use ... to analyse the challenges posed by environmental factors.

1.2.3 The role of...register accreditation for skills development facilitator.

1.2.4 A National Diploma in Marketing is an example of ...

1.2.5 The PDCA cycle step where change is implemented on a small scale is called ...

(5 × 2) (10)

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

COLUMN A		COLUMN B	
1.3.1	Compensation for Occupational Injuries and Diseases Act	A.	introduction/ familiarisation of new employees to the new work environment .
1.3.2	National Skills Development Strategy	B.	change raw material to consumable products.
1.3.3	Primary sector	C.	management ensures that every employee is responsible for quality of his/her work/action.
1.3.4	Induction	D.	increase access to programme that train people.
1.3.5	Total Quality Management	E.	ensures there is no discrimination of any nature in the workplace.
		F.	develops short term and long term workforce skills.
		G.	promotes safety/health in the workplace.
		H.	procedure of selecting the best candidate to fill in the vacancy.
		I.	aim to ensure that the quality of goods/services is consistent.
		J.	extracts raw material and natural resources.

(5 × 2) (10)

TOTAL SECTION A: 30

SECTION B

Answer ANY TWO questions from this section.

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

QUESTION 2: BUSINESS ENVIRONMENTS

- 2.1 Name any FOUR pillars of BBBEE. (4)
- 2.2 Explain ways in which businesses can comply with Basic Conditions of Employment Act (BCEA), 1997 (Act 75 of 1997). (4)
- 2.3 Read the scenario below and answer the questions below

SMITH STEELWORKS

Smith Steelworks manufactures and sells sporting equipment. SS has not been contributing to the Compensation Fund. Sandy, an employee at SS was injured whilst performing duties. She was bribed from reporting the injury. The business was penalised for non-compliance with the COIDA.

- 2.3.1 Quote TWO actions that are regarded as non-compliance with the Compensation for Occupational Injuries and Diseases Amended Act (COIDA), 1997 (Act No 61 of 1997) (2)
- 2.3.2 Discuss the impact of Compensation for Occupational Injuries and Diseases Amended Act (COIDA), 1997 (Act No 61 of 1997) on SS. (4)
- 2.4 Describe actions regarded as non-compliance with Labour Relations Act, 1995 (Act 66 of 1995) (6)
- 2.5 Identify the types of defensive strategies applicable to Ngcebo Engineers in each statement below.
- 2.5.1 Management and all stakeholders agreed to sell the entire business in order to pay all liabilities/close down the business. (2)
- 2.5.2 Certain departments were closed which resulted in other employees becoming redundant. (2)
- 2.5.3 Business sold some assets that were no longer productive. (2)
- 2.6 Discuss any TWO types of intensive strategies. (6)
- 2.7 Advise businesses on the application of the following elements of Porters Five Forces
- 2.7.1 Power of suppliers (4)
- 2.7.2 Threat of substitution/substitutes (4)

[40]

QUESTION 3: BUSINESS OPERATIONS

- 3.1 State FOUR examples of fringe benefits . (4)
- 3.2 Explain the role of interviewer before the interview. (6)
- 3.3 Read the scenario below and answer the questions that follow.

JUDY STORE (JS)

Judy Store has two vacancies for cashiers to fill in. They used various sources to advertise the vacancies. The vacancies were advertised in the newspapers, staff notice board and announced during the staff meeting.

- 3.3.1 Name TWO sources of internal recruitment used by JS from the scenario above. (2)
- 3.3.2 Discuss the impact of internal recruitment on JS. (4)
- 3.4 Advise businesses on UIF as a benefit required by law. (4)
- 3.5 Elaborate on the meaning of quality (4)
- 3.6 Discuss the quality indicators of financial function. (6)
- 3.7 Read the scenario below and answer the questions that follow.

EKHAYA MANUFACTURERS

Ekhaya Manufacturers manufactures furniture and other related products. EM has been experiencing the influx of returned products. After thorough investigation they identified the following challenges:

- Quality is not checked on all products produced.
- Not all employees are involved in satisfying the needs of customers.
- It takes long to detect problems or respond to weaknesses.

- 3.7.1 Quote TWO negative impacts of monitoring and evaluation of quality processes on EM. (2)
- 3.7.2 Discuss other impact of monitoring and evaluation of quality processes on large businesses. (4)
- 3.8 Advise on impact of TQM if poorly implemented by businesses. (4)

[40]

QUESTION 4: MISCELLANEOUS TOPICS**BUSINESS ENVIRONMENTS**

- 4.1 List any TWO rights of consumers according to Consumer Protection Act (CPA), 2008 (Act 68 of 2008) (2)
- 4.2 Read the following scenario and answer the questions that follow.

ARROW MINES (AM)

Arrow Mines is involved in the extraction of precious metals. AR has lost its share of market to Brown Mines which is also involved in the same industry. Management of AR does not have good relationship with its employees. AR can no longer export their products due to increase in the exchange rate.

Use the table below as a GUIDE to answer QUESTIONS 4.2.1, 4.2.2 and 4.2.3

CHALLENGES 4.2.1	BUSINESS ENVIRONMENTS 4.2.2	EXTENT OF CONTROL 4.2.3
1.		
2.		

- 4.2.2 Quote any TWO challenges for AR from the scenario above (2)
- 4.2.3 Classify AR challenges according to the THREE business environments. (2)
- 4.2.4 State the extent of control AR has over EACH business environment. (2)
- 4.3 Explain how SETAs are funded. (6)
- 4.4 Advise businesses on notice of termination as a provision of Basic Conditions of Employment Act (BCEA), 1997 (Act 75 of 1997). (6)

BUSINESS OPERATIONS

- 4.5 List TWO aspects that should be included in the employment contract. (2)
- 4.6 Explain the selection procedure as a human resource activity. (4)
- 4.7 Discuss the purpose of induction (4)

4.8 Read the following statement and answer the questions that follow.

BB CONSTRUCTION (BC)

BB Construction focuses on meeting customer requirements and enhancing their satisfaction. To achieve this BC has ensured that proper techniques/tools are used to improve the quality of their service and that all departments work towards same quality standards.

4.8.1 Identify quality concepts applicable in the above scenario. Motivate your answer by quoting from the scenario (6)

Use the following table as a GUIDE to answer question 4.8.1

QUALITY CONCEPTS	MOTIVATION
1.	
2.	

4.8.2 Advise businesses on the benefits of a good quality management system. (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, e.g. QUESTION 5 on a NEW page OR QUESTION 6 on a NEW page.

QUESTION 5 : BUSINESS ENVIRONMENTS (BUSINESS STRATEGIES)

A strategic management process enables businesses to implement strategies suitable to overcome business challenges. Businesses should therefore evaluate the effectiveness of strategies implemented. Through diversification strategies businesses spread their investments across a range of products and services. Application of PESTLE model enables businesses to devise strategies to deal with challenges in the macro environment.

Write an essay on business strategies based on the following aspects:

- Outline the strategic management process.
- Explain to businesses steps they should consider when evaluating a strategy.
- Discuss types of diversification strategies.
- Recommend ways in which businesses can deal with challenges posed by the following PESTLE factors.
 - Economic factors.
 - Technological factors.

[40]

QUESTION 6: BUSINESS OPERATIONS (QUALITY OF PERFORMANCE)

Businesses implement quality control and quality assurance processes to produce high quality goods. Quality control system helps businesses to minimise the cost of quality. Total client satisfaction and continuous skills development contribute are some of the elements that contribute to total quality management (TQM). Large businesses also make use of quality circles to achieve total quality management.

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

- Outline the differences between quality control and quality assurance.
- Explain ways in which TQM can reduce the cost of quality.
- Discuss the impact of the following TQM elements on the businesses.
 - Total client/customer satisfaction.
 - Continuous skills development/education and training.
- Advise businesses on the role/importance of quality circles as part of continuous improvement to processes and system.

[40]

**TOTAL SECTION C: 40
150**



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MARKING GUIDELINES

MARKS: 150

This marking guideline consist of 28 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 subquestions is recommended in SECTIONS A and B. However, if the numbering is incorrect, follow the sequence of the candidate's responses. Candidates will be penalised if the latter is not clear.
10. No additional credit must be given for repetition of facts. Indicate with an 'R'.
11. The differentiation between 'evaluate' and 'critically evaluate' can be explained as follows:

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

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

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

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

Cognitive verbs, such as:

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

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

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

14. **SECTION B**

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

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

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

- 14.3 If candidates are required to provide their own examples/views, brainstorm this at the marking centre to finalise alternative answers.

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

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

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

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

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

- 14.5 **ONE mark may be awarded for answers that are easy to recall, requires oneword 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 S	Are there relevant decisions/facts/responses made based on the questions? 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 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. Option 3 : Some relevant facts: 1 mark (One '-S') Where a candidate answers FOUR sub-questions, of the the question with no relevant facts; one '-S' appears in the left margin. Award a maximum of ONE (1) for synthesis. 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	
Originality	Is there evidence of examples based on recent information, current trends and developments?	2
TOTAL FOR INSIGHT:		8
TOTAL MARKS FOR FACTS:		32
TOTAL MARKS FOR ESSAY (8 + 32):		40

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



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

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

- 15.7 When awarding marks for facts, take note of the sub-maxima indicated, especially if candidates do not make use of the same subheadings. Remember, headings and subheadings are encouraged and contribute to insight (structuring/logical flow/sequencing) and indicate clarity of thought. (See MARK BREAKDOWN at the end of each question.)
- 15.8 If the candidate identifies/interprets the question **INCORRECTLY**, then he/she may still obtain marks for layout.
- 15.9 If a different approach is used by candidates, ensure that the answers are assessed according to the mark allocation/subheadings as indicated in the marking guideline.
- 15.10 15.10.1 Award TWO marks for complete sentences. Award ONE mark for phrases, incomplete sentences and vague answers.
- 15.10.2 With effect from November 2015, the TWO marks will not necessarily appear at the end of each completed sentence. The ticks (✓) will be separated and indicated next to each fact, e.g. 'Product development is a growth strategy ✓, where businesses aim to introduce new products into existing markets.' ✓
- This will be informed by the nature and context of the question, as well as the cognitive verb used.
- 15.11 With effect from November 2017, the maximum of TWO (2) marks for facts shown as headings in the marking guidelines, will not necessarily apply to each question. This would also depend on the nature of the question.

SECTION A**QUESTION 1**

1.1 1.1.1 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 sick leave ✓✓

1.2.2 PESTLE model✓✓

1.2.3 SETAS ✓✓

1.2.4 job specification✓✓

1.2.5 do✓✓

(5 x 2) (10)

1.3 1.3.1 G✓✓

1.3.2 D✓✓

1.3.3 J✓✓

1.3.4 A✓✓

1.3.5 C✓✓

(5 x 2) (10)

TOTAL SECTION A: 30**BREAKDOWN OF MARKS**

QUESTION 1	MARKS
1.1	10
1.2	10
1.3	10
TOTAL	30

SECTION B

Mark the **FIRST TWO QUESTIONS** only.

QUESTION 2: BUSINESS ENVIRONMENTS**2.1 BBBEE Pillars**

- Management control ✓
- Ownership ✓
- Skills development ✓
- Enterprise and Supplier Development ✓
- Social responsibility/socio-economic development ✓

NOTE: Mark the first FOUR (4) only.

(4x 1) (4)

2.2 Ways in which businesses can comply with BCEA

- Workers should only work 9 hours per day ✓ in a 5 day work week./ 8 hours per day in a 6 day work week ✓./Overtime should not exceed 10 hours ✓ per week. ✓
- Workers can take up to six weeks paid sick leave ✓ during a 36-month Cycle/workers are also entitled to maternity/family responsibility/ annual/paternity ✓
- Workers must receive double ✓ if they work during public holidays/ Sunday ✓
- They must have a break of 60 minutes ✓ after five hours of work ✓
- Businesses should not employ ✓ children under the age of 16. ✓
- Any other relevant answer related to ways in which businesses can comply with BCEA

Max (4)

2.3.1 Quotation of non-compliance with COIDA

- SS has not been contributing to the Compensation Fund ✓.
- She was bribed from reporting the injury. ✓

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

2. Award non compliance from the scenario only.

Max (2)

2.3.2 Impact of COIDA on businesses.**Positives/Advantages**

- Promotes safety ✓ in the workplace. ✓
- Employees do not contribute ✓ towards this fund. ✓
- Claiming processes ✓ are relatively simple. ✓
- Eliminates time and costs spent ✓ on lengthy civil court proceedings. ✓
- Any compensation to an employee/the family ✓ is exempt from income tax. ✓
- Employers are protected from financial burden ✓ should an accident occur in the workplace provided that the employer was not negligent. ✓
- Makes businesses more socially responsible ✓ as they cannot just employ workers at random in dangerous working conditions. ✓
- Workers are treated with dignity and respect ✓ as businesses view them as valuable assets and not just as workers. ✓

- Covers all employees at the workplace✓ if both parties meet all the necessary safety provisions in the Act. ✓
- Creates a framework for acceptable employment practices✓ and safety regulations. ✓
- Supply administrative guidelines/mechanisms✓ for dealing with/processing claims. ✓
- Employees are compensated financially for any injury/disability✓ resulting from performing their duties at their workplace. ✓
- In the event of the death of an employee as a result of a work-related accident/disease, ✓ his/her dependent(s) will receive financial support. ✓
- Employees receive medical assistance✓ provided there is no other medical assistance option. ✓/Cannot claim medical assistance✓ from the fund and medical aid. ✓
- Medical expenses/Other types of compensation are paid to employees and/or their families✓ depending on the type/severity of the injuries. ✓
- Employers have to pay a monthly amount to the Compensation Fund ✓ depending on the number of employees/the level of risk they are exposed to. ✓
- Any other relevant answer related to the positive impact of COIDA

AND/OR**Negative/Disadvantages**

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

2.4 Actions regarded as non-compliance with Labour Relations Act.

- Unfair/Illegal dismissal✓ of employees. ✓
- Preventing employees✓ from joining trade unions. ✓
- Refusing the establishment✓ of workplace forums. ✓
- Forcing employees to give up✓ trade union membership. ✓
- Not allowing employees✓ to take part in legal strikes✓/Employees' rights)/not adhering to the right of employees✓ to strike when legalised. ✓
- Cancellation of employees' contracts✓ by a new employer when a business is sold✓
- Refusing to give workplace forum members paid time off✓ for attending meetings during working hours. ✓
- Refusing leave to trade union representatives✓ to attend trade union activities. ✓
- Breaching of collective agreements/resolution mechanisms✓ by either employer/employee. ✓
- Any other relevant answer related to actions regarded as non-compliance.

Max (6)**2.5 Identification of defensive strategies**

2.5.1 Liquidation✓✓

2.5.2 Retrenchment✓✓

2.5.3 Divestiture ✓✓

Max (6)**2.6 Types of intensive strategies****Market penetration** ✓✓

- New products penetrate the existing market at a low price, until it is well known to the customers and then price increases. ✓
- Businesses use market research on existing clients to decide how to improve their marketing mix ✓
- Embark on an intensive marketing campaign to increase awareness and customer loyalty.
- Employ more sales staff to improve sales /service. ✓
- Business focus on selling existing/current product into existing /current market to increase market share.
- Any other relevant answer related to market penetration as a type of intensive strategy

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Strategy: 2
Explanation: 1
Sub max: 3

Market Development ✓✓

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

Strategy: 2
Explanation: 1
Sub max: 3

Product Development ✓✓

- It is a growth strategy where businesses aim to introduce new products into existing markets/modifies an existing product. ✓
- Businesses generate new ideas and develop new products/services
- Businesses conduct test marketing/ market research to establish whether new products will be accepted by existing customers ✓
- New products may be different / of a higher quality than those of competitors ✓
- Any other relevant answer related to product development as a type of intensive strategy

Strategy: 2
Explanation: 1
Sub max: 3
Max (6)

NOTE: Mark the first TWO

2.7 Application of Porters Five Forces

2.7.1 Power of suppliers

- Assess the power of the suppliers in influencing prices ✓✓
- Suppliers that deliver high quality product may have power over the business. ✓✓
- The more powerful the suppliers, the less control the business has over them. ✓✓
- The smaller the number of suppliers, the more powerful they may be as the choice of suppliers may be limited. ✓✓
- Identify the kind of power suppliers' have in terms of the quality of products/services/reliability/ability to make prompt deliveries, etc. ✓✓
- Any other relevant answer related to application of power of suppliers as an element of Porters Five Forces

Sub max (4)

2.7.2 Threat of substitution/substitute

- If the business's product can be easily substituted, it weakens the power of the business in the market. ✓✓
- Establish whether the sellers of substitute products have improved their product/sell lower quality goods at lower prices. ✓✓
 - o If the business sells unique products, it will not be threatened by substitute products/changes or improves the design /quality efficiency of their products/service to remain competitive. ✓✓
- Assess if customers are using substitute products/services and determine reasons for using substitutes. ✓✓
- Any other relevant answer related to application of threat of substitution as an element of Porters Five Forces

Sub max (4)

Max (8)

BREAKDOWN OF MARKS

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

QUESTION 3: BUSINESS OPERATIONS**3.1 Examples of fringe benefits**

- Medical Aid Fund/Health Insurance Fund✓
- Pension Fund✓
- Provident Fund✓
- Funeral benefits✓
- Car/Travel/Housing/Cell phone/Clothing allowance✓
- Performance based incentives✓
- Issuing of bonus shares✓
- Staff discount/Free or low-cost meal/Canteen facilities✓
- Gym membership✓

NOTE: Mark first FOUR (4) only**(4X1) (4)****3.2 Role of interviewer before interview**

- Book and prepare the venue✓ for the interview. ✓
- Inform all shortlisted candidates✓ about the date and place of the interview. ✓
- Set the interview date ✓ and ensure that all interviews take place on the same date, if possible. ✓
- Notify all panel members conducting the interview✓ about the date and place of the interview. ✓
- The interviewer should develop a core set of questions✓ based on the skills/knowledge/ ability required. ✓
- Check/read the application/verify the CV of every candidate✓ for anything that may need to be explained. ✓
- Plan the programme for the interview✓ and determine the time that should be allocated to each candidate. ✓
- Allocate the same amount of time✓ to interview each candidate on the program. ✓
- Any other relevant answer related to role of interviewer before interview

Max (4)**3.3.1 Sources of internal recruitment**

- Staff notice board✓
- Staff meeting✓

NOTE: 1. Mark first TWO (2) only**2. Award marks for sources of internal recruitment from the scenario only.****(2X1) (2)**

3.3.2 Impact of internal recruitment to business

Positive/ advantages

- Cheaper/Quicker ✓ to fill the post. ✓
- Provides opportunities for career paths ✓ within the business. ✓
- Reduces the chances of losing employees, ✓ as future career prospects are available. ✓
- Placement is easy, ✓ as management knows the employees' skills/personality/ experience/strengths. ✓
- The employee already has an understanding ✓ of how the business operates ✓./
- Induction/Training ✓ is not always necessary. ✓
- Detailed, reliable information can be obtained ✓ from the supervisors/Employee records. ✓
- Any other relevant answer related to positive impact of internal recruitment

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AND/OR

Negative/Disadvantages

- It may close the door to new ideas ✓ from outsiders. ✓
- Employees who are not promoted ✓ may feel demotivated. ✓
- The promotion of an employee could cause resentment ✓ among other employees. ✓
- The number of applicants from which to choose ✓ is limited to existing staff only. ✓
- It is possible to promote certain employees who do not really have the required skills ✓ for the new job. ✓
- The business has to spend more money on training/developing existing employees ✓ on the new position. ✓
- Any other relevant answer related to negative impact of internal recruitment

Max (4)

3.4 UIF as a benefit required by law

- The employer and the worker each contribute 1%. ✓✓
- Employers must pay unemployment insurance contributions of 2% of the value of each worker's salary per month. ✓✓
- The fund also assists the dependants of a contributing worker who has died. ✓✓
- The fund offers short-term financial assistance to workers when they become unemployed or are unable to work due to illness, maternity or adoption leave. ✓✓
- Contributions are paid to the Unemployment Insurance Fund (UIF) or the South African Revenue Services (SARS). ✓✓
- Any other relevant answer related to UIF as a benefit required by law.

Max (4)

3.5 Meaning of the concept quality

- Quality refers to a good/service's ability ✓ to satisfy a specific need. ✓
- The efficiency of services and the ability ✓ to provide an effective outcome without too many delays. ✓
- It is measured against specific criteria ✓ such as physical appearance /reliability/durability/sustainability/after-sales services. ✓
- Any other relevant answer related to meaning of concept quality

Max (4)**3.6 Quality indicators of financial function**

- Obtain capital ✓ from the most suitable/available/reliable sources. ✓
- Negotiate better interest rates ✓ in order to keep financial cost down. ✓
- Draw up budgets to ensure sufficient application of monetary resources.
- Keep financial records up to date ✓ to ensure timely/accurate tax payments. ✓
- Analyse strategies ✓ to increase profitability. ✓
- Invest surplus funds ✓ to create sources of passive income. ✓
- Implement financial control measures/systems ✓ to prevent fraud. ✓
- Implement credit granting/debt collecting policies ✓ to monitor cash flow. ✓
- Draw up accurate financial statements ✓ timeously /regularly. ✓
- Accurately analyse and interpret ✓ financial information. ✓
- Invest in strategies that will assist the business ✓ to remain profitable. ✓
- Avoid over/under-capitalisation ✓ so that financial resources will be utilised effectively. ✓
- Any other relevant answer related to quality indicators of financial function.

Max (6)**3.7.1 Quotation of the impact of monitoring and evaluation of quality processes on EM**

- Quality is not checked on all products produced. ✓
- It takes long to detect problems/respond to weaknesses. ✓

NOTE: 1. Mark first TWO (2) only**2. Mark impact quoted from the scenario only****(2x1) (2)****3.7.2 Other impact of monitoring and evaluation of quality processes****Positive impact**

- Prevents product defects ✓ and minimises wastage/customer complaints. ✓
- Good quality checks/procedures ✓ minimise the replacement/breakdown of equipment/machinery on a regular basis. ✓
- May be equipped to get things done right ✓ the first time. ✓
- Improve performance ✓ and maintain high quality standards. ✓
- Improve current and future management ✓ of quality outputs/outcomes/impact. ✓
- Provide clear indication about quality aspects ✓ that are contributing to the achievement of goals/targets. ✓
- Modify interventions ✓ that may improve the efficient use of resources. ✓
- Support management to acquire information needed ✓ to make informed decision about processes. ✓

- Cost of production is reduced ✓ as deviations from set standards can be corrected. ✓
- Strategies are revised ✓ in order to improve the quality of the product and services/business image.
- Allows for quality control checks ✓ and procedures at key points. ✓
- Key performance indicators are carefully selected ✓ to monitor and evaluate the outcome. ✓
- Benchmarking is used to find best practices ✓ in order to determine the competitive position of the business. ✓
- Quality circles meet on regular basis ✓ to evaluate the progress in terms of quality. ✓
- Continuous research is conducted on latest developments ✓ to ensure that TQM planning is up to date. ✓
- Any other relevant answer related to positive impact of monitoring and evaluating quality processes on large businesses.

AND/OR

Negatives/Disadvantages

- Large businesses are often divided, ✓ and the departments work in silos. ✓
- It is difficult to get everyone ✓ to communicate. ✓
- Any other relevant answer related to negative impact of monitoring and evaluating quality processes on large businesses.
- Limited active/ accurate monitoring and evaluation of quality processes may occur ✓ as some managers may view/apply this TQM element as a mere route/ formality. ✓

NOTE: Marks should not be awarded for repeated responses from the scenario.

Max (4)

3.8 Impact of TQM if poorly implemented by businesses

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

Max (4)

BREAKDOWN OF MARKS

QUESTION 3	MARKS
3.1	4
3.2	6
3.3.1	2
3.3.2	4
3.4	4
3.5.	4
3.6	6

3.7.1	2
3.7.2	4
3.8	4
TOTAL	40

QUESTION 4: MISCELLANEOUS TOPICS

BUSINESS ENVIRONMENT

4.1 Consumer rights according to Consumer Protection Act

- Right to choose ✓
- Right to privacy and confidentiality. ✓
- Right to fair and honest dealings. ✓
- Right to disclosure and information ✓
- Right to fair/responsible marketing/promotion/ fair and honest dealing. ✓
- Right to accountability from suppliers. ✓
- Right to fair/just/reasonable terms and conditions. ✓
- Right to equality in the consumer marketplace. ✓
- Right to return goods/have goods replaced/claim a refund ✓
- Right to complain. ✓
- Right to fair value, good quality and safety ✓

NOTE: Mark first TWO (2) only

(2x1) (2)

4.2 Quotation of challenges, classification into business environments and the Extent of control

CHALLENGES 4.2.1	BUSINESS ENVIRONMENT 4.2.2	EXTENT OF CONTROL 4.2.3
1. AR has lost its share of market to Brown Mines which is also involved in the same industry. ✓	Market environment ✓	Partial/limited/less/little control ✓
2. Management of AR does not have good relationship with its employees. ✓	Micro environment ✓	Full control ✓
3. AR can no longer export their products due to increase in the exchange rate ✓	Macro environment ✓	No control ✓
Sub max (2)	Sub max (2)	Sub max (2)

Max (6)

- NOTE:**
1. Mark the first TWO responses only
 2. The answer does not have to be in tabular format
 3. Award marks for challenges even if the business environment is incorrect.

- 4 The business environment must be linked to the challenge/
5. The extent of control must linked to the business environment
6. Accept responses in any order



4.3 Funding of SETAs

- Skills Development levies are paid by employers to SARS ✓ as a collecting agency for the government. ✓
- Employers who have a salary bill that exceeds R500 000 per annum, ✓ should pay one percent (1%) of their annual salaries as a levy. ✓
- The different SETAs receive 80% of the levy for organisational expenses ✓ and the remaining 20% is paid to the National Skills Fund. ✓
- Donations/Grants ✓ received from the public/businesses/CSI programmes. ✓
- Surplus funds ✓ from government institutions. ✓
- Funds received ✓ from rendering their services. ✓
- Any other relevant answer related to funding of SETAs

4.4 Termination of employment contract as a provision of BCEA

- A contract of employment may only be terminated following one week's notice, if the worker has been employed for six months or less. ✓✓
- A minimum of four weeks' notice must be given, if the worker has been employed for a year or longer. ✓✓
- The employee must be given notice in writing. ✓✓
- An employee who is retrenched/ dismissed for restructuring reasons is entitled to one week's severance pay for every year of service. ✓✓
- Any other relevant answer related to termination of employment contract as a provision of BCEA.

Max (6)

4.5 Aspects that should be included in the employment contract.

- Personal details of the employee. ✓
- Details of the business/employer e.g. name/address, etc. ✓
- Job title/Position ✓
- Job description e.g. duties/ working conditions ✓
- Job specification e.g. formal qualifications/willingness to travel. ✓
- Date of employment/commencement of employment. ✓
- Place where employee will spend most of his/her working time. ✓
- Hours of work, e.g. normal time/overtime. ✓
- Remuneration, e.g. weekly or monthly pay. ✓
- Benefits/Fringe benefits/Perks/Allowances. ✓
- Leave, e.g. sick/maternity/annual/adoption leave.
- Employee deductions (compulsory/non-compulsory). ✓
- Period of contract/Details of termination. ✓
- Probation period. ✓
- Signatures of both the employer and employee. ✓
- List of documents that form part of the contract, e.g. appointment letter/code of conduct/ethics. ✓
- Disciplinary policy, e.g. rules and disciplinary procedure for unacceptable behaviour ✓

(2 x 1) (2)

Mark first TWO (2) only

4.6 Selection procedure**Option 1**

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

NOTE: The procedure can be in any order

Option 2

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

NOTE: The procedure can be in any order

Max (4)

4.7 Purpose of induction

- Introduce new employees to management/colleagues✓ to establish relationships with fellow colleagues at different levels. ✓
- Give new employees a tour/information ✓about the layout of the building/office. ✓
- Make new employees feel welcome ✓by introducing them to their physical work space. ✓
- Improve skills✓ through in-service training. ✓
- Familiarise new employees✓ with the organisational structure/their supervisors✓
- Allow new employees the opportunity to ask questions✓ that will put them at ease/reduce insecurity/anxiety/fear. ✓
- Create opportunities for new employees✓ to experience/explore different departments. ✓
- Explain safety regulations and rules, ✓ so that new employees will understand their role/responsibilities in this regard. ✓
- Ensure that employees understand their roles/responsibilities✓ so that they will be more efficient/productive. ✓

- Communicate information about the products/services ✓ offered by the business. ✓
- Communicate business policies ✓ regarding ethical/professional conduct/ procedures/employment contract/conditions of employment, etc. ✓
- Any other relevant answer related to the purpose of induction.

Max (4)**4.8.1 Identification of quality concepts**

QUALITY CONCEPTS		MOTIVATION
1.	Quality performance ✓✓	all departments work towards same quality standards. ✓
2.	Quality management ✓✓	To achieve this BC has ensured that proper techniques/tools are used to improve the quality of their service ✓
Sub max (4)		Sub max (2)

- NOTE:** 1. The answer does not to be in a tabular format.
 2. If the concept is wrong, do not award marks for motivation.
 3. Motivations should be quoted from the scenario only.

4.8.2 Advantages/Benefits of good quality management system

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

Max (4)**[40]****BREAKDOWN OF MARKS**

QUESTION 4	MARKS
4.1.	2
4.2.	6
4.3	6
4.4	6
4.5	2



4.6	4
4.7	4
4.8.1.	6
4.8.2	4
TOTAL	40

TOTAL SECTION B: 80

SECTION C

Mark the **FIRST** question only.

QUESTION 5:

5.1 Introduction

- Businesses find it easier to make changes in structure and plans through application of strategic management process. ✓
- Constant evaluation of strategies allows businesses to deal with various challenges and developing more strategies. ✓
- Diversification strategy is a growth method whereby businesses launch /add new product or product line in a new/existing market. ✓
- Challenges from macro environment like economic and technological factors are uncontrollable therefore business need to be strategic to deal with such challenges. ✓
- Any other relevant introduction related to strategic management process/ steps in strategy evaluation/ types of diversification strategies/ ways to deal with economic and technological factors as PESTLE factors.

(2 x 1) (2)

5.2 Strategic management process

Option 1

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

Option 2

- Review/Analyse/Re-examine their vision/mission statement. ✓✓
- Conduct an environmental analysis using models such as PESTLE/ PORTER'S/SWOT. ✓✓
- Formulate a strategy such as a defensive/retrenchment strategy. ✓✓
- Implement a strategy, using a template such as an action plan. ✓✓

- Control/Evaluate/Monitor the implemented strategy to identify gaps/deviations in implementation. ✓✓
- Take corrective action to ensure goals/objectives are met. ✓✓
- Any other relevant answer related to strategic management process.

NOTE: The steps may be in any order.

Max (12)



5.3 Steps in evaluating a strategy

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

Max (14)**NOTE: The steps can be in any order.****5.4 Types of diversification strategies****Concentric diversification✓✓**

- The business adds a new product or service that is related to existing products✓, and which will appeal to new customers. ✓
- Occurs when a business wants to increase✓ its product range and markets. ✓
- Any other relevant answer related to concentric diversification strategy.

Strategy: 2
Explanation: 2
Sub max: 4

Horizontal diversification✓✓

- The business adds new products or services that are unrelated/ different to existing products, ✓ but which may appeal to existing/ current customers. ✓
- Occurs when a business acquires or merges with a business that is at the same production stage, ✓ but it may offer a different product. ✓
- Any other relevant answer related to horizontal diversification strategy

Strategy: 2
Explanation: 2
Sub max: 4

Conglomerate diversification✓✓

- The business adds new products or services that are unrelated to existing products✓ which may appeal to new groups of customers. ✓
- Conglomerate diversification means that a business grows✓ into new products, services and markets. ✓
- Any other relevant answer related to conglomerate diversification strategy.

Strategy: 2
Explanation: 2
Sub max: 4
Max (12)

5.5 Recommended strategies in dealing with challenges posed by the following factors of PESTLE analysis.

5.5.1 Economic factor

- Consider decreasing profit margins rather than increasing product prices. ✓✓
- Borrow money from financial institutions when interest rates are favourable. ✓✓
- Consider exchange rates when trading with other countries. ✓✓
- Any other relevant answer related to strategies to deal with challenges posed by economic factor as a PESTLE element.

Sub max (4)

5.5.2 Technological

- Continuous research on the latest available technology/equipment in the market. ✓✓
- Train existing/appoint new employees to maintain/use new equipment. ✓✓
- Compare prices/Select suitable suppliers for new equipment at reasonable prices. ✓✓
- Businesses must be geared for online trading/e-commerce. ✓✓
- Any other relevant answer related to strategies to deal with challenges posed by technological factor as a PESTLE element.

Sub max (4)

Max (8)

5.6 Conclusion

- Involvement of all levels of management in strategic management process ensures successful implementation. ✓✓
- Strategy evaluation helps businesses to identify weaknesses and strengths in various strategies. ✓✓
- Diversification strategy can bring a range of benefits to businesses including optimum and stable growth. ✓✓
- Effective use of PESTLE model enables businesses to find strategic ways to deal with challenges posed by external environment. ✓✓
- Any other relevant conclusion related to strategic management process/ steps in strategy evaluation/ types of diversification strategies/ways to deal with economic and technological factors as PESTLE factors.

(1 x 2) (2)

**QUESTION 5: BREAKDOWN OF MARK ALLOCATION**

DETAILS	MAXIMUM	TOTAL
Introduction	2	32
Strategic management process	12	
Steps in evaluating a strategy	14	
Types of diversification strategies	12	
Strategies to deal with <ul style="list-style-type: none"> ○ Economic factors ○ Technological factors 	4	
	4	8
Conclusion	2	
INSIGHT		
Layout	2	
Analysis/Interpretation	2	
Synthesis	2	40
Originality/Examples	2	
TOTAL MARKS		



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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 OPERATION (QUALITY OF PERFORMANCE)**6.1 Introduction**

- Quality control and quality assurance enable business to reduce defective goods and improve its image. ✓
- Effective implementation of TQM may give business a competitive advantage over its competitors. ✓
- Businesses should always ensure that needs of consumers are satisfied beyond their expectations. ✓
- Quality circles as part of continuous improvement to processes and systems encourages employees to take ownership of quality- related challenges. ✓
- Any other relevant introduction related to difference between quality control and quality assurance/ ways in which TQM reduce the cost of quality/ impact of total client satisfaction/ role of quality circles as part of continuous improvement to processes and systems (2 x 1) (2)

6.2 Difference between quality control and quality assurance

QUALITY CONTROL	QUALITY ASSURANCE
- System that ensures the desired quality is met by inspection the final product ✓✓	- Checks carried out during and after the production process. ✓✓
- Ensure that finished product meet the required standard. ✓✓	- Ensure that required standards have been met at every stage of the process ✓✓
- Process of ensuring that products are consistently manufactured to high standard ✓✓	- Process put in place to ensure that the quality of product/services/systems adhere to pre-set standards with minimal defects/delays/shortcomings ✓✓
- Includes setting targets/measuring performance and taking corrective measures. ✓✓	- The 'building in' of quality as opposed to 'checking for' quality. ✓✓
- Checking raw materials/employees/ Machinery/ workmanship/products to ensure that high standards are maintained. ✓✓	Ensuring that every process is aimed at getting the product right the first time and prevents mistakes from happening again. ✓✓
- Any other relevant answer related to quality control.	- Any other relevant answer related to quality assurance
- Sub max (4)	- Sub max (4)

NOTE:

1. The answer does not have to be in tabular format.
2. The differences do not have to link.
3. Award a maximum of FOUR (4) marks if the differences are not clear/ Mark either quality control/quality assurance only.

Max (8)**6.3 Ways in which TQM can reduce the cost of quality**

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

Max (14)



6.4 Impact of the following TQM elements on large businesses

6.4.1 Total Client /Customer Satisfaction

Positives/Advantages

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

AND/OR

Negatives/ Disadvantages

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

Sub max (8)

6.4.2 Continuous skills development /education and training

Positives/Advantages

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

- Any other relevant answer related to positive impact of continuous skills development/education and training.



AND/OR



Negatives/Disadvantages

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

Sub max (8)**Max (16)****6.5 Role/ importance of quality circles as part of continuous improvement to processes and system.**

- Solve problems related to quality and implement improvements. ✓✓
- Investigate problems and suggest solutions to management. ✓✓
- Ensure that there is no duplication of activities/tasks in the workplace. ✓✓
- Make suggestions for improving systems and processes in the workplace. ✓✓
- Improve the quality of products/services/productivity through regular reviews of quality processes. ✓✓
- Monitor/Reinforce strategies to improve the smooth running of business operations. ✓✓
- Reduce costs of redundancy in the long run. ✓✓
- Contribute towards the improvement and development of the organisation.
- Reduce costs/wasteful efforts in the long run✓✓.
- Increase the demand for products/services of the business. ✓✓
- Create harmony and high performance in the workplace. ✓✓
- Build a healthy workplace relationship between the employer and employee. ✓✓
- Improve employees' loyalty and commitment to the organisation and its goals. ✓✓
- Improve employees' communication at all levels of the business. ✓✓
- Develop a positive attitude/sense of involvement in decision making processes of the services offered. ✓✓
- Increase employees' moral /motivation to boost the team spirit in achieving organisational goals. ✓✓

Max (8)

6.6 Conclusion

- Businesses implement good quality management system for sustainability purposes ✓✓
- The reduction in cost of quality allows business to reduce prices of product which leads to increase in market share. ✓✓
- Businesses benefit from a more skilled, productive and innovative workforce which maximise performance. ✓✓
- Quality circles contribute more towards more efficient business operations. ✓✓
- Any other relevant answer related to conclusion of difference between quality control and quality assurance/ ways in which TQM reduce the cost of quality/ impact of total client satisfaction/ role of quality circles as part of continuous improvement to processes and systems.

(2x1) (2)**QUESTION 6: BREAKDOWN OF MARK ALLOCATION**

DETAILS	MAXIMUM	TOTAL
Introduction	2	32
Differences between quality control and quality assurance	8	
Ways to reduce cost of quality	14	
Impact of the following elements of TQM on large businesses <ul style="list-style-type: none"> ○ Total client/customer satisfaction ○ Continuous skills development/education and training 	8	
	8	
Role/function of quality circles as part of continuous improvement to processes and system	8	8
Conclusion	2	
INSIGHT		
Layout	2	
Analysis/Interpretation	2	
Synthesis	2	40
Originality/Examples	2	
TOTAL MARKS		

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

TOTAL SECTION C: 40**GRAND TOTAL: 150**