KWAZULU-NATAL PROVINCE

EDUCATION
REPUBLIC OF SOUTH AFRICA

CURRICULUM GRADE 10 -12 DIRECTORATE

NCS (CAPS) SUPPORT

LAST PUSH TEACHER GUIDE

BUSINESS STUDIES PAPER 1 & 2

GRADE 12

2025

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LEGISLATIONS

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1.1.1 B✓✓
1.1.2 D✓✓
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1.1.6 D✓✓
1.1.7 C✓✓
1.1.8 D✓✓
1.1.9 B✓✓
1.1.10 A✓✓
1.1.11 C✓✓
1.1.12 D✓✓
1.1.13 B✓✓
1.1.14 B✓✓
1.1.15 B✓✓
1.1.16 A✓✓
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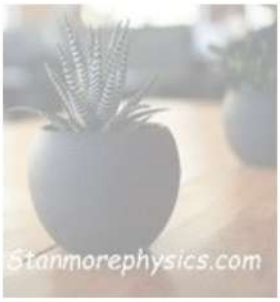
1.1.27 D✓✓
1.1.28 C✓✓
1.1.29 C✓✓
1.1.31 A✓✓
1.1.32 B✓✓
1.1.33 C✓✓
1.1.34 B✓✓
1.1.35 D✓✓
1.1.36 A✓✓
1.1.37 B✓✓
1.1.38 D✓✓ (2X38)=76



1.2.1 Labour court✓✓

1.2.2 National Credit Regulators✓✓

1.2.3 three✓✓

1.2.4 skills development✓✓

1.2.5 right to choose✓✓

1.2.6 National Credit Act✓✓

1.2.7 ownership✓✓

1.2.8 50✓✓

1.2.9 National Skills Fund✓✓

1.2.10 collective bargaining ✓✓ (2x5)=10

1.3.1 F✓✓

1.3.2 E✓✓

1.3.3 J✓✓

1.3.4 B✓✓

1.3.5 A✓✓ (2X5) =10

ACTIVITY 2

2.1 **Provision of the BCEA**

- Regulation of working time: Ordinary hours/Overtime/Meal intervals/Sunday work/Public holidays✓
- Leaves✓
- Particulars of employment and remunerations✓
- Termination of employment✓
- Prohibition of employment of children and forced labour✓

Note: Mark only the first FOUR. **(1x4) =4**

2.2 **Rights of consumers in terms of National Credit Act**

- Apply for credit and to be free from discrimination. ✓✓
- Receive Information in plain and understandable language. ✓✓
- Receive documents as required by the Act. ✓✓
- Receive pre-agreement documentation before concluding any credit transaction✓✓
- Obtain reasons for credit being refused. ✓✓
- Fair and responsible marketing. ✓✓
- Access and challenge credit records and information. ✓✓
- Choose which goods they will buy and return such goods if they are not satisfied. ✓✓
- Surrender/Return goods to the credit provider in order to settle the outstanding amount/debt. ✓✓
- Apply for debt review/counselling if the consumers cannot afford to repay their debts. ✓✓
- Receive protection of their personal information. ✓✓

- Receive protection from being held accountable for the use of their credit facility after they reported the loss/theft. ✓✓
- Refuse a credit limit increase. ✓✓
- Any relevant answer related to the rights of consumers in terms of the National Credit Act (6)

2.3 **Meaning of learnership**

- Theoretical / practical training opportunities✓ that can lead to a recognised qualification✓
- Structured learning programme completed during work hours√ for a specified period of time✓
- Agreement between a learner / trainee, employer ✓and training provider✓
- May include employment for a specified period √after learnership is completed√
- includes a training course with learning material✓ as well as practical work experience. ✓
- Any relevant answer related to the meaning of learnership (4)

2.4.1 COIDA ✓✓ (2)

2.4.2 Penalties for non-compliance with COIDA

- Businesses can be fined for refusing to lodge✓ the claim/contravening the Act. ✓
- Businesses can be forced to make large payments ✓if it did not take the necessary precautions according to the Act. ✓
- They may be forced to pay any recovery costs✓ required by the Compensation Fund. ✓
- Employees may take businesses to court√ for not registering them with the Commissioner of the Compensation Fund. √
- If businesses are found guilty of any misconduct,✓they will have to pay large penalties/face imprisonment. ✓
- Any relevant answer related to the penalties for non-compliance with COIDA (6)

2.5 **Funding of Seta**

- 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 relevant answer related to funding of SETA (6)

2.6 **Meaning of Human Resource Development Strategy (HRDS)**

- Addresses skills shortages√ in South African workforce√

- Aims at achieving faster economic growth/higher employment levels√ and reduced levels of poverty√
- Promotes social development/ social justice√ and helps alleviate poverty√
- Develops short-term and long-term√ workforce skills√
- Improves√ supply of skills√
- Increases employee participation√ in lifelong learning√
- Any relevant answer related to the meaning of HRDS (4)

2.7 **Types of leaves**

2.7.1 **Maternity leave/Adoptive leave**

- A pregnant employee is entitled√ to four consecutive months' leave. √
- A pregnant employee may not be allowed to perform work√ that is hazardous to her unborn child. √
- The starting date is usually any time from four weeks√ before the expected date of birth or on advice of a doctor/midwife. √
- Any relevant answer related to maternity leaves (4)

2.7.2 **Partenity leave**

- Three to five (3 to 5) days paid leave per year √on request in the event of the death of the employee's spouse/life partner/parent/ adoptive parent/ grandparent/child/adoptive child/grandchild/sibling. √
- An employer may require reasonable proof√, before granting this leave. √
- Male employees are entitled to a maximum of three/five day's paternity leave√ when his child is born. √
- Any relevant answer related to paternity leave (4)

2.8 **Consumer Rights**

CONSUMER RIGHTS	**MOTIVATION**
1.Right to privacy and confidentiality√√	They allow consumers to restrict unwanted direct marketing√
2.Right to disclosure and information√√ **MAX 4**	**DT ensures contracts and agreement are in plain language and easy to understand.** √ **MAX 2**

2.9 **Impact of the CPA on businesses**

Positives/Advantages

- Businesses may be safeguarded√ from dishonest competitors. √
- Businesses may be protected √if they are regarded as consumers. √
- Prevents larger businesses √from undermining smaller ones. √
- May gain consumer loyalty, √ if they comply with CPA. √
- Enables businesses to resolve disputes fairly √through the National Consumer Commission/Consumer Court/Industrial ombudsmen√
- Businesses may build a good image √if they ensure that they do not violate consumer rights. √
- Any relevant answer related to the positive impact of COIDA

AND/OR

Negatives/Disadvantages

- Confidential business information may become available√ to competitors. √

- Penalties for non-compliance √may be very high. √
- Businesses may feel unnecessarily burdened √by legal processes. √
- They have to disclose more information√ about their products and processes/services√
- Staff need to be trained /Legal experts need to be consulted√, which can increase costs√
- Many business documents need to be simplified /revamped at extra cost as consumers√ have a right to receive contracts in simple/understandable language. √
- Administration costs increase as legal contracts need to be worded in plain language /pitched √at the level of the consumer√
- Businesses may need insurance against claims from consumers /provisions in the Act √increase risks for unforeseen claims and lawsuits. √
- Businesses have to replace/repair faulty items/refund money √if the fault occurs within six months after purchase. √
- Supply chain management in stock levels will have to change, √as defective goods have to be replaced within six months at the request of the consumer. √
- Information technology systems need to be improved√ as the retailer must keep more detailed records of interactions with consumers /be able to report to the National Consumer Commission. √
- Consumers can take advantage of a business and return goods√ when it is not necessary to do so. √
- Processes and procedures required by CPA √can be expensive and time consuming. √
- Any relevant answer related to the impact of COIDA on businesses (6)

2.10 **Ways in which businesses can comply with the SDA**

- Employers who collect PAYE should register with SETAs. √√
- One per cent of an employer's payroll has to be paid over to the SETA. √√
- Businesses should register with SARS in the area in which their business is classified (in terms of the SETA). √√
- Employers should submit a workplace skills plan and provide evidence that it was implemented. √√
- Businesses with more than 50 employees must appoint a skills development facilitator. √√
- Assess the skills of employees to determine areas in which skills development are needed. √√
- Encourage employees to participate in learnerships and other training programmes. √√
- Provide all employees with the opportunity to improve their skills. √√
- Any relevant answer related to the ways in which businesses can comply with SDA (6)

2.11 National Creidt Act √√ (2)
-ZW ensure that consumers know what is included in their credit contracts. √ (1)

2.12 **Rights of employees in terms of LRA**
- Employees took part in legal strikes without fear of victimisation √
- Trade union representatives are allowed time off to attend to their respective duties √ (2)

2.13 **Rights of employees in terms of LRA**
- Employees may join a trade union√ of their choice. √
- Refer unresolved workplace disputes√ to the CCMA. √
- Refer unresolved CCMA disputes√ to the Labour Court on appeal. √
- Request trade union representatives to assist/represent employees√ in the grievance/disciplinary hearing. √
- Establish a workplace forum where a business has 100 √or more employees to resolve work related issues√
- Any other relevant answer related to the rights of employees in terms LRA (6)

2.14 **Purpose of the Labour Relations**

- Promotes collective bargaining √at the workplace. √
- Establishes Labour Courts√ and Labour Appeal Courts. √
- Promotes fair labour practice√ between the employers and employees. √
- Promotes workplace forums to accommodate employees√ in decision making. √
- Provides for the right to lock-out by the employer√ as a reaction to lengthy strikes. √
- Promotes simple procedures for the registration of trade unions√ and employer organisations √
- Establishes the Commission for Conciliation, Mediation and Arbitration (CCMA) √ for dispute resolutions. √
- Provides a framework/structure for labour relations √between employers and employees. √
- Clarifies the transfer of employment contracts√ between the existing and new employers. √
- Advances economic development/social justice/labour peace√ to ensure that the workplace maintains the basic rights of employees. √
- Any relevant answer related to the purpose of LRA (6)

2.15 **Rights of employers in terms of LRA**

- Form employer organisations to represent them in labour related matters. √ √
- Form bargaining councils for collective bargaining purposes. √ √
- Lockout employees who engage in unprotected/illegal strike/labour action. √ √
- Dismiss employees who engage in an unprotected strike/misconduct such as intimidation/violence during a strike action. √ √
- Not pay/remunerate an employee who has participated in a protected strike for services/work they did not do during the strike. √ √
- Any relevant answer related rights of employers in terms of LRA

2.16.1 **Roles of SETAs**

- They have established that SETAs develop skills plans for the various economic sectors. √
- SETAs also promote various learnerships. √ (2)

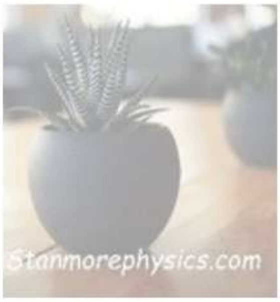
2.16.2 **Roles of SETAs**

- Report to the Director General. √ √
- Promote and establishes learnerships. √ √
- Collect levies and pays out grants as required. √ √
- Provide accreditation for skills development facilitators. √ √
- Register learnership agreements/learning programmes. √ √
- Approve workplace skills plans and annual training reports. √ √
- Monitor/Evaluate the actual training by service providers. √ √
- Allocate grants to employers, education and training providers. √ √
- Oversee training in different sectors of the South African economy. √ √
- Develop skills plans in line with the National Skills Development Strategy √ √
- Draw up skills development plans for their specific economic sectors. √ √
- Provide training material/programmes for skills development facilitators. √ √
- Pay out grants to companies that are complying with the requirements of the Skills Development Act. √ √
- Promote learnerships and learning programmes by identifying suitable workplaces for practical work experience.√ √
- Any relevant answer related to the roles of SETAs (6)

2.16.3 **Meaning of learnership**

- Theoretical / practical training opportunities √ that can lead to a recognised qualification √
- Structured learning programme completed during work hours√ for a specified period of time √
- Agreement between a learner / trainee, employer √ and training provider√

- May include employment for a specified period after learnership √ is completed√
- Any other relevant answer related to the meaning of learnership (4)



ACTIVITY 3.1

3.1 Introduction

- BBBEE was introduced to bring the majority of the South Africans into the mainstream of the economy. √
- BBBEE increased the number of black people that manage/own/control the economy. √
- The BBBEE pillars enable the government to spread wealth across all population groups. √
- Enterprise and supplier development enable large businesses to empower black owned businesses and suppliers. √
- Businesses are obliged to comply with the requirements of the Act or face penalties for non-compliance. √
- Any other relevant introduction related to BEE/BBBEE/impact of BBBEE/implications of BBBEE pillars on businesses/penalties for noncompliance with the BBBEE. **Any (2 x 1)**

3.2 Purpose of BBBEE

- Enable wealth to be spread more broadly across all population groups. √√
- Outline areas that would give the government a platform for bringing equitable spread of wealth. √√
- Allows for the development of Codes of Good Practice. √√
- It aims at targeting inequality in the South African economy√√.
- Any relevant answer related to the purpose of BBBEE

3.3 Distinction between BEE and BBBEE

BLACK ECONOMIC EMPOWERMENT (BEE)	BROAD BASED BLACK ECONOMIC EMPOWERMENT (BBBEE)
- It is a government policy√ which may not be enforced. √	- It is an Act√ that is enforced/must be complied with by businesses. √
- Benefits only a few previously disadvantaged people√ in the economy. √	- Encourages a wider group of previously disadvantaged people/black women/people who are physically challenged/youth/people in rural areas√ to participate in the economy. √
- Few previously disadvantaged individuals share in the wealth √ of the economy. √	- Aims to distribute the country's wealth√ across a broader spectrum of society. √
- Focuses only on three pillars√ that did not include all previously disadvantaged people. √	- Focuses on seven/five pillars√ which includes all sectors of society, especially the previously disadvantaged. √
- Any other relevant answer related to BEE.	- Any other relevant answer related to BBBEE.
Submax (4)	**Submax (4)**

NOTE: 1. The answer does not have to be in tabular format.

2. The distinction does not have to link, but must be clear.

3. Award a maximum of FOUR (4) marks if the distinction is not clear/ Mark either BEE Or BBBEE only. **Max (8)**

3.3 Implications of the BBBEE pillars on businesses

Ownership

- Business should include black people√ in shareholding/partnerships/ franchises. √
- Exempted Micro Enterprises (EMEs) with an ownership of 50% or more of black people√ are promoted to level 3 of the BEE scorecard. √
- More opportunities are created for black people√ to become owners/ entrepreneurs. √
- Encourage small black investors√ to invest in big companies and share ownership. √
- Large businesses should form joint ventures with small black owned businesses√ and share business risks. √
- Businesses sometimes find it difficult√ to locate suitable black business partners / shareholders.√
- Many black people cannot afford√ shares in companies/contributions to partnerships. √
- Any other relevant answer related to the implication of ownership as a BBBEE pillar on businesses. **Submax (6)**

Skills development

- Business must engage black employees in skills development initiatives.
- Provide learnerships and learning programmes to black employees.
- Business must contribute 1% of their payroll to fund the skills development programmes.
- Business benefits from the increased pool of skilled/trained workers.
- Business must go the extra mile to train staff where learnerships are not offered.
- Productivity is compromised as mentors/coaches have to find the time to participate in learnerships/training.
- **Submax(6)**
- **Enterprise and supplier development (ESD)**
- Business must create jobs√ as ESD promotes local manufacturing. √
- Businesses are encouraged to invest/support√ black owned SMMEs. √
- Contribution can be monetary√, e.g. loans/investments/donations. √
- Contribution can be non-monetary√, e.g. consulting services/advice/ entrepreneurial programmes√, etc.
- SMMEs will be encouraged to use their own business initiatives√ to make them sustainable. √
- Businesses are encouraged to invest/support√ black owned SMMEs. √
- Outsource services√ to suppliers that are BBBEE compliant. √
- Identify black owned suppliers√ that are able to supply goods and services.√
- Develop the business skills of small/black owned suppliers√, e.g. sales techniques, legal advice√, etc.
- Support the cash flow of small suppliers√ by offering them preferential terms of payment. √ -
- Develop and implement√ a supplier development plan/supply chain. √
- Small/Large businesses may not be able√ to afford enterprise development investment/support. √
- Black owned SMMEs may become too reliant√ on support from other businesses/ unable to take their own initiatives. √
- BBBEE suppliers√ may be without good workmanship. √
- Smaller businesses that are not BBBEE compliant√ lose business. √
- Businesses are forced√ to choose from a smaller pool of suppliers. √
- Any other relevant answer related to the implication of enterprise and supplier development (ESD) as a BBBEE pillar on businesses.

Submax (6)
Max18

Penalties for non-compliance with BBBEE

- Businesses may face imprisonment for non-compliance/fronting practices.√√
- The penalty could be a fine of up to 10% of the company's annual turnover.√√
- Government will cancel any contract awarded that was based on false information regarding its BBBEE status. √√
- A business can be banned from participating in government contracts for a period of 10 years.√√
- Business licenses may not be renewed and authorisations may not be issued. √√ Businesses that fail to achieve at least a minimum 40% of compliance with ownership, skills development and new enterprise and supplier development will be automatically downgraded by one level. √√
- Any other relevant answer related to penalties businesses could face for noncompliance with the BBBEE.

Conclusion

- BBBEE addresses and enhances the economic participation of previously disadvantaged people in the South African economy. √√
- Businesses will have to spend money in the areas covered by the BBBEE pillars to obtain a good rating. √√
- A BEE scorecard is used to determine the BBBEE status of a business. √√
- Broad-Based Black Economic Empowerment (BBBEE) creates opportunities for people who were previously excluded from participating in the South African economy. √√
- Penalties for non-compliance may have a negative financial implication for businesses. √√
- Any other relevant conclusion related to BBBEE/impact of BBBEE/implications of BBBEE pillars on businesses/penalties for non- compliance with BBBEE. **Any (1 x 2)**

ACTIVITY 4

4.1 Introduction

- The Employment Equity Act (EEA) was introduced to redress the economic imbalances of the past.√
- The EEA applies to all employers, employees and people applying for jobs.√
- The aim of the Act is to ensure that transformation takes place in the workplace.√
- Labour inspectors have the power to issue compliance orders.√
- Employment policies and procedures must be aligned with the requirements of the Act.√
- Any other relevant introduction related to the purpose of the EEA/impact of EEA on businesses/consequences/penalties/practical ways in which businesses can comply with the EEA.

(2 x 1) (2)

4.2 Purpose of the Employment Equity Act

- The EEA allows employees who do the same work to be paid equally.√√
- Eliminates discrimination on grounds of gender/race/disability in the workplace.√√
- Promotes equal opportunity and fair treatment in the workplace.√√
- Protects employees from victimisation if they exercise the rights given to them by the EEA.√√
- Promotes diversity in the workplace by ensuring that people of diverse backgrounds are appointed√√
- Ensures equal representation in the workplace through the implementation of affirmative action.√√
- Ensures equal representation of all population groups in the workplace.√√
- Any other relevant answer related to the purpose of the EEA.

Max (10)

4.3 Impact of the EEA on businesses Positives/Advantages

- Encourages consultation√ between employer and employees.√
- Motivates employees√ because the workforce is more diverse/representative/inclusive.√
- Creates a framework√ of acceptable employment practices/affirmative action measures.√
- Prevents unfair discrimination/discriminatory appointments√ as it ensures that the workforce represents the demographics of the country/promotes diversity in the workplace.√
- Motivates employees√ because everyone has the same employment opportunities.√
- Appointment process is clearly defined√, so all parties are well informed.√
- Promotes the implementation of affirmative action measures√ to redress the imbalance in employment.√
- Businesses are in a better position√ to negotiate contracts with the government.√
- Impacts positively√ on BEE ratings for businesses.√
- Any other relevant answer related to the positive impact/advantages of EEA on businesses.

○ **AND/OR**

Negatives/Disadvantages

- Increased administration burden√, as businesses must compile/submit employment equity reports every two years.√
- Expensive to train/employ someone√ who knows little about the Act.√
- Other groups may not respect the knowledge/skills/experience of an EEA appointment√ and may lead to conflict.√
- Fines/Penalties for non-compliant businesses√ may be expensive for the business.√

- Employers have to appoint one or more senior managers to ensure the implementation of the plan√, which increases salary expenditure.√
- Skilled people from designated groups may demand higher salaries√ which increase salary expenses.√
- Job hopping of skilled/trained EE appointees√ may increase staff turnover.√
- Diversity in the workplace√ may lead to conflict/unhappiness.√
- Businesses must submit a compliance certificate√ before they can conduct business with state businesses.√
- Businesses are sometimes pressurised to appoint an unsuitable person√ to meet EEA requirements.√
- Often positions go unfilled√ because there are no suitable EEA candidates.√
- Any other relevant answer related to the negative impact/disadvantages of the EEA on businesses.

Max (16)

4.4 Consequences/Penalties for non-compliance

- Labour inspectors may conduct onsite visits, to interview employees which can create a bad image for the business.√√
- A compliance order may be issued to businesses that do not comply with the EEA.√√
- Businesses may be brought before the Labour Court if compliance orders are not adhered to/no efforts made to reach targets.√√
- Labour inspectors may investigate/inspect/ask questions about complaints.√√
- Businesses may face heavy fines for non-compliance.√√
- They can be ordered to pay compensation and damages to the employee.√√
- Any other relevant answer related to the consequences/penalties for non-compliance with the EEA.

Max (8)

4.5 Practical ways in which businesses can comply with the EEA

- Businesses should guard against discriminatory appointments.√√
- Assess the racial composition of all employees, including senior management.√√
- Ensure that there is equal representation of all racial groups in every level of employment.√√
- Clearly define the appointment process, so that all parties are well informed.√√
- Ensure that diversity/inclusivity in the workplace is achieved.√√
- Prepare an employment equity plan in consultation with employees.√√
- Compile employment equity plans that indicate how they will implement affirmative action.√√
- Ensure that affirmative action measures promote diversity in the workplace.√√
- Implement the employment equity plan.√√
- Implement affirmative action measures to redress disadvantages experienced by designated groups/ Accommodate people from different designated groups.√√
- Submit the employment equity plan to the Department of Labour.√√
- Assign one or more senior managers to ensure implementation and monitoring of the employment equity plan.√√
- Eliminate barriers that have an adverse impact on designated groups.√√
- Regularly report to the Department of Labour on progress in implementing the plan.√√
- Display a summary of the Act where employees can clearly see/have access to the document.√√
- Conduct medical/psychological tests fairly to employees/when deemed necessary.√√
- Ensure that the workplace represents the demographics of the country at all levels.√√
- Restructure/Analyse current employment policies/practices/procedures to accommodate designated groups.√√
- Retrain/Develop/Train designated groups through skills development programmes.√√
- Any other relevant answer related to practical ways in which businesses can comply with the EEA.

Max (12)

4.6 Conclusion

- The EEA does not only promote and regulate affirmative action, but also gives guidance in conducting a fair appointment process.√√
- Businesses can access the skills and expertise of previously disadvantaged individuals.√√
- Businesses should take necessary steps/put practical measures in place to promote equal opportunities in the workplace.√√
- Penalties for non-compliance may have a negative financial implication for businesses.√√
- Any other relevant conclusion related to the purpose of the EEA/impact of EEA on businesses/consequences/penalties/practical ways in which businesses can comply with the EEA.

Max (2)

[40]

QUESTION 5: BREAKDOWN OF MARK ALLOCATION

DETAILS	**MAXIMUM**	**TOTAL**
Introduction	**2**	
Purpose of the EEA	**10**	
Impact of EEA on businesses	**16**	
Consequences/Penalties for non-compliance	**8**	**Max 32**
Compliance with EEA	**12**	
Conclusion	**2**	
INSIGHT		
Layout	**2**	
Analysis/Interpretation	**2**	
Synthesis	**2**	**8**
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

ACTIVITY 5

5.1 Introduction

- The Labour Relations Act enables employees to apply their rights in the workplace. √
- LRA provides sound legal structures that promote labour peace in the workplace. √
- The correct implementation of this Act may prevent unnecessary labour disputes and unlawful industrial actions. √
- Businesses should try to comply with this Act to avoid wasting time attending court cases resulting in low productivity. √
- Any other relevant introduction related to the rights of employees in terms of the LRA/purpose of the LRA/impact of the LRA on businesses/penalties for non- compliance with the LRA.

Any (2 x 1) (2)

5.2 Rights of employees in terms of the Labour Relations Act/LRA

- Employees may join a trade union of their choice. √√
- May embark on legal strikes as a remedy for grievances. √√
- Refer unresolved workplace disputes to the CCMA. √√
- Refer unresolved CCMA disputes to the Labour Court on appeal. √√
- Request trade union representatives to assist/represent employees in the grievance/disciplinary hearing. √√
- Trade union representatives may take reasonable time off work with pay, to attend to trade union duties. √√
- Establish a workplace forum where a business has 100 or more employees to resolve work-related issues. √√
- Any other relevant answer related to the rights of employees in terms of the LRA.

Max (10)

5.3 Purpose of the Labour Relations Act/LRA

- Provides a framework/structure for labour relations √ between employers/employees/trade unions/employers organisations. √
- Promotes/Facilitates collective bargaining √ at the workplace/at sectorial level. √
- Promote workplace forums√ to accommodate employees in decision making. √
- Provides for the right to lock-out by the employer √ as recourse to lengthy strikes. √
- Promotes fair labour practice √ between the employers and employees. √
- Promotes simple procedures √ for the registration of trade unions/employer organisations. √
- Clarifies the transfer of employment contracts √ between the existing and new employers. √
- Advances economic development/social justice/labour peace √ to ensure that the workplace maintains the basic rights of employees. √
- Establishes the Commission for Conciliation, Mediation and Arbitration/CCMA √ for dispute resolutions. √
- Establishes Labour Courts √ and Labour Appeal Courts. √
- Any other relevant answer related to the purpose of the LRA.

Max (14)

5.4 Impact of the Labour Relations Act/LRA

Positives/Advantages

- Promotes a healthy relationship √ between the employer and employees. √
- Protects the rights of businesses √ in labour relations issues. √
- Labour disputes are settled quicker √ and are less expensive. √
- Workplace forums can add value to businesses √ if it functions properly. √
- Protects employers who embark on lawful lock-outs √ when negotiations between parties fail. √
- LRA provides for the principles of collective bargaining √ and puts structures in place with which disputes in the workplace can be settled. √
- Provides specific guidelines for employers √ on correct and fair disciplinary procedures. √
- Employers and employees have guidelines √ regarding correct and fair dismissal procedures. √
- Provides a mechanism/framework √ such as statutory councils/collective bargaining/CCMA. √
- Employers are entitled to compensation from the Labour Court √ if they suffered damages as a result of unprotected strikes. √
- Any other relevant answer related to the positive impact/advantages of the LRA on businesses.

AND/OR

Negatives/Disadvantages

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

Max (14)

5.5 Penalties for non-compliance with the Labour Relations Act/LRA

- The employer may be forced to enter into a dispute resolution process. √√
- Businesses will be fined if they fail to comply with the agreements reached during the dispute resolution process. √√
- Businesses that fail to comply with this Act may risk financial costs such as legal/CCMA fees and fines. √√
- The Labour inspectors may investigate and ask questions about complaints. √√
- Businesses can be ordered to pay compensation and damages to the employee. √√
- The Labour inspector could order businesses to stop operating should the business be found guilty of illegal practices. √√
- Businesses may be taken for a ruling to the Labour Court. √√
- Any other relevant answer related to penalties that businesses may face for non- compliance with the LRA. **Max (8)**

5.6 Conclusion

- The rights of the employees provide a legal framework for acceptable labour practices in the workplace. √√
- The collective bargaining process enable employer organisations and trade unions to agree on labour issues resulting in reduced labour disputes. √√
- Fair labour practices promote peace and harmony in the workplace. √√
- Businesses need to comply with the Act to avoid unnecessary financial burden and unhealthy working environment. √√
- Any other relevant conclusion related to the rights of employees in terms of the LRA/purpose of the LRA/impact of the LRA on businesses/penalties for non- compliance with the LRA.

Any (1 x 2) (2)
[40]

ACTIVITY 6

6.1 Introduction

- The Basic Conditions of Employment Act informs the contract between the employer and employee as it provides the minimum conditions for employment.√
- This Act provides protection for employees so that they will not be exploited by the business.√
- BCEA provides guidelines for provisions to be adhered to by employers in the workplace.√
- Penalties/Consequences for non-compliance encourage businesses to comply with this Act.√
- Any other relevant introduction related to the purpose/provisions/impact of the BCEA/penalties for non-compliance.

Any (2 x 1) (2)

6.2 Purpose of the BCEA

- Provides clear terms and conditions of employment for employers and employees.√√
- Sets minimum requirements/standards for the employment contract.√√
- Regulates the right to fair labour practices as set out in the Constitution.√√
- Adheres to the rules and regulations set out by the International Labour Organisation.√√
- Regulates the variations of basic conditions of employment.√√
- Advances economic development and social justice.√√
- Any other relevant answer related to the purpose of the BCEA.

Max (10)

6.3 Provisions of the BCEA

Termination of employment

- 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.

Prohition of employement on children and forced labour

- It is illegal to employ a child√ younger than 15 years of age.√
- Businesses may employ children over the age of 15 years√, if employment is not harmful to their health/well-being education/moral/ social development.√
- Children/Minors under 18 years of age√ may not do dangerous work/work meant for an adult.√
- Forcing someone to work√ is also illegal.√
- Any other relevant answer related to child and forced labour as a provision of the BCEA.

Submax (4)
Max (12)

6.4 Impact of the BCEA on businesses
Positives/Advantages

- Creates a framework√ of acceptable employment practices e.g., work hours, leave, √ etc.
- Promotes fair treatment√ of employees in the workplace.√
- Encourages consultation√ between employers and employees.√
- Outlines minimum requirements√ that form the basis of employment contracts.√
- Work hours are specified√ so that the employer cannot exploit employees.√
- The rules and regulations are very specific√, which clearly guides the employer on how to deal with employment issues.√
- Employees are permitted to consult labour unions√ in cases where the BCEA conditions are violated. √
- Employees may submit complaints√ to labour inspectors who can address it. √
- Any other relevant answer related to the positive impact/advantages of the BCEA on businesses.

AND/OR

Negatives/Disadvantages

- Developing/Drafting a formal/legal employment contract√ may be time- consuming/costly. √
- Businesses may regard employment contracts as negative and may not implement it√, which results in non-compliance/penalties.√
- No employer may force an employee to work more than 45 hours in a week√ as this may result in reduced productivity. √
- Hiring cheap labour is no longer possible√, so businesses cannot exploit workers.√
- BCEA forces businesses to comply with many legal requirements√, which may increase labour costs. √
- Businesses not complying with the Act, may be charged with high penalties√, which may affect their cash flow negatively. √
- Businesses may consider the provisions of the BCEA as unimportant/an unnecessary administrative burden√ that increase operating costs. √
- Any other relevant answer related to the negative impact/disadvantages of the BCEA on businesses.

Max (14)

6.5 Penalties for non-compliance to the BCEA

- Labour inspectors may serve a compliance order by writing to the Department of Labour.√√
- The Director General may agree/change/cancel the compliance order.√√
- Labour inspectors may investigate/inspect/ask questions about complaints and remove records as evidence.√√
- Businesses may be taken to the labour court for a ruling.√√
- Businesses that are found guilty of non-compliance may face heavy fines/ penalties.√√
- They can be ordered to pay compensation and damages to the employee.√√
- Any other relevant answer related to penalties that businesses may face for non- compliance to the BCEA.

Max (10)

6.6 Conclusion

- The provisions of the BCEA enable the employer and employees to have a common understanding of acceptable business practices. √√
- Businesses should display employees' rights in terms of the BCEA in an area of the workplace where all employees can see it.√√
- The Minister of Labour may make amendments to the BCEA regulations/provisions, this requires businesses to stay informed of the latest changes to the Act.√√
- Businesses should strive to comply with the BCEA to avoid unnecessary penalties and negative publicity.√√
- Any other relevant conclusion related to the purpose/provisions/impact of the BCEA/penalties for non-compliance.

Any (1 x 2) (2)

[40]

QUESTION 5: BREAKDOWN OF MARK ALLOCATION

DETAILS	MAXIMUM	TOTAL
Introduction	**2**	**Max 32**
Purpose of BCEA	**10**	
Provisions of BCEA ○ Termination of employment ○ Prohibition of employment on children and forced labour	**12**	
Impact of Act on businesses	**14**	
Penalties for non-compliance with BCEA	**10**	
Conclusion	**2**	
INSIGHT		**8**
Layout	**2**	
Analysis/Interpretation	**2**	
Synthesis	**2**	
Originality/Examples	**2**	
TOTAL MARKS		**40**

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

BUSINESS STRATEGIES – MARKING GUIDELINES

ACTIVITY 1

1.1

1.1.1 B✓✓
1.1.2 D✓✓
1.1.3 A✓✓
1.1.4 C✓✓
1.1.5 D✓✓
1.1.6 C✓✓
1.1.7 B✓✓
1.1.8 D✓✓
1.1.9 A✓✓
1.1.10 C✓✓
1.1.11 A✓✓
1.1.12 C✓✓
1.1.13 B✓✓
1.1.14 D✓✓
1.1.15 A✓✓
1.1.16 D✓✓
1.1.17 B✓✓
1.1.18 B✓✓
1.1.19 C✓✓
1.1.20 A✓✓
1.1.21 B✓✓
1.1.22 A✓✓
1.1.23 C✓✓ **(23 x 2) (46)**

1.2

1.2.1 strength✓✓
1.2.2 legal✓✓
1.2.3 market✓✓
1.2.4 concentric✓✓
1.2.5 backward vertical✓✓ **(5 x 2) (10)**

1.3

1.3.1 F✓✓
1.3.2 A✓✓
1.3.3 C✓✓
1.3.4 H✓✓ **(4 x 2) (8)**

ACTIVITY 2

2.1 PESTLE factors

- Political✓
- Economic✓
- Social✓
- Technological✓
- Legal✓
- Environmental ✓

NOTE: Mark the first THREE only. **Max (3)**

2.2 Advantages of diversification strategies

- Increase sales and business growth. ✓✓
- Improves the business brand and image. ✓✓
- Reduces the risk of relying only on one product. ✓✓
- More products can be sold to existing customers and additional more new markets can be established. ✓✓
- Businesses gain more technological capabilities through product modification. ✓✓
- Diversification into a number of industries or product line can help create a balance during economic fluctuations. ✓✓
- Business produce more output using less inputs as one factory may be used to manufacture more products. ✓✓
- Any other relevant answer related to advantages of diversification strategies. **Max (4)**

2.3 Identification of business strategy

2.3.1 Forward vertical integration✓✓
2.3.2 Market penetration✓✓
2.3.3 Concentric diversification✓✓
2.3.4 Divestiture✓✓
2.3.5 Backward vertical integration✓✓
2.3.6 Market development✓✓
2.3.7 Horizontal diversification✓✓
2.3.8 Retrenchment✓✓
2.3.9 Horizontal integration✓✓
2.3.10 Product development✓✓
2.3.11 Conglomerate diversification✓✓
2.3.12 Liquidation✓✓ **(12 x 2) (24)**

2.4.1 Quote

- The management of ME set specific dates for control and follow up as part of their inspection programme✓
- They also implement corrective actions when deviations occur. ✓ **Sub Max (2)**

NOTE: Mark the first TWO only.

2.4.2 Other steps to strategy evaluation

- Examine the underlying basis of a✓ business strategy. ✓
- Compare the expected performance✓ with the actual performance. ✓
- Formulate strategies to meet✓ objectives favourably. ✓

- Implement strategies✓ using action plans, etc. ✓
- Look forward and backwards✓ into the implementation process. ✓
- Measure business performance in order to determine the✓ reasons for deviations and analyse these reasons. ✓
- Draw up a table of the advantages and disadvantages✓ of a strategy. ✓
- Decide on the desired outcome as envisaged when✓ strategies were implemented. ✓
- Consider the impact of the strategic implementation in the✓ internal and external environments of the business. ✓
- Any other relevant answer related to steps to strategy evaluation. **Max (6)**

NOTE: Do not award marks for answer quoted from scenario.

2.5 Types of defensive strategies

2.5.1 Divestiture✓✓

- The business disposes/sells some assets/divisions that are no longer profitable/ productive. ✓
- Businesses may sell off divisions/product lines with slow growth potential. ✓
- The business sells ownership by decreasing the number of shareholders. ✓
- Unproductive assets are sold to pay off debts. ✓
- Process used to withdraw its investment in another business (divesting). ✓
- Any other relevant answer related to divestiture as type of defensive strategy

Type of defensive strategy (2)
Discussion (1)
Sub max (3)

2.5.2 Liquidation✓✓

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

Type of defensive strategy (2)
Discussion (1)
Sub max (3)

2.5.3 Retrenchment✓✓

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

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

NOTE: Mark the first TWO ONLY.

2.6

2.6.1 Identification

– Competitive rivalry/power of competitors✓✓ **(2)**

Motivation

– PS found that Tonga Suppliers were selling certain raw materials at a lower price. ✓ **(1)**

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

2.6.2 Application of competitive rivalry/power of competitors factor

– If competitors have a unique product/service✓, then they will have greater power. ✓
– A business with many competitors in the same market✓ has very little power in their market. ✓
– Draw up a competitor's profile so that they can determine their own strength✓ as well as that of competitors. ✓
– Some businesses have necessary resources to start price wars and✓ continue selling at a loss until some/all competitors leave the market. ✓
– Any other relevant answer related to the application of competitive rivalry/power of competitors.

Max (4)

2.7 Ways businesses can deal with challenges posed by PESTLE factors:

2.7.1 Legal

– Comply with all relevant legislation that may impact on business. ✓✓
– Comply with the legal requirements for operating a pharmacy, eg. Licence/trade mark registration/patents. ✓✓
– Budget for high legal establishment costs. ✓✓
– Owners must know the legalities of business. ✓✓
– Contracts so that they compile with all the requirement. ✓✓
– Any other relevant answer related to legal. **Max (4)**

2.7.2 Environmental

– Chemicals/ingredients should be clearly indicated on labels/packaging to inform customers about possible side effects/correct use of products. ✓✓
– Implement cost effective measures to dispose of medical waste. ✓✓
– Implement recycling measure to prevent pollution of the environment/use packaging that is re-usable/recyclable. ✓✓
– Any other relevant answer related to environmental. **Max (4)**

2.8 Identification of Porter's Five Forces model

2.8.1 Power of competitors/competitive rivalry✓✓
2.8.2 Threat/Barriers of new entrants to the market✓✓ **Max (4)**

2.9 Defensive strategies

2.9.1 Divestiture✓✓

– The business disposes/sells some assets/divisions that are no longer profitable/ productive. ✓
– Businesses may sell off divisions/product lines with slow growth potential. ✓
– The business sells ownership by decreasing the number of shareholders. ✓
– Unproductive assets are sold to pay off debts. ✓
– Process used to withdraw its investment in another business (divesting). ✓
– Any other relevant answer related to divestiture as type of defensive strategy

Type of defensive strategy (2)

Discussion (1)
Sub max (3)

2.9.2 Liquidation✓✓

– All assets are sold to pay creditors due to a lack of capital. ✓
– Selling the entire business in order to pay shareholders a fair price for their shares. ✓
– Creditors may apply for forced liquidation in order to have their claims settled. ✓
– Any other relevant answer related to liquidation as a type of defensive strategy.

Type of defensive strategy (2)
Discussion (1)
Sub max (3)

2.9.3 Retrenchment✓✓

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

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

NOTE: Mark the first TWO ONLY.

2.10 Identification of PESTLE elements

2.10.1 Technological✓✓
2.10.2 Environmental✓✓
2.10.3 Economic✓✓ **Max (6)**

ACTIVITY 3

3.1 Introduction

- Businesses apply the strategic management process in response to changes in the business environment. ✓
- The PESTLE factors enable businesses to measure the negative impact of external factors on their operations. ✓
- Businesses should make use of integration strategies when there is a need for an alliance/merger/take over. ✓
- Intensive strategies are beneficial to businesses ss they improve the long term growth of the business. ✓
- Any other relevant introduction related to strategic management process/how PESTLE factors pose challenges to businesses/types of integration strategies/advantages of intensive strategies.

Any (2 x 1) (2)

3.2 Strategic management process

Option 1

- Have a clear vision, a mission statement and measurable/realistic objective 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/organizing 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 analysis using models such as SWOT/PESTLE/Porter's Five Forces. ✓✓
- 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/objective are met. ✓✓
- Any other relevant answer related to strategic management process. **Max (10)**

3.3 Challenges posed by PESTLE factors for businesses

3.3.1 Economic

- Inflation/interest rates may negatively impact on businesses✓eg. Will their clients still afford their products if business increases prices due to inflation? ✓

- Loans may be expensive✓ due to high interest rates. ✓
- Fluctuations in foreign currency✓ may restrict imports. ✓
- Business may not qualify for✓ certain tax exemptions/ subsidies. ✓
- Any other relevant answer related to economic factor.

Sub max (4)

3.3.2 Social

- Customers may not be able to afford products✓ due to low income levels. ✓
- Some customers may prefer to use the services of traditional healers✓, instead of modern/Western medicine. ✓
- May not be conversant with the✓ local language of their customers. ✓
- Any other relevant answer related to social factor.

Sub max (4)

3.3.3 Technological

- May not keep up with/be aware of the✓ latest technology/new medical equipment. ✓
- Employees may not be skilled to✓ operate/maintain new technology/equipment. ✓
- May not be able to✓ afford new technology. ✓
- May not be able to cater for/afford✓ online transaction/e-commerce. ✓
- Any other relevant answer related to technological factor.

Sub max (4)
Max (12)

3.4 Types of integration strategy

3.4.1 Forward vertical integration✓✓

- A business combines with or takes over its distributors✓ down the supply chain/production chain. ✓
- The business merges with businesses that were once their customers✓, while still maintaining control of the initial/primary business activity. ✓
- Involves expansion of business activities to gain control over the✓ direct distribution of the products/services. ✓
- The business takes over the distribution system and✓ sells products/services directly to consumers/customers. ✓

- Increases profitability as the✓ intermediary/distributor/middleman is excluded/eliminated. ✓
- Any other relevant answer related to forward vertical integration. **Heading (2)**

Explanation (2)
Sub max (4)

3.4.2 Backward vertical integration✓✓

- The business combines with/merges/takes over its suppliers✓ up the supply chain/production chain. ✓
- The business expands its role to fulfill activities/tasks that were✓ formerly/previously completed by suppliers. ✓
- Aims at decreasing the business's dependency✓ on the supplier. ✓
- Enables businesses to cut costs and have✓ influence over the prices/quality of raw materials. ✓
- Any other relevant answer related to backward vertical integration. **Heading (2)**

Explanation (2)
Sub max (4)

3.4.3 Horizontal integration✓✓

- A business takes control of/incorporates other businesses in the same industry✓ which produce/sell the same/similar goods/services. ✓
- It is the acquisition/takeover of a related business that✓ operates at the same level of supply chain in the industry. ✓
- The aims is to reduce the threat of✓ competition/substitute products/services. ✓
- Increases the market share/sales/profits and✓ enhance production distribution. ✓
- Suitable for businesses that operate in multiple geographical areas✓ through joint ventures/licencing/franchising. ✓
- Any other relevant answer related to horizontal integration. **Heading (2)**

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

NOTE: Mark the first THREE only.

3.5 Advantages of intensive strategies

- Increased market share reduces the business's vulnerability to actions of competitors. ✓✓
- Control over prices may increase/improve. ✓✓
- Increase in sales/income and profitability. ✓✓
- Improved service delivery may positively impact/increase sales. ✓✓
- Businesses can have more control over the prices of products/services. ✓✓
- Gain customer loyalty through effective promotion campaigns. ✓✓
- Decrease in price could influence customers to buy more products. ✓✓
- Regular sales to existing customers may increase. ✓✓
- Eliminate competitors and dominate market prices. ✓✓
- Enables the business to focus on markets/well researched quality products that satisfy the needs of consumers. ✓✓
- Any other relevant answer related to advantages of intensive strategies. **Max (12)**

3.6 Conclusion

- All levels of management must be involved in the strategic management process to ensure successful implementation of business strategies. ✓✓
- An in-depth analysis of the challenges posed by economic/social and technological factors can enable businesses to stay ahead of their competitors. ✓✓
- Businesses must explore various types of integration strategies and chose the best for implementation. ✓✓
- Integration strategies provide opportunities for businesses to enhance growth and stability. ✓✓
- Any other relevant conclusion related to strategic management process/how PESTLE factors pose challenges to businesses/types of integration strategies/advantages of intensive strategies.

Any (1 x 2) (2)

ACTIVITY 4

4.1 Introduction

- Businesses should have a clear understanding of the benefits of implementing the diversification strategies. ✓
- There are various types of defensive strategies that businesses may explore to deal with major challenges identified in the workplace. ✓
- Porters Five Forces model is applied by businesses to analyse the market environment and identified possible threats. ✓
- Businesses must follow necessary steps in evaluating strategies. ✓
- Any other relevant introduction related to the advantages of diversification strategies/types of defensive strategies/application of Porters Five Forces model/steps in strategy evaluation.

Any (2x1) (2)

4.2 Advantages of diversification strategies

- Increase sales and business growth. ✓✓
- Improves the business brand and image. ✓✓
- Reduces the risk of relying only on one product for sales/revenue/income. ✓✓
- More products can be sold to existing customers and additional more new markets can be established. ✓✓
- Businesses gain more technological capabilities through product modification. ✓✓
- Diversification into a number of industries or product line can help create a balance during economic fluctuations. ✓✓
- Businesses produce more output using less inputs as one factory may be used to manufacture more products. ✓✓
- Any other relevant answer related to the advantages of diversification strategies. **Max (10)**

4.3 Types of defensive strategies

4.3.1 Divestiture✓✓

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

Strategy (2)
Description (2)
Sub max (4)

4.3.2 Retrenchment✓✓

- Terminating the employment contracts /Letting go of employees for✓ operational/structural/restructuring reasons/reduce costs/expenses. ✓
- Decreasing the number of product lines/Closing certain departments✓ may result in some workers becoming redundant. ✓
- Any other relevant answer related to retrenchment as type of defensive.

Strategy (2)
Description (4)
Sub max (4)

4.3.3 Liquidation✓✓

- Selling all assets/Bringing the business activities to an end✓ to pay creditors due to inability to repay creditors/bankruptcy/lack of capital. ✓
- Selling the entire business in order to✓ pay shareholders a fair price for their shares. ✓
- Allowing creditors to apply forced liquidation✓ in order to have their claims settled.✓
- Companies in financial distress/difficulty may appeal for✓ business rescues to avoid liquidation. ✓
- Any other relevant answer related to liquidation as type of defensive.

Strategy (2)
Description (2)
Sub max (4)
Max (12)

4.4 Application of Porters Five Forces model

4.4.1 Threat/Barriers of new entrants to the market

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

Sub max (4)

4.4.2 Power of competitors/Competitive rivalry

- If competitors have a unique product/service✓, then they will have greater power. ✓
- A business with many competitors in the same market✓ has very little power in their market. ✓
- Draw up a competitor's profile so that they can determine✓ their own strength as well as that of competitors. ✓
- Some businesses have necessary resources to start price wars and✓ continue selling at a loss until some/all competitors leave the market. ✓
- Any other relevant answer related to application of power of competitors/competitive rivalry force

Sub max (4)

4.4.3 Threat of substitution/substitutes

- 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. ✓
- If the business sells unique products✓, it will not be threatened by substitute products. ✓
- 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/substitutes force.

Sub max (4)

Max (12)

4.5 Steps in strategy evaluation

- 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. ✓✓
- Decide on the desired outcome as envisaged when strategies were implemented. ✓✓
- 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 steps in strategy evaluation. **Max (12)**

NOTE: The steps can be in any order.

4.6 Conclusion

- Diversification strategies offer various benefits to businesses that can lead to business growth. ✓✓
- Businesses that correctly choose the suitable type of defensive strategy are likely to effectively managed its implementation. ✓✓
- Applying Porters Five Forces model enables the business to minimise the impact of the challenges emanating from the market environment. ✓✓
- Steps in evaluating strategies assist businesses to improve on strategy development. ✓✓
- Any other relevant introduction related to the advantages of diversification strategies/types of defensive strategies/application of Porters Five Forces model/steps in strategy evaluation.

Any (1x2) (2)

ACTIVITY 5

5.1 Introduction

- Businesses apply the strategic management process in response to changes in the business environment. ✓
- Businesses should make use of integration strategies when there is a need for an alliance/merger/take over. ✓
- Porters Five Forces model is applied by businesses to analyse the market environment and identified possible threats. ✓

- Businesses must follow necessary steps in evaluating strategies. ✓
- Any other relevant introduction related to the steps to strategic management process/integration strategies/Porter's Five Forces Model/evaluating strategies.

Any (2x1) (2)

5.2 Strategic management process

Option 1

- Have a clear vision, a mission statement and measurable/realistic objective 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/organizing 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 analysis using models such as SWOT/PESTLE/Porter's Five Forces. ✓✓
- 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/objective are met. ✓✓
- Any other relevant answer related to strategic management process. **Max (10)**

5.4 Types of integration strategy

5.4.1 Forward vertical integration✓✓

- A business combines with or takes over its distributors✓ down the supply chain/production chain. ✓
- The business merges with businesses that were once their customers✓, while still maintaining control of the initial/primary business activity. ✓
- Involves expansion of business activities to gain control over the✓ direct distribution of the products/services. ✓
- The business takes over the distribution system and✓ sells products/services directly to consumers/customers. ✓

- Increases profitability as the✓ intermediary/distributor/middleman is excluded/eliminated. ✓
- Any other relevant answer related to forward vertical integration. **Heading (2)**

Explanation (2)
Sub max (4)

5.4.2 Backward vertical integration✓✓

- The business combines with/merges/takes over its suppliers✓ up the supply chain/production chain. ✓
- The business expands its role to fulfill activities/tasks that were✓ formerly/previously completed by suppliers. ✓
- Aims at decreasing the business's dependency✓ on the supplier. ✓
- Enables businesses to cut costs and have✓ influence over the prices/quality of raw materials. ✓
- Any other relevant answer related to backward vertical integration. **Heading (2)**

Explanation (2)
Sub max (4)

5.4.3 Horizontal integration✓✓

- A business takes control of/incorporates other businesses in the same industry✓ which produce/sell the same/similar goods/services. ✓
- It is the acquisition/takeover of a related business that✓ operates at the same level of supply chain in the industry. ✓
- The aims is to reduce the threat of✓ competition/substitute products/services. ✓
- Increases the market share/sales/profits and✓ enhance production distribution. ✓
- Suitable for businesses that operate in multiple geographical areas✓ through joint ventures/licencing/franchising. ✓
- Any other relevant answer related to horizontal integration. **Heading (2)**

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

NOTE: Mark the first THREE only.

5.4 Application of Porters Five Forces model

5.4.1 Power of suppliers

- Assess the power of suppliers✓ in influencing prices. ✓
- Suppliers that deliver high quality/unique/scarce 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 products/services/reliability/ability✓ to make prompt deliveries, etc. ✓
- Any other relevant answer related to application of power of suppliers force. Sub max (4)

5.4.2 Power of competitors/Competitive rivalry

- If competitors have a unique product/service✓, then they will have greater power. ✓
- A business with many competitors in the same market✓ has very little power in their market. ✓

- Draw up a competitor's profile so that they can determine✓ their own strength as well as that of competitors. ✓
- Some businesses have necessary resources to start price wars and✓ continue selling at a loss until some/all competitors leave the market. ✓
- Any other relevant answer related to application of power of competitors/competitive rivalry force

Sub max (4)

5.4.3 Threat of substitution/substitutes

- 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. ✓
- If the business sells unique products✓, it will not be threatened by substitute products. ✓
- 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/substitutes force.

Sub max (4)

Max (12)

5.5 Steps in strategy evaluation

- 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. ✓✓
- Decide on the desired outcome as envisaged when strategies were implemented. ✓✓
- 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 steps in strategy evaluation. **Max (12)**

NOTE: The steps can be in any order.

5.6 Conclusion

- All levels of management must be involved in the strategic management process to ensure successful implementation of business strategies. ✓✓
- Businesses must explore various types of integration strategies and chose the best for implementation. ✓✓
- Applying Porters Five Forces model enables the business to minimise the impact of the challenges emanating from the market environment. ✓✓
- Steps in evaluating strategies assist businesses to improve on strategy development. ✓✓
- Any other relevant introduction related to the steps to strategic management process/integration strategies/Porter's Five Forces Model/evaluating strategies.

Any (1x2) (2)

BUSINESS SECTORS – MARKING GUIDELINES

ACTIVITY 1

1.1

1.1.1 B✓✓

1.1.2 A✓✓

1.1.3 D✓✓

1.1.4 D✓✓

1.1.5 A✓✓

1.1.6 A✓✓

1.1.7 D✓✓

1.1.8 B✓✓

1.1.9 D✓✓ **(9 x 2) (18)**

1.2

1.2.1 macro✓✓

1.2.2 secondary✓✓

(4 x 2) (8)

ACTIVITY 2

2.1

2.1.1 Secondary sector✓✓

2.1.2 Tertiary sector✓✓

2.2

2.2.1 **Identification**

– Tertiary sector✓✓ **Sub max (2)**

Motivation

– Kumba connections offer internet services to different clients. ✓ **Sub max (1)**

Max (3)

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

CHALLENGES (2.2.2)	**BUSINESS ENVIRONMENTS (2.2.3)**
1. KC's employees went on a legal strike due to unsuccessful salary negotiations. ✓	Micro✓
2. Frequent load shedding forced KC to close earlier on certain days. ✓	Macro✓
3. KC also lost many clients to Mavuma connections, who offer similar services at lower prices. ✓	Market✓
Max (3)	**Max (3)**

NOTE: Mark the first THREE only.

If the business environment is not linked to the challenge, only mark the challenge.

Award marks for the business environment even if the challenge is incomplete.

Accept answers in any order.

2.3

2.3.1

BUSINESS SECTORS	MOTIVATION
1. Secondary✓✓	Stella Manufacturers specializes in the production of steel produc ✓
2. Tertiary✓✓	The steel products of SM are sold at Promise Hardware. ✓
Sub Max (4)	**Sub max (2)**

Max (6)

NOTE: Answers do not have to be in tabular format.

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

2.4 Meaning of primary sector

- This sector deals with✓ extraction of raw materials and natural resources. ✓
- Natural resources which are not man-made✓ like coal, gold, fish and livestock are extracted from this sector. ✓
- Any other relevant answer related to primary sector. **Max (2)**

ACTIVITY 1

1.1.1 C✓✓
1.1.2 D✓✓
1.1.3 C✓✓
1.1.4 A✓✓
1.1.5 B✓✓
1.1.6 C✓✓
1.1.7 A✓✓
1.1.8 C✓✓
1.1.9 A✓✓
1.1.10 D✓✓
1.1.11 D✓✓
1.1.12 B✓✓
1.1.13 B✓✓
1.1.14 B✓✓
1.1.15 A✓✓
1.1.16 B✓✓
1.1.17 B✓✓
1.1.18 C✓✓
1.1.19 A✓✓
1.1.20 B✓✓
1.1.21 A✓✓
1.1.22 B✓✓
1.1.23 C✓✓
1.1.24 C✓✓

1.1.25 A✓✓
1.1.26 B✓✓
1.1.27 C✓✓ **(31x 2) (62)**
1.1.28 B✓✓
1.2.29 C✓✓
1.1.30 B✓✓
1.1.31 A✓✓

1.2.1 Job description✓✓
1.2.2 Time-related✓✓
1.2.3 Compulsory ✓✓
1.2.4 Recruitment✓✓
1.2.5 Interviewer✓✓
1.2.6 External
1.2.7 Job analysis (7x2) (14)

1.3.1 C✓✓
1.3.2 D✓✓
1.3.3 F✓✓

(3X2) (6)

ACTIVITY 2

QUESTION 2

2.1 **Meaning of recruitment**

- Recruitment is the process used by businesses to identify vacancies in the business ✓and attract suitable candidates for it. ✓
- It aims at finding candidates who have the necessary knowledge/ experience/ qualification✓ to fill the vacancy. ✓
- Businesses may choose to use an internal or external method of recruitment ✓depending on the nature/requirements of the vacancy. ✓
- It is an on-going process✓ as employees leave their jobs for other jobs/get promoted /retire/as new technological skills are required. ✓
- Any other relevant answer related to the meaning of recruitment. **Max (4)**

2.2.1 Recruitment procedure✓✓ **(2)**

2.2.2 Recruitment procedure

- The human resource manager should evaluate the job/prepare a job analysis✓, that includes the job specification/job description/in order to identify recruitment needs. ✓
- The human resource manager (HRM) should prepare the job description in order ✓to identify recruitment needs. ✓
- HRM should indicate the job specification/description/key performanc✓e areas to attract suitable candidates. ✓
- Choose the method of recruitment, e.g. internal/external✓, to reach/target the suitable applicants/ candidates. ✓
- Vacancies can be internally advertised✓ via internal email/word of mouth/ posters/staff notices. ✓
- If the external recruitment is chosen✓, the relevant recruitment sources should be selected, e.g. recruitment agencies/tertiary institutions/ newspapers, etc✓
- If internal recruitment is unsuccessful✓, external recruitment should be considered. ✓

- If the external recruitment is done, the relevant recruitment source should be selected✓, e.g. recruitment agencies, tertiary institutions, newspapers. ✓
- The advertisement should be prepared with the relevant information✓, e.g. the name of the company, contact details, contact person, etc.✓
- Place the advertisement in the appropriate media✓ that will ensure that the best candidates apply. ✓

NOTE: The procedure can be in any order **MAX (6)**

2.3 **Components of a job analysis**

Job description✓✓
- Describes duties/responsibilities✓ of a specific job/summary of the nature /type of the job. ✓
- Written description of the job√ and its requirements. ✓
- Describes key performance areas/ tasks ✓for a specific job, e.g. job title/working conditions/relationship of the job with other jobs in the business, etc. ✓
- Any other relevant answer related to job description.

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

Job specification✓✓
- Specifies the minimum acceptable personal qualities/ skills/ qualifications ✓needed for the job. ✓
- Written description of specific qualifications/ skills/ experience ✓needed for the job✓
- Describes key requirements of the person who will fill the position, e.g.✓formal qualifications/willingness to travel/work unusual hours, etc. ✓
- Any other relevant answer related to job specification.

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

NOTE: Mark the first TWO (2) only **Max (6)**

2.4 **Impact of external recruitment on businesses**

- **Positives/Advantages**
- New candidates bring new talents/ideas/experiences/skills✓into the business.✓
- Businesses has a larger pool of candidates ✓to choose from. ✓
- There is a better chance of getting a suitable candidate with the required skills/qualifications/competencies✓ who do not need much training/development which reduce costs. ✓
- It may help businesses to meet affirmative action✓ and BBBEE targets. ✓
- Minimises unhappiness/conflict amongst current employees✓ who may have
- applied for the post. ✓
- Any other relevant answer related to the positive impact/advantages of external recruitment on businesses.

AND/OR

Negatives/Disadvantages
- External sources of businesses can be expensive✓, e.g. recruitment agencies' fees/advertisements in newspapers/magazines. ✓
- The selection process may not be effective✓ and an incompetent candidate may
- be chosen. ✓
- Information on CV's/referees✓ may not be reliable. ✓
- Recruitment process takes longer/is more expensive✓ as background checks
- must be conducted. ✓

- New candidates generally take longer to adjust√ to a new work environment. ✓
- In-service training may be needed which decreases productivity of HCE/a business✓ during the time of training. ✓
- Many unsuitable applications can slow down✓ the selection process. ✓
- Any other relevant answer related to the negative impact/disadvantages of external recruitment on a business. **Max (6)**

2.5 Role of the Interviewee/applicant during the interview

- Greet the interviewer by name✓ with a solid handshake and a friendly smile. ✓
- Listen carefully to the questions ✓before responding. ✓
- Make eye contact✓ and have good posture/body language. ✓
- Show confidence✓ and have a positive attitude/be assertive. ✓
- Be inquisitive✓ and show interest in the business. ✓
- Ask clarity seeking✓ questions. ✓
- Show respect✓ and treat the interview with its due importance. ✓
- Be honest about mistakes✓ and explain how you dealt with it. ✓
- Know your strengths and weaknesses✓ and be prepared to discuss it. ✓
- Any other relevant answer related to the role of the interviewee/applicant during the interview.

Max (6)

2.6 Screening as part of the selection procedure

- Check application documents✓ against the requirements of the job. ✓
- Candidates who meet the minimum requirements✓ are separated from others.✓
- Do background/credit/reference checks of applicants√ who qualify for the job.✓
- Prepare a shortlist✓ of suitable candidates after screening. ✓
- Any other relevant answer related to screening as part of the selection procedure.

Max (4)

2.7 Placement procedure

- Outline specific responsibilities/expectations new position. ✓✓
- Determine the employee's strengths/weaknesses/skills/ interests by subjecting him to various psychometric tests. ✓✓
- Determine the relationship/similarities between the expectations of the position and the competencies of the new employee. ✓✓
- Any other relevant answer related to the placement procedure.

Max (6)

2.8.1 Aspects that should be included in Emma's employment contract

- Remuneration✓
- Details of the termination of the contract✓

NOTE: Award marks for responses that are quoted from the scenario.

(2x1) (2)

2.8.2 Other aspects that must 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 ✓✓

Max (6)

2.9 **Selection procedure**

OPTION 1

- Determine fair assessment criteria✓ on which selection will be based. ✓
- Use the assessment criteria✓ to assess all CV's/application forms received during recruitment✓/Preliminary screening✓ is done by sorting the applications received according to the criteria for the job. ✓
- Check that applicants are not submitting false documents✓such as forged certificates/degrees. ✓
- Make a preliminary list √ of all applicants who qualify for the post. ✓
- Screen and check references✓, e.g. check applicants' criminal records/credit history/social media✓, etc.
- Conduct preliminary interviews✓ to identify suitable applicants. ✓
- Inform all applicants ✓about the outcome of the application. ✓
- Compile a shortlist✓ of approximately five people. ✓
- Invite the shortlisted applicants/candidates✓ for an interview. ✓
- Shortlisted candidates may be subjected to various types of selection tests✓, e.g. skills test. ✓
- A written offer√ is made to the chosen candidate. ✓
- Any other relevant answer related to the selection procedure/steps as an activity of the human resources function.

OR

- **OPTION 2**
- Receive documentation✓, e.g. application forms and sort it according to the criteria of the job. ✓
- Evaluate CVs✓ and create a shortlist/Screen the applicants.
- Check information in the CVs✓ and contact references. ✓
- Conduct preliminary sifting interviews✓ to identify applicants who are not suitable for the job, although they meet all requirements. ✓
- Assess/Test candidates who have applied for senior positions√ to ensure the best candidate is chosen. ✓
- Conduct interviews with shortlisted candidates. ✓
- Offer employment in writing ✓ to the selected candidate(s). ✓
- Any other relevant answer related to the selection procedure/steps as an activity of the human resources function.

NOTE: Accept the procedure/steps in any order. **Max (6)**

2.10.1 **Recruitment method from the scenario**

External recruitment ✓✓ (2)

Motivation

They have advertised the vacant position in the local newspapers ✓ (1)

NOTE: Do not award marks for the motivation if the recruitment method was incorrectly identified. **Max (3)**

2.10.2 **Impact of external recruitment on businesses**

- **Positives/Advantages**
- New candidates bring✓ new talents/ideas/experiences/skills into the business.✓
- It may help the business to meet affirmative action✓ and BBBEE targets. ✓
- There is a larger pool of candidates✓ to choose from. ✓
- There is a better chance of getting a suitable candidate with the required skills/qualifications/competencies✓ who do not need much training/development which reduce costs. ✓
- Minimises unhappiness/conflict amongst current employees√ who may have applied for the post. ✓
- Any other relevant answer related to positive impact of external recruitment.

AND/OR

Negatives/Disadvantages

- External sources can be expensive✓, e.g. recruitment agencies' fees/advertisements in newspapers/magazines. ✓
- The selection process may not be effective✓ and an incompetent candidate may be chosen. ✓
- Information on CV's/referees✓ may not be reliable. ✓
- Recruitment process takes longer/is more expensive✓ as background checks must be conducted. ✓
- New candidates generally take longer to adjust✓ to a new work environment. ✓
- In-service training may be needed✓ which decreases productivity during the time of training. ✓
- Many unsuitable applications✓ can slow down the selection process. ✓
- Any other relevant answer related to negative impact of external recruitment.

Max (6)

2.11 Salary determination method

PIECEMEAL✓✓	**TIME-RELATED✓✓**
• Workers are paid according to the number of items/ units produced /action performed. ✓	• Workers are paid for the amount of time they spend at work/on a task. ✓
• Workers are not remunerated for the number of hours worked, regardless of how long it takes them to make the items✓	• Workers with the same experience/qualificationsare paid on salary scales regardless of the amount of work done. ✓
• Mostly used in factories particularly in the textile/technology industries. ✓	• Many private and public sector businesses use this method✓
MAX 3	**MAX 3**

2.12 **Impact of fringe benefits on businesses**

- **Positives/Advantages**
- Attractive fringe benefit packages ✓may result in higher employee retention/reduces employee turnover. ✓
- Attracts qualified/skilled/experienced employees✓ who may positively contribute towards the business goals/objectives. ✓
- It increases employee satisfaction/loyalty ✓as they may be willing to go the extra mile. ✓
- Improves productivity✓ resulting in higher profitability. ✓
- Any other relevant answer related to the positive impact/advantages of fringe benefits to businesses.

AND/OR

- **Negatives/Disadvantages**
- Fringe benefits are additional costs✓ that may result in cash flow problems. ✓
- Administrative costs increase✓ as benefits need to be correctly recorded for tax purposes. ✓
- Decreases business profits✓ as incentive/package/remuneration costs are higher. ✓
- It can create conflict/lead✓ to corruption if allocated unfairly. ✓
- Workers only stay with the business for fringe benefits✓, and may not be committed/ loyal to the tasks/business. ✓
- Any other relevant answer related to the negative impact/disadvantages of fringe benefits to businesses.

Max (6)

2.13 **Implications of the Labour Relations Act on the Human Resources Function**

- Workers cannot be easily dismissed as bargaining council / Commission for Conciliation, Mediation and Arbitration (CCMA) processes need to be followed. ✓✓
- Provides a framework for bilateral meetings where employees, trade unions and employers discuss matters relating to employment. ✓✓
- The human resource manager should allow workers to form workplace forums / trade unions to promote the interests of all employees. ✓✓
- Promotes orderly negotiations and employee participation in decision-making in the workplace✓✓
- Protects the rights of employees / employers as outlined in the Constitution✓✓
- Advances economic development / social justice / labour peace ✓✓
- Promotes resolution of labour disputes. ✓✓
- Clarify the transfer of contracts of employment / if a business is transferred to another owner, then the employee contracts are also transferred.✓✓
- Provides for unresolved disputes to be referred to Labour Courts / Labour Appeal Courts. ✓✓
- Any other relevant answer related to the implications of the LRA on the human resources function.

Max (6)

2.14 **Differences between job description and job-specification**

JOB DESCRIPTION	JOB SPECIFICATION
• Describes duties/responsibilities✓ of a specific job. ✓	• Describes the minimum acceptable personal qualities/ skills/ qualifications✓ needed for the job. ✓
• Written description of the job and its requirements/summary ✓of the nature /type of the job. ✓	• Written description of specific qualifications/ skills/ experience✓ needed for the job.✓
• Describes key performance areas/ tasks for a specific job✓, e.g. job title/working conditions/relationship of the job with other jobs in the business, etc. ✓	• Describes key requirements of the person who will fill the position✓, e.g. formal qualifications/willingness to travel/work unusual hours, etc. ✓

2.15 **Implication of the Skills Development Act (SDA) on the Human Resources function**

- Contribute 1% of their salary bill✓ to the Skills Development Levy/SDL. ✓
- Ensure training in the workplace✓ is formalised /structured✓
- Appoint a full/part time consultant✓ as a Skills Development Facilitator. ✓
- Assist managers in identifying skills/training needs✓ to help them to introduce learnerships.✓

- The human resources manager should interpret the aims and requirements of the SDA✓ and adapt workplace skills training programmes accordingly. ✓
- Identify the training needs of the employees and provide them with training opportunities✓ so that they will perform their tasks efficiently. ✓
- Use the National Qualification Framework/NQF✓ to assess the skills levels of employees. ✓

(6)

ACTIVITY 3

3.1 **Introduction**

- The human resources manager must be well conversant with the requirements of a vacancy to ensure that the recruitment procedure is accurate✓.
- Internal recruitment is a method where businesses advertise vacancies within the business. ✓
- A good induction programme enables new employees to have a fundamental understanding of what is expected in the new job/ position. ✓
- An employment contract sets out the legal conditions of employment that must be observed by both the employer and the employee. ✓
- Any other relevant introduction related to the legal requirements of the employment contract/recruitment procedure as human resource activity/benefit of induction for businesses/reason for the termination of an employment contract. (Any 2 x 1)

(2)

3.2 **Legal requirements of the employment contract**

- The employer and employee/both parties must sign the contract. ✓✓
- Employer and employee must agree to any changes to the contract. ✓✓
- No party may unilaterally change aspects of the employment contract. ✓✓
- The remuneration package/including benefits must be clearly indicated. ✓✓
- The employment contract may not contain any requirements that are in conflict with the BCEA. ✓✓
- Aspects of the employment contract can be renegotiated during the course of employment. ✓✓
- The employer must explain the terms and conditions of the employment contract to the employee. ✓✓
- Conditions of employment/duties/responsibilities of the employees must be stipulated clearly. ✓✓
- All business policies, procedures and disciplinary codes/rules can form part of the employment contract. ✓✓
- The employer must allow the employee to thoroughly read through the
- contract before it is signed. ✓✓
- The employment contract should include a code of conduct and code of ethics. ✓✓
- Any other relevant answer related to the legal requirements of the employment contract.

Max (10)

3.3 **Recruitment procedure as human resource activity**

- The human resource manager should evaluate the job/prepare a job analysis, ✓ that includes the job specification/job description/in order to identify recruitment needs. ✓
- The human resource manager should prepare the job description √ in order to determine the responsibilities of the job. ✓
- Human resource manager should indicate the job specification/description/key performance areas ✓ to attract suitable candidates✓.
- Choose the method of recruitment, ✓e.g. internal/external, to reach/target the suitable applicants/candidates. ✓
- Vacancies can be internally advertised ✓ via internal email/word of mouth/ posters/staff notices. ✓
- If the external recruitment is chosen, the relevant recruitment sources should be selected, ✓ e.g. recruitment agencies/tertiary institutions/ newspapers, etc. ✓
- If internal recruitment is unsuccessful, ✓ external recruitment should be considered. ✓
- The advertisement should be prepared with the relevant information, ✓ e.g. the name of the company, contact details, contact person, etc. ✓
- Place the advertisement in the appropriate media√ that will ensure that the best candidates apply. ✓
- Any other relevant answer related to the recruitment procedure as human resource activity.

Max. (12)

3.4 **Benefit for induction for businesses**

- Allow new employees to settle in quickly ✓ and work effectively. ✓
- Ensure that new employees understand rules ✓ and restrictions in the business. ✓
- New employees may establish relationships ✓with fellow employees at different levels. ✓
- Make new employees feel at ease in the workplace ✓, which reduces anxiety/ insecurity/fear. ✓
- The results obtained during the induction process ✓ provide a base for focused training. ✓
- Increases quality of performance/productivity ✓ which promotes the effective use of working methods/resources. ✓
- Minimises/Decreases the need for on-going training✓ and development. ✓
- Employees will be familiar with organisational structures ✓, such as those who are their supervisors/low level managers. ✓
- Opportunities are created for new employees ✓to experience/explore different departments. ✓
- New employees will understand their role/responsibilities ✓ concerning safety regulations and rules. ✓
- New employees will know the layout of the building/factory/offices/where everything is ✓ which saves production time. ✓
- Learn more about the business so that new employees understand ✓ their roles/ responsibilities in order to be more efficient. ✓
- Company policies regarding conduct/procedures/safety and security/employment contract/conditions of employment/working hours/leave✓ are communicated. ✓

- Realistic expectations for new employees ✓ as well as the business are created. ✓
- New employees may feel part of the team ✓ resulting in positive morale/ motivation. ✓
- Employees may have a better understanding of business policies✓ regarding ethical/professional conduct/procedures/CSR. ✓
- Reduces staff turnover ✓as new employees have been inducted properly. ✓

Any other relevant answer related to the benefits of induction for businesses. Max (14)

3.5 **Reasons for termination of an employment contract**

- The employer may dismiss an employee for valid reason(s) such as unsatisfactory job performance and misconduct. ✓✓
- Employer may no longer have work for redundant employees/cannot fulfil the contract/is restructuring. ✓✓
- The employer may retrench some employees due to insolvency/may not be able to pay the employees.
- Employees decided to leave/resign voluntarily for better job opportunities. ✓✓
- An employee may have reached the pre-determined age for retirement. ✓✓
- Incapacity to work due to illness/injuries. ✓✓
- The duration of the employment contract expires/comes to an end. ✓✓
- By mutual agreement between the employer and employee. ✓✓
- Any other relevant answer related to the reasons for the termination of an employment contract. Max.(10)

3.6 **Conclusion**

- Businesses should align the employment contract according to the requirements of the BCEA to avoid unnecessary legal actions. ✓✓
- Businesses should remain objective when recruiting to ensure that the successful candidate makes a meaningful contribution in the workplace. ✓✓
- A well-designed induction programme allows new employees to gain a better understanding of the requirements of the new job. ✓✓
- The employee must be given a notice in writing when terminating an employment contract as per BCEA. ✓✓
- Any other relevant conclusion related to the legal requirements of the employment contract/recruitment procedure as human resource activity/benefit of induction for businesses/reason for the termination of an employment contract. (Any 1 x 2)

[40]

SECTION A

QUESTION 1

1.1 MULTIPLE CHOICE

1.1.1 B✓✓

1.1.2 C✓✓

1.1.3 A✓✓

1.1.4 D✓✓

1.1.5 C✓✓

1.1.6 A✓✓

1.1.7 C ✓✓

1.1.8 D ✓✓

1.1.9 B ✓✓

1.1.10 C✓✓

1.1.11 A✓✓

1.1.12 D✓✓

1.1.13 B✓✓

1.1.14 A✓✓

1.1.15 D✓✓

1.1.16 B✓✓

1.1.17 C✓✓

1.1.18 D✓✓

1.1.19 C✓✓

1.1.20 B✓✓

1.1.21 A✓✓

1.1.22 C✓✓

1.1.23 C✓✓

1.1.24 A✓✓

1.1.25 D✓✓

1.1.26 C✓✓

1.1.27 B✓✓

1.1.28 A✓✓

1.1.29 B✓✓

1.1.30 D✓✓

(30x2) (60)

1.2 COMPLETE

1.2.1 quality management

1.2.2 marketing

1.2.3 total client satisfaction

1.2.4 PDCA cycle

1.2.5 check

(5x2)(10)

1.3 MATCHING

1.3.1 H
1.3.2 G
1.3.3 J
1.3.4 A
1.3.5 I

(5x2) (10)

SECTION B

QUESTION 2

2.1 Definition of 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 definition of quality

Max 4

2.2. Identification of TQM elements

2.2.1 Total Client/Customer Satisfaction✓✓ (2)

2.2.2 Continuous skills development/Education and training✓✓ (2)

2.3 Identification of quality concepts and motivations

Quality concepts	**Motivation**
1. Quality performance✓✓	After numerous complaints from customers, employees were retrained so they can work together towards same quality standards. ✓
2. Quality assurance✓✓	TK also ensured that tiles are installed right the first time and mistakes are avoided at all costs.

NOTE: 1. Award marks for quality concepts even if the quotes are incomplete.
2 Do not award marks for motivations if quality concepts were incorrectly identified
3 Accept responses in any order.

2.4 Difference between quality management and performance

QUALITY MANAGEMENT	QUALITY PERFORMANCE
▪ Techniques/tools used ✓to design/ improve the quality of a product. ✓	▪ Total performance of each department✓ measured against the specified standards. ✓
▪ Can be used for accountability✓ within each of the business functions. ✓	▪ Can be obtained if all departments work together towards the same quality standards. ✓
▪ Aims to ensure that the quality of goods/ services✓ is consistent✓/ focuses on the means to achieve consistency.✓	▪ Quality is measured through physical product/ statistical output of processes/ surveys of the users✓ and/ or buyers of goods/ services✓
▪ Any other relevant answer related to quality management	▪ Any other relevant answer related to quality performance
▪ Sub max 4	▪ Sub max 4

NOTE 1. The answer does not have to be in tabular format
2. The differences but do not have to link, but must be clear.
3. Award maximum of FOUR (4) marks if the differences are not clear/ mark either quality management or quality performance only.

Max (8)

2.5 Business functions and their success factors

2.5.1 Marketing function

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

- Making adjustments and changes✓ to products/services based on feedback from customers/results of market research. ✓
- Using aggressive advertising campaigns ✓to sustain/increase the market share. ✓
- Any other relevant answer related how marketing function contributes to success of the business

2.5.2 Purchasing Function

- Buy raw materials✓ in bulk at lower prices. ✓
- Select reliable suppliers that render the best quality raw materials/capital goods✓ at reasonable prices. ✓
- Place orders timeously and regular follow-ups✓ to ensure that goods are delivered on time. ✓
- Effective co-ordination between purchasing and production departments✓ so that purchasing staff understand the requirements of the production process. ✓
- Required quantities should be delivered✓ at the right time and place. ✓
- Implement and maintain stock control systems✓ to ensure the security of stock. ✓
- Maintain optimum stock levels ✓to avoid overstocking/reduce out-dated stock. ✓
- Monitor and report on minimum stock levels✓ to avoid stock-outs. ✓
- Effective use of storage space✓ and maintain product quality while in storage. ✓
- Involve suppliers in strategic planning/product design/material selection/quality control process.
- Ensure that there is no break in production ✓due to stock shortages. ✓
- Establish relationships with suppliers✓ so that they are in alignment with the business's vision/mission/values. ✓
- Have a thorough understanding of supply chain management. ✓
- Any other relevant answer related how purchasing function contributes to success of the business

2.6 Impact of monitoring and evaluating quality processes

Positives/ Advantages

- 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 of impact monitoring and evaluating quality processes

AND/OR

- **Negatives/Disadvantages**
- Large businesses are often divided, ✓ and the departments work in silos. ✓
- It is difficult to get everyone✓ to communicate. ✓
- It often takes longer to detect problems✓ or respond to weaknesses. ✓
- It is not viable to check quality✓ of all the products. ✓
- Any other relevant answer related to negative of impact monitoring and evaluating quality processes

2.7 Quality indicators of general management

- Develop/Implement/Monitor effective strategic plans. ✓✓
- Efficient organisation/allocation of business resources to provide for the successful achievement of long-term and short-term plans. ✓✓
- Structured standards and norms should be in place so that control mechanisms can be implemented. ✓✓
- Learn about/understand changes in the business environment on an on-going basis. ✓✓
- Effectively communicate shared vision, mission and values. ✓✓
- Set direction and establish priorities for their business. ✓✓
- Be prepared to set an example of the behaviour that is expected from employees in terms of ethics as well as productivity. ✓✓
- Be proactive and always seeks to improve competitive advantage over competitors. ✓✓
- Ensure that all departments/the business meet their deadlines/targets. ✓✓
- Any other relevant answer related to quality indicators of general management function.

2.8 Meaning of Total Quality Management (TQM)

- TQM is an integrated system/methodology applied throughout the organisation, ✓ which helps to design/produce/provide quality products/services to customers. ✓
- It is a thought revolution in management, ✓ where the entire business is operated with customer orientation in all business activities. ✓
- TQM enables businesses to continuously improve on the delivery of products/ services✓ in order to satisfy the needs of customers. ✓
- Management ensures that each employee is responsible for the quality✓of his/her work/actions.✓
- TQM focuses on achieving customer satisfaction ✓and looks for continuous improvement in all the business's processes, products and services. ✓

- TQM takes steps to ensure the full involvement✓ and co-operation of all employees in improving quality. ✓
- Any other relevant answer related to meaning of Total Quality Management (TQM)

2.9 Impact of TQM if poorly implemented by businesses

2.9.1 Quotation of TQM if poorly implemented by businesses

- Employees at SR are overwhelmed as deadlines set are unrealistic and may not be achieved. ✓
- The business image is tarnished because of poor quality service. ✓

2.9.2 Other impact of TQM if poorly implemented

- 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 if TQM is poorly implemented.

Max (12)

2.10 Identification of business functions from scenario

BUSINESS FUNCTIONS	MOTIVATIONS
1. Financial function✓✓	Khanyi implement credit granting and debt collection policies to monitor cash flow. ✓
2. Administration function✓✓	Dan ensures that all documents are neatly and orderly filed. ✓
Sub max 4	Sub max 2

NOTE: 1. Award marks for quality concepts even if the quotes are incomplete.

2 Do not award marks for motivations if business functions were incorrectly identified

3 Accept responses in any order.

Max (6)

2.10.2 Quality indicator of human resources function

- Makes sure there is a good recruitment policy that attracts best candidates.
- Ensures fair and equitable selection process.
- Fair remuneration packages that are aligned to the industry.
- Offer performance incentives for staff to enhance productivity.
- Good relationship with employees.
- Low rate of staff turnover in the business.
- Any other relevant answer related to quality indicators of human resources function.

2.11 Identification of TQM elements from the scenario.

TQM ELEMENTS	MOTIVATION
1. Adequate financing and capacity✓✓	DD can afford to purchase quality raw materials and equipment to avoid faulty products. ✓
2. Monitoring and evaluation quality processes✓✓	Management improves performance and maintain high quality standards to attract customers. ✓

NOTE: 1. Award marks for quality concepts even if the quotes are incomplete.
2 Do not award marks for motivations if TQM elements were incorrectly identified
3 Accept responses in any order.

2.12 Meaning of quality performance

- Total performance of each department✓ measured against the specified standards. ✓
- Can be obtained if all departments work together√✓towards the same quality standards. ✓
- Quality is measured ✓through physical product/statistical output of processes/surveys of the users and/or buyers of goods/services. ✓
- Any other relevant answer related to meaning of quality performance as a quality concept.

Max (4)

2.13 Business function and their quality indicators

2.13.1 Administration Function

- Fast and reliable data capturing and processing systems. ✓✓
- Make reliable information available to management on time.
- Make relevant information available for quick decision-making. ✓✓

- Handle complaints quickly and effectively. ✓✓
- Use modern technology efficiently. ✓✓
- Implement effective risk management policies to minimise business losses. ✓✓
- Quality assurance/Control/Evaluation is recorded accurately. ✓✓
- All documentation is kept neatly and orderly in a safe place. ✓✓
- Easy to recall/find information/documentation. ✓✓
- Financial documents are kept up to date and recorded accurately. ✓✓
- All systems and processes are documented. ✓✓
- Any other relevant answer related to quality indicators of administration function

Max (4)

2.13.2 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 (4)

SECTION C

ACTIVITY 3

3.1 Introduction

- Inadequate implementation of TQM may lead to failure of the business as it hinders growth. ✓

- A good quality management system may enable businesses to constantly review their quality processes in order to maintain high quality standards. ✓
- Businesses that ensure total quality management may gain a competitive advantage resulting in reduced cost of quality and improved cash flow. ✓
- Large businesses that make use of quality circles are able to offer good quality products and improved services. ✓
- Any other relevant answer related to the introduction of benefits of good quality management systems/ the impact of TQM if poorly implemented by businesses/ ways TQM can reduce the cost of quality/roles of quality circles as part of continuous improvement to processes and systems.
-

(2x1) (2)

3.2 Benefits of good quality management systems

- 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. ✓✓
- Increased market share/more customers improve profitability. ✓✓
- Improves business image as there are less defects/returns. ✓✓
- Any other relevant answer related to the benefits of good quality management systems.

Max (12)

3.3 Impact if TQM is poorly implemented

- 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 if TQM is poorly implemented.

Max (12)

3.4 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 can reduce the cost of quality.

Max (10)

3.5 Roles of quality circles as part of continuous improvement to processes and systems

- 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 for improving processes and systems 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. ✓✓
- Increase employees' morale/motivation to boost the team spirit in achieving organisational goals. ✓✓
- Contribute towards the improvement and development of the organisation. ✓✓
- Reduce costs of redundancy and 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/commitment to the organisational 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. ✓✓
- Any other relevant answer related to the roles of quality circles as part of continuous improvement to processes and systems.

Max (12)

3.6 Conclusion

- The benefits of good quality management could result in the success and growth of the business. ✓✓
- For businesses to succeed and remain competitive, they need to avoid poor implementation of TQM. ✓✓
- The benefits of good quality management could result in the success and groWth of the business. ✓✓
- Businesses should constantly find ways to reduce the cost of quality. ✓✓
- Thorough understanding of the roles of quality circles may help businesses use their services into full potential and also constantly maintain high quality standard. ✓✓
- Any other relevant answer related to the conclusion of benefits of good quality management systems/ the impact of TQM if poorly implemented by businesses/ ways TQM can reduce the cost of quality/roles of quality circles as part of continuous improvement to processes and systems.

(1X2) (2)

BREAKDOWN OF MARK ALLOCATION

DETAILS	MAXIMUM	TOTAL
Introduction	2	
Benefits of good quality management systems.	12	Max 32
Impact if TQM is poorly implemented by businesses	12	
Ways in which TQM can reduce the cost of quality	10	
Roles of quality circles as part of continuous improvement to processes and systems	12	
Conclusion	2	
INSIGHT		
Layout	2	8
Analysis/Interpretation	2	
Synthesis	2	
Originality/Examples	2	

TOTAL MARKS		**40**

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

ACTIVITY 4

4.1 Introduction

- The production function plays a vital role in ensuring that businesses continuously provide high quality goods/services. ✓
- Effective application of good quality management systems such as quality control and quality assurance ensures that business products and services meet or exceed customer expectations. ✓
- Continuous improvement to processes and systems enables the business to quality goods/services and ti achieve better results over time. ✓
- Application of PDCA cycle steps such as do and act enable businesses to continuously evaluate and improve products/services. ✓
- Any other relevant answer related to introduction of quality indicators of production function/ difference between quality control and quality assurance/ impact of continuous improvement to processes and systems/ application do and act as PDCA cycle steps.

(2x1) (2)

4.2 Quality indicators of production function

- Provide high quality services/products according to specifications. ✓✓
- The production/operating processes of a business should be done correctly through proper production planning and control. ✓✓
- Products and services should be produced at the lowest possible cost to allow for profit maximisation. ✓✓
- Businesses should clearly communicate the roles and responsibilities to the production workforce. ✓✓
- Products must meet customers' requirements by being safe, reliable, and durable. ✓✓
- Businesses should have good after-sales services and warrantees. ✓✓
- Empower workers so that they can take pride in their workmanship. ✓✓

- Get accreditation from the SABS/ISO 9001 to ensure that quality products are being produced. ✓✓
- Specify the product or service standards and take note of the factors that consumers use to judge quality. ✓✓
- Monitor processes and find the root causes of production problems. ✓✓
- Implement quality control systems to ensure that quality building products are consistently being produced. ✓✓
- Utilise machines and equipment optimally. ✓✓
- Accurately calculate the production costs. ✓✓
- Select the appropriate production system e.g. mass/batch/jobbing. ✓✓
- Any other relevant answer related to quality indicators of production function

Max (12)

4.3 Differences between quality control and quality assurance

QUALITY CONTROL	QUALITY ASSURANCE
– System that ensures the desired quality is met✓ by inspecting the final product. ✓	– Checks carried out during✓ and after the production process. ✓
– Ensure that finished products✓ meet the required standards. ✓	– Ensure that required standards have been met✓ at every stage of the process. ✓
– Process of ensuring that products are consistently manufactured✓ to high standards. ✓	– Processes put in place to ensure that the quality of products/services/systems adhere to pre-set standards✓ with minimal defects/delays/shortcomings. ✓
– Checking raw material /employees /machinery/workmanship/products✓ to ensure that high standards are maintained. ✓	– Ensuring that every process is aimed to get the product "right the first time" ✓and prevent mistakes from happening✓
– Includes setting targets/measuring performance✓ and taking corrective measures. ✓	– The 'building in' of quality ✓as opposed to 'checking for' quality. ✓
– Any other relevant answer related to quality control.	– Any other relevant answer related to quality assurance.
Sub max 6	Sub max 6

NOTE 1. The answer does not have to be in tabular format

2. The differences but do not have to link, but must be clear.

3. Award maximum of SIX (6) marks if the differences are not clear/ mark either quality control or quality assurance only.

4.4 Impact of continuous improvement to processes and systems

Positives/Advantages

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

AND/OR

Negatives/Disadvantages

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

Max (12)

4.5 Application of PDCA cycle in improving quality of goods.

4.5.1 Do

- Businesses should implement the change on a small scale. ✓✓
- Implement the processes and system as planned. ✓✓
- This step, the implementers aim to effectively/accurately execute the change based on the plan/method. ✓✓
- This step is essential in determining whether the change has viability/potential. ✓✓
- Any other relevant answer related to application of Do as a step in PDCA cycle

Sub max (4)

4.5.2 Act

- Institutionalise the improvement to meet the needs of the business. ✓✓
- Devise strategies on how to continually improve. ✓✓
- If the change was successful, implement it on a wider scale. ✓✓
- The business should continuously revise the process until they get it right. ✓✓
- Any other relevant answer related to application of Act as a step in PDCA cycle

Sub max (4)

Max (8)

4.6 Conclusion

- Businesses should enhance the production function by making use of better technology and improve skills of workers to maintain quality of goods/ services.
- Quality control and quality assurance are essential for improving efficiency, customer satisfaction and long term competitiveness.
- Continuous improvement to processes and systems should be driven by leadership commitment, employee involvement and a data driven mindset
- Businesses should embed the PDCA cycle into their culture and align it with strategic goals so as to apply necessary changes that will benefit the business.
- Any other relevant answer related to conclusion of quality indicators of production function/ difference between quality control and quality assurance/ impact of continuous improvement to processes and systems/ application of PDCA cycle.

(2x1) (2)

BREAKDOWN OF MARK ALLOCATION

<table>
<tr><th>DETAILS</th><th>MAXIMUM</th><th>TOTAL</th></tr>
<tr><td>Introduction</td><td>2</td><td></td></tr>
<tr><td>Quality indicators of production function.</td><td>12</td><td rowspan="4">Max
32</td></tr>
<tr><td>Difference between quality control and quality assurance</td><td>12</td></tr>
<tr><td>Impact of continuous improvement to processes and systems</td><td>12</td></tr>
<tr><td>Application of dDo and Act as steps in PDCA cycle</td><td>10</td></tr>
<tr><td>Conclusion</td><td>2</td><td></td></tr>
<tr><td>INSIGHT</td><td></td><td></td></tr>
<tr><td>Layout</td><td>2</td><td rowspan="4">8</td></tr>
<tr><td>Analysis/Interpretation</td><td>2</td></tr>
<tr><td>Synthesis</td><td>2</td></tr>
<tr><td>Originality/Examples</td><td>2</td></tr>
<tr><td>TOTAL MARKS</td><td></td><td>40</td></tr>
<tr><td></td><td></td><td></td></tr>
</table>

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