

# CAPE WINELANDS EDUCATION DISTRICT BUSINESS STUDIES "SURVIVAL KIT"



## REMEMBER:

- Each paper has different choice questions per main topic.
- Focus on the topics you can remember most easily.
- Make sure you know your concepts so that you can score well in Section A  
(That's already 30 out of 150 marks - 20%)
- Write in full sentences in Sections B and C
  - Do not repeat facts
- Study past papers as examples to test your knowledge.
- **BUSINESS STUDIES DO NOT HAVE PRESCRIBED ESSAY QUESTIONS, ANY TOPIC CAN BE PART OF A POSSIBLE LONG QUESTION!!!**

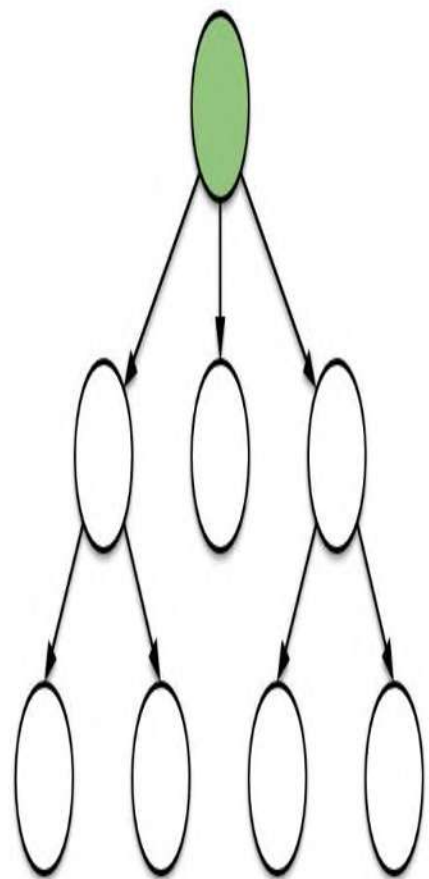
**"HIT *BUSNIS* DIZINIS"**  
ONE TOPIC AT A TIME



**REMEMBER, IT IS NEVER TOO LATE TO START  
THE RACE TO THE NSC...**



# STRUCTURE OF PAPER 1



## THREE SECTIONS [A ; B and C]

### SECTION A:

**SECTION A  
(COMPULSORY)  
30 MARKS**

**QUESTION 1**

**A COMBINATION OF:  
BUSINESS ENVIRONMENTS  
BUSINESS OPERATIONS**  
Multiple choice=10 Marks  
Complete the statement=10 Marks  
Column A and Column B=10 Marks

### SECTION B

**SECTION B  
(CHOOSE 2 QUESTIONS )  
80 MARKS**

**QUESTION 2**

**BUSINESS ENVIRONMENTS [40 MARKS]**

**QUESTION 3**

**BUSINESS OPERATIONS [ 40 MARKS]**

**QUESTION 4**

**MISCELLANEOUS TOPICS  
BUSINESS ENVIRONMENTS (20 MARKS) &  
BUSINESS OPERATIONS E (20 MARKS) =  
[40 MARKS]**

### SECTION C:

**SECTION C  
(CHOOSE 1 QUESTION)  
40 MARKS**

**QUESTION 5**

**BUSINESS ENVIRONMENTS [40 MARKS]**

**QUESTION 6**

**BUSINESS OPERATIONS [ 40 MARKS]**





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# MAKE SMART CHOICES BASED ON ...

Stanmorephysics.com

## PAPER 1

### 3.1 CLASSIFICATION OF SUBTOPICS ACCORDING TO MAIN TOPICS

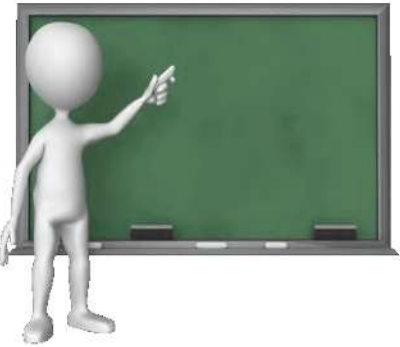
1. BUSINESS ENVIRONMENTS		TERM	2. BUSINESS OPERATIONS		TERM
1.1.	Macro environment: Impact of recent legislation on business	1	2.1	Human resources function	1
1.2	Macro environment: Business strategies	1	2.2	Quality of performance	2
1.3	Business sectors and their environments	2			

QUESTION 2;4&5

QUESTION 3;4&6

QUESTION 4(COMB)

# Make an informed choice and stick to it! Put your thinking cap on. !



- So, if YOU decide on: **Business operations**, don't change your choice in the exam!!! Do **question 3** and **6!!**
- If you choose **Business environments** do **Questions 2** and **5**.
- Remember that **20 of the 40 marks in Question 4 also cover Operations**, the **other 20 marks are Environments**
- You also need to make sure you **STUDY EVERYTHING** related to your chosen **main topic**. (NO "SPOTTING"!! PLEASE!)
- **Do the prescribed required NUMBER of questions**. Double check your choice before you fall away. REMEMBER- only the **FIRST TWO** questions in **SECTION B** will be marked and the **FIRST (ONE)** question in **SECTION C**
- **Section A (question 1) is compulsory. Only one answer** is correct. **THEREFORE, you MUST NOT** provide two answers here, if you do so, even if one of the two is correct, you will not get any marks.
- **Rewrite the word(s)/term(s) in full, from the question paper in question 1.2** just as it appears in the question paper. Do not leave out/omit parts.
- **GET BUSY WITH YOUR BUSINESS. STUDY, STUDY, STUDY IS KEY. Don't wait until** a few days ahead of time. **The time is NOW.**



# PAPER 1: BUSINESS OPERATIONS

## TOPIC: HUMAN RESOURCE FUNCTION

### RECRUITMENT

The process used by business to identify vacancies in the business and attract suitable candidates for it.

### POSITION ANALYSIS

#### JOB DESCRIPTION

Describes duties and responsibilities of a specific job.

Written description of the job and its requirements.

#### JOB SPECIFICATION

Describes the personal characteristics and minimum qualifications required for the job.

Written description of the qualifications and experience required.



### RECRUITMENT PROCEDURE (STEPS)

1. HRM must prepare a job analysis, that includes a job specification AND a job description;
2. Choose the method of recruitment, e.g. internal OR external
3. Vacancies can be internally advertised via internal email / word of mouth / notices etc
4. If the external recruitment is chosen, select the relevant recruitment method, e.g. recruitment agencies etc
5. HRM prepare advertisement with the relevant information
6. Place the advertisement in the selected media to draw the best candidates.

### INTERNAL RECRUITMENT



#### DESCRIPTION:

Refers to the use of internal resources to advertise vacancies inside the business.

#### SOURCES:

1. Internal e-mails.
2. Business newsletter.
3. Recommendation of current employees.
4. Notice boards inside business.

#### POSITIVE / ADVANTAGE

1. Faster to fill the post - Placement is easy
2. The employee already knows how the business works.
3. Reduce the chances of losing employees.

#### NEGATIVE / DISADVANTAGE

1. Promoting an employee can cause jealousy.
2. The number of applicants to choose from is limited
3. Can close the door to new ideas.

### EXTERNAL RECRUITMENT



#### DESCRIPTION:

Refers to the use of external sources to advertise vacancies outside the business.

#### SOURCES:

1. Recruitment agencies
2. Print media, e.g. newspapers
3. Electronic media, e.g. Radio, TV
4. Notice boards outside the business.

#### POSITIVE / ADVANTAGE

1. New candidates bring new ideas.
2. Bigger number of candidates to choose from.
3. There is a better chance of finding a suitable candidate.

#### NEGATIVE / DISADVANTAGE

1. External resources can be expensive.
2. The selection process may not be effective.
3. Information on CVs references may not be reliable.

### HUMAN RESOURCE ACTIVITIES:

#### RECRUITMENT YOU MUST BE ABLE TO



- ☐ **Explain/Elaborate** on the meaning of recruitment.
- ☐ **Outline/Discuss/Explain** the recruitment procedure.
- ☐ **Explain** the meaning of job analysis.
- ☐ **Differentiate/Distinguish** between job description and job specification as components of a job analysis.
- ☐ **Identify** job description and job specification from given statements/scenarios.
- ☐ **Identify** methods of recruitment (internal/external recruitment) from given scenarios/statements.
- ☐ **Explain/Discuss/Analyse** the impact (positives/advantages and/or negatives/disadvantages) of the above stated methods of recruitment.
- ☐ **Identify/Give examples** of sources of internal/external



# PAPER 1: BUSINESS OPERATIONS

## TOPIC: HUMAN RESOURCE FUNCTION



### SELECTION

Determine which applications meet the minimum work requirements and separate them from the rest.

### SELECTION PROCEDURE (STEPS)

1. Receive application forms and sort them according to the criteria.
2. Check information and contact references in the CVs.
3. Compile shortlist of suitable candidates.
4. Interview shortlisted candidates.
5. Test candidates to ensure the best candidate is selected.
6. Offer work to the candidate in writing.

### FRINGE BENEFITS

1. Pension
2. Medical assistance
3. Provident Fund
4. Funeral benefits
5. Motor allowances

**PURPOSE OF INTERVIEW** = Obtain information on the strengths and weaknesses of each candidate.



### BEFORE THE INTERVIEW

#### Role of INTERVIEWER

1. The interviewer must set a core set of questions so that the same questions are asked for each candidate.
2. Check the CVs for anything that may need to be explained.
3. Book and prepare the venue for the interview.
4. Inform all shortlisted candidates of the date and place of the interview.

#### EMPLOYMENT CONTRACT

Employment contract is an agreement between the employer and the employee and is legally binding.



#### LEGAL REQUIREMENTS of Employment Contract

- Employer and employee must agree to changes
- Employer and employee must both sign the contract.
- Employment contract must include a code of conduct and a code of ethics.



### DURING THE INTERVIEW

#### Role of INTERVIEWER

1. Give each candidate the same amount of time.
2. Introduce the interview panel to each candidate
3. Make interviewee feel at ease.

#### ASPECTS of Employment Contract

- Details of the employee.
- Details of the business
- Job description
- Job specification
- Salary
- Fringe benefits
- Working hours
- Leave

#### Role of CANDIDATE / APPLICANT

1. Greet the interviewer by name with a firm handshake and a friendly smile.
2. Listen carefully to the questions before you respond.
3. Make eye contact and keep good body language.

#### REASONS: TERMINATION of Employment Contract

1. Misconduct
2. Retrenchment
3. Resignation
4. Retirement
5. Incapacity

(Pg7 = Full sentences/Explain)

### IMPACT OF FRINGE BENEFITS:

#### POSITIVE / ADANTAGES

1. Attractive fringe benefits lead to less worker turnover.
2. Attracting Qualified Employees
3. Improves productivity, leading to higher profitability.

#### NEGATIVE / DISADVANTAGES

1. Businesses that cannot offer fringe benefits do not succeed in getting skilled workers.
2. It can lead to corruption if it is unfairly awarded.
3. Benefits are extra costs that can lead to cash flow problems.

## SELECTION



### YOU MUST BE ABLE TO

- ☐ **Outline/Discuss/Explain** the selection procedure.
- ☐ **Explain** the meaning of screening as part of the selection procedure.
- ☐ **Discuss/Explain** the purpose of an interview.
- ☐ **Outline/Explain/Discuss** the role of the interviewer before and during the interview.
- ☐ **Outline/Explain/Discuss** the role of the interviewee during the interview.
- ☐ **Define/Elaborate** on the meaning of an employment contract
  - ☐ **Name/Outline/State** the details/aspects/ contents of an employment contract.
  - ☐ **Outline/Explain/Discuss** the legal requirements/legalities of the employment contract.
  - ☐ **Analyse** an employment contract from given scenarios and make recommendations for improvement.
  - ☐ **Name/Outline/Explain/Discuss** the reasons for the termination of an employment contract.



# PAPER 1: BUSINESS OPERATIONS

## TOPIC: HUMAN RESOURCE FUNCTION

### PLACEMENT

Selected candidates are placed where they will function optimally and add value to the business.

### PLACEMENT PROCEDURE (STEPS)

1. **EMPLOYER** sets responsibilities for the employee.
2. **EMPLOYER** compare the expectations of the job and the competencies of the employee.
3. Determine the employee's strengths and weaknesses through psychometric tests.

### INDUCTION



New employees need to be familiar with their new work environment, products and services.

### PURPOSE OF INDUCTION

1. Introduce new employees to management and colleagues
2. Introduce new employees to their workspace
3. Give new employees a tour through the building.

### ASPECTS OF INDUCTION PROGRAM

1. Introduction to colleagues.
2. Safety regulations and rules.
3. Oversight of the business.
4. Tour around the premises.



### BENEFITS OF INDUCTION PROGRAM

1. New employees can establish relationships with co-employees.
2. Allow new employees to settle quickly
3. Ensure that new employees know rules.

### SALARY DETERMINATION METHODS

#### PIECEMEAL



1. Workers are paid according to the number of items produced
2. Workers are **NOT** remunerated for the number of hours worked, no matter how long it takes to make the items.

#### TIME-RELATED



1. Workers are paid for the amount of time they spend at work.
2. Workers with the same qualifications are paid on salary scales regardless of the amount of work done.

### MANDATORY FRINGE BENEFITS:

#### UNEMPLOYMENT INSURANCE FUND (UIF)

1. Give financial assistance to workers when they become unemployed.
2. The fund also helps the dependents of a contributing worker who has died.
3. Employers must pay contributions of 2% of the value of each worker's salary per month.
4. The **EMPLOYER** and the **WORKER** each contribute 1%.
5. UIF contributions are paid to SARS by the employer.



### LINK BETWEEN

#### SALARY DETERMINATION & BASIC CONDITIONS OF EMPLOYMENT ACT

1. The BCEA sets conditions for fair labour
2. Businesses can use different compensation methods to pay their employees.
3. Payment of salaries must be based on whether the employee is permanently or employed on a fixed-term contract.

### Importance of TRAINING

- The employee is more able to perform in their job.
- Shows that employees are appreciated.
- Allow employees to improve their skills.



## WHAT YOU MUST KNOW ABOUT



### INDUCTION

#### YOU MUST BE ABLE TO

- **Define/Elaborate** on the meaning of induction.
- **Outline/Explain/Discuss** the purpose of induction.
- **State/Outline** aspects that must be included in the induction programme.
- **Evaluate** an induction programme from given scenarios and make recommendations for improvement.
- **Discuss/Explain** the advantages/benefits of induction for businesses.
- **Identify** the benefit of induction from given scenarios

### PLACEMENT

#### YOU MUST BE ABLE TO

#### PLACEMENT

- **Elaborate** on the meaning of placement.
- **Outline/Explain/Discuss** the placement procedure.
- **Explain/Discuss** the importance of training/skills development in HR.

### SALARY DETERMINATION

#### YOU MUST BE ABLE TO

- **Explain/Differentiate/Distinguish** between piecemeal and time-related salary determination methods.
- **Explain** the link between salary determination and the Basic Conditions of Employment Act.

### FRINGE BENEFITS/PERKS

- **Name/State/Give** examples of employee benefits, e.g.: Pension; o Medical aid  
o Provident fund; o Allowances
- **Discuss/Evaluate** the impact (positives/ advantages and/or negatives/disadvantages) of fringe benefits on businesses.
- Compulsory benefits
- **Explain** UIF as a benefit required by law.



# PAPER 1: BUSINESS OPERATIONS

## TOPIC: HUMAN RESOURCE FUNCTION

### Implications of the following acts on HR:

#### LABOUR RELATIONS ACT

1. Workers cannot be dismissed easily because the CCMA's processes have to be followed.
2. The HRM must allow workers to form workplace forums / unions.
3. Promote negotiations and employee participation in decision-making.

#### EMPLOYMENT EQUITY ACT

1. Ensure equal pay for work of equal value.
2. Ensure that affirmative action promotes diversity in the workplace.
3. Set Employment Equity Plan and monitor regularly.

#### SKILLS DEVELOPMENT ACT

1. Ensure training in the workplace is structured.
2. Identify the training needs of the employees and provide them with training opportunities.
3. HRM must set up training programs according to SDA objectives.

#### BASIC CONDITIONS OF EMPLOYMENT ACT

The HRM should ensure that:

1. Workers only work:
  - a. 9 hours (5 days week) OR
  - b. 8 hours (6 days week);
2. Overtime is no more than 10 hours per week.
3. A break of 60 minutes after every 5 hours of work.
4. 6 week sick leave in a cycle of 36 months (3 years).



#### FREQUENTLY ASKED QUESTIONS in the NSC EXAMS

##### A. RECRUITMENT:

1. Explain on the meaning of recruitment.
2. Outline the recruitment procedure.
3. Explain the meaning of job analysis.
4. Distinguish between job description and job specification. (Table)
5. Discuss the impact of **internal / external** recruitment methods.

##### B. SELECTION:

1. Outline the selection procedure.
2. Discuss the role of the interviewer before and/or during the interview.
3. Discuss the role of the interviewee during the interview.
4. Outline the legal requirements of the employment contract.
5. Explain the reasons for the termination of an employment contract.

##### C. INDUCTION:

1. Discuss the purpose of induction.
2. Outline aspects that must be included in the induction programme.
3. Discuss the benefits of induction for businesses.

##### D. PLACEMENT:

1. Outline the placement procedure.
2. Explain the importance of training/skills development in HR.

##### E. SALARY DETERMINATION

1. Distinguish between **piece meal** and **time-related** salary determination methods. (Table)
2. Explain the link between salary determination and the Basic Conditions of Employment Act

##### F. FRINGE BENEFITS/PERKS:

1. Give **examples** of employee benefits.
2. Evaluate the **impact** of fringe benefits on businesses.
3. Explain UIF as a benefit required by law.

##### G. LEGISLATION:

1. Discuss the **implications** of the LRA/BCEA/EEA/SDA on the human resources function.

#### WHAT YOU MUST KNOW ABOUT : LEGISLATION:



- ☐ Discuss the implications of the LRA/BCEA/EEA/SDA on the human resources function.

**IMPORTANT NOTE:** In this context the word “**Implication**” refers to what the **Human Resources manager must do in order to comply** with the requirements of the Act. This **must not be confused** the “**Ways in which businesses can comply with the Act**”, as dealt with in **LEGISLATION!**



# PAPER 1: BUSINESS OPERATIONS

## TOPIC: QUALITY OF PERFORMANCE

### Definitions you MUST know

#### Quality

Quality refers to a good/service's **ability to satisfy a specific need.**

#### Quality Control

Inspection of the final product to ensure that it meets the required standards.

#### Quality Assurance

Carried out during and after the production process to ensure required standards have been met

#### Quality Performance

Total performance of each department measured against the specified standards.

#### Quality Management

The process of managing all activities needed to ensure a business produces goods and services of consistently high standard.

#### Quality Management Systems

A formalized system that documents processes, procedures, and responsibilities for achieving quality

#### Total Quality Management

TQM is an integrated system applied throughout the organisation, which helps to provide quality products/services to customers.

**Remember** you must be able to **distinguish** between: **quality control** and **quality assurance** as well as **quality management** and **quality performance**

### QUALITY OF PERFORMANCE:

#### WHAT YOU MUST KNOW :

☐ Define the following concepts:

- o Quality
- o Quality control
- o Quality assurance
- o Quality management
- o Quality performance
- o Quality management systems

☐ **Explain/Differentiate/Distinguish** between quality control and quality assurance.





# PAPER 1: BUSINESS OPERATIONS

## TOPIC: QUALITY OF PERFORMANCE

How quality of performance can contribute to the success and/or failure of each business function

### Quality indicators of the General Management Function

1. Develop effective strategic plans
2. Efficient allocation of resources
3. Shared vision, mission and values are communicated effectively

### Quality indicators of the Purchasing Function

1. Buy raw materials in bulk,
2. Select reliable suppliers,
3. Place orders timeously,

### Quality indicators of the Production Function

1. Products and services could be produced at the lowest possible cost to allow for profit maximisation.
2. Communicate roles and responsibilities to their workers.
3. Render good after-sales services

### Quality indicators of the Marketing Function

1. Acquire a greater market share through good customer service
2. Identify competitive edge through regular market research.
3. Use aggressive advertising campaigns to sustain the market share

### Quality indicators of the Human Resources Function

1. Ensure fair and equitable selection process
2. Good relationship with employees.
3. Low rate of staff turnover in the business

### Quality indicators of the Financial Function

1. Obtain capital from the most reliable sources
2. Implement financial control systems to prevent fraud.
3. Draw up accurate financial statements timeously.

### Quality indicators of the Administration Function

1. Fast and reliable data capturing and processing systems
2. Handle complaints quickly and effectively
3. Use modern technology efficiently.

### Quality indicators of the Public Relations Function

1. Dealing quickly with negative publicity
2. Providing regular press releases.
3. Deliver quality goods/services that promote the brand with key stakeholders.

### Advantages/benefits of a good quality management system

1. Time and resources are used efficiently
2. Products and services are constantly improved
3. Increased market share and profitability.

### QUALITY OF PERFORMANCE: WHAT YOU MUST KNOW



- ☐ **Explain/Discuss** the advantages/benefits of a good quality management system.
- ☐ **Explain/Discuss** how quality of performance can contribute to the success and/or failure of each business function.
- ☐ **Outline** the quality indicators for each business function.



# PAPER 1: BUSINESS OPERATIONS

## TOPIC: QUALITY OF PERFORMANCE

### Impact of Continuous improvement of processes and systems on large businesses

#### Positives

1. Have more resources to check on quality performance
2. Enough capital for new equipment needed for processes and systems
3. Use quality circles to stay ahead of competitors

#### Negatives

1. Large scale manufacturing can complicate quality control.
2. Risk of changing parts of the business that are working well.

### Impact of Continuous skills development/Education and training on large businesses

#### Positives/Advantages

1. Ability to afford specialised/skilled employees.
2. May be able to hire qualified trainers to train employees on a regular basis.

#### Negatives/Disadvantages

1. Trained employees may leave for better jobs after they gained more skills
2. Demotivates employees, if they do not receive recognition for training.

### Elaborate on the meaning of TQM.

TQM focuses on achieving customer satisfaction and looks for continuous improvement in all the business's processes, products and services.

#### TQM elements

1. Continuous skills development/Education and training
2. Total client/customer satisfaction
3. Continuous improvement of processes and systems
4. Adequate financing and capacity
5. Monitoring and evaluation of quality processes

### Impact of Monitoring and evaluation of quality processes on large business

#### Positives/Advantages

1. May be equipped to get things done right the first time.
2. Improve performance and maintain high quality standards.
3. Modify interventions that may improve the efficient use of resources.

#### Negatives/Disadvantages

1. It often takes longer to detect problems or respond to weaknesses
2. It is not viable to check quality of all the products

### Impact of Total client/customer satisfaction on large businesses

#### Positives/Advantages

1. Continuously promote a positive company image
2. May be able to gain access to the global market
3. May lead to increased competitiveness

#### Negatives/Disadvantages

1. Some employees seldom encounter customers
2. Not all employees may be committed to total client satisfaction

### Impact of Adequate financing and capacity on large businesses

#### Positives/ Advantages

1. Have sufficient financing to test everything before implementing.
2. Can afford product researchers to gather information.
3. Can afford to purchase quality raw materials and equipment.

#### Negatives/ Disadvantages

- When demand for product increases and orders come in faster than expected, lack of finance can hamper supply
- Rapidly growing companies consume large amounts of capital

### TOTAL QUALITY MANAGEMENT (TQM)

#### WHAT YOU MUST KNOW

- ☐ **Elaborate** on the meaning of TQM.
- ☐ **Define/Identify** the following TQM elements from given scenarios/statements:

- o Continuous skills development/Education and training
- o Total client/customer satisfaction
- o Continuous improvement of processes and system
- o Adequate financing and capacity
- o Monitoring and evaluation of quality processes

- ☐ **Explain/Discuss/Analyse/Evaluate** the impact of the above stated TQM elements on large businesses

- ☐ **Explain** how businesses can apply the PDCA model/steps to improve the quality of products.



# PAPER 1: BUSINESS OPERATIONS

## TOPIC: QUALITY OF PERFORMANCE

### The impact of TQM if poorly implemented by businesses

1. Employees may not be adequately trained resulting in poor quality products
2. Decline in productivity, because of work stoppages.
3. The reputation of the business may suffer because of faulty goods.

### Steps of the PDCA model/cycle

- Plan
- Do
- Check
- Act

### Apply the PDCA model/steps to improve the quality of products.

#### Plan

1. Identify the problem
2. Plan the method and approach

#### Do

1. Implement the change on a small scale
2. Implement the processes and systems

#### Check/Analyse

1. Use data to analyse the results of change
2. Determine whether it made a difference

#### Act as needed

1. Institutionalise the improvement
2. Continuously revise the process

### Ways in which TQM can reduce the cost of quality.

1. Introduce quality circles of five to ten employees, who meet regularly
2. Schedule activities to eliminate duplication of tasks.
3. Work closely with suppliers to improve the quality of raw materials.

You must know how to apply the PDCA steps to improve the quality of products

### Role/importance of quality circles

1. Investigate problems and suggest solutions to management
2. Ensures that there is no duplication of tasks in the workplace
3. Reduce costs of redundancy in the long run

### TOTAL QUALITY MANAGEMENT (TQM) WHAT YOU MUST KNOW



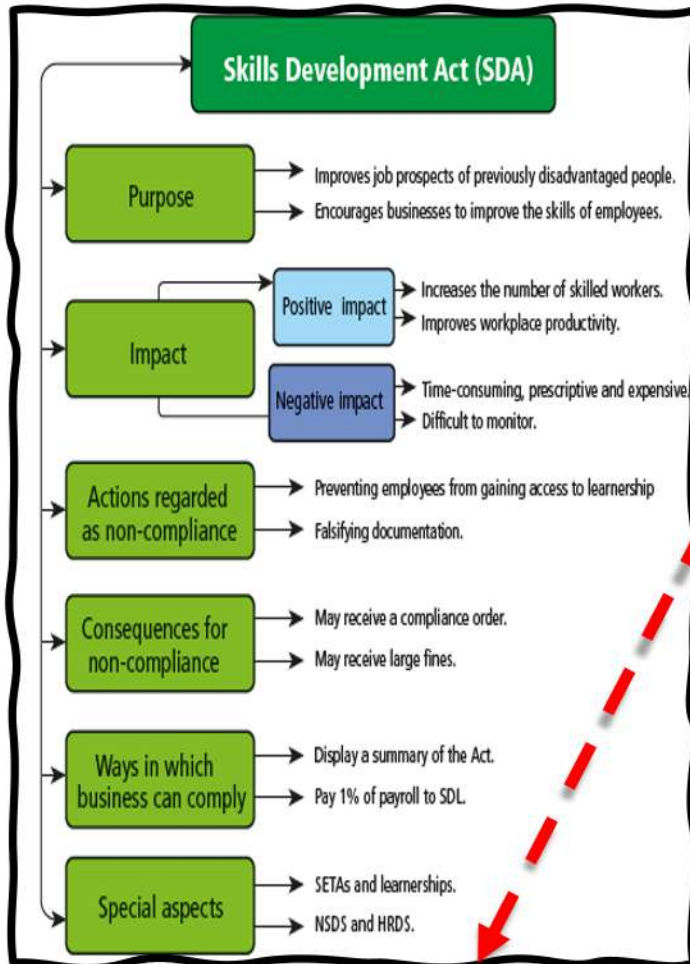
- **Explain** how businesses can apply the PDCA model/steps to improve the quality of products.
- **Explain** the role/importance of quality circles as part of continuous improvement to processes and systems.
- **Explain/Discuss** the impact of TQM if poorly implemented by businesses.
- **Explain/Recommend/Suggest** ways in which TQM can reduce the cost of quality.



# PAPER 1: BUSINESS ENVIRONMENTS

## TOPIC: MACRO ENVIRONMENT: IMPACT OF RECENT LEGISLATION ON BUSINESS

Use the mind maps as a guide. Ensure that you study the content relevant to each heading



### Learnerships

- Practical training opportunities that lead to a recognised qualification.
- Completed during work hours for a specified period.

### ROLES OF SETAs

- register various learnerships and learning programmes.
- promote and establish various learnerships.
- approve the workplace skills plans and annual training reports
- develop skills plans that are in line with the aims of the National Skills Development Strategy (NSDS).
- develop/build skills development

### National Skills Development Strategy (NSDS)

- Increases access to training programmes
- Improves workplace-based skills development.
- Builds career training centres.
- Improves social development through economic development.

### Human Resources Development Strategy (HRDS)

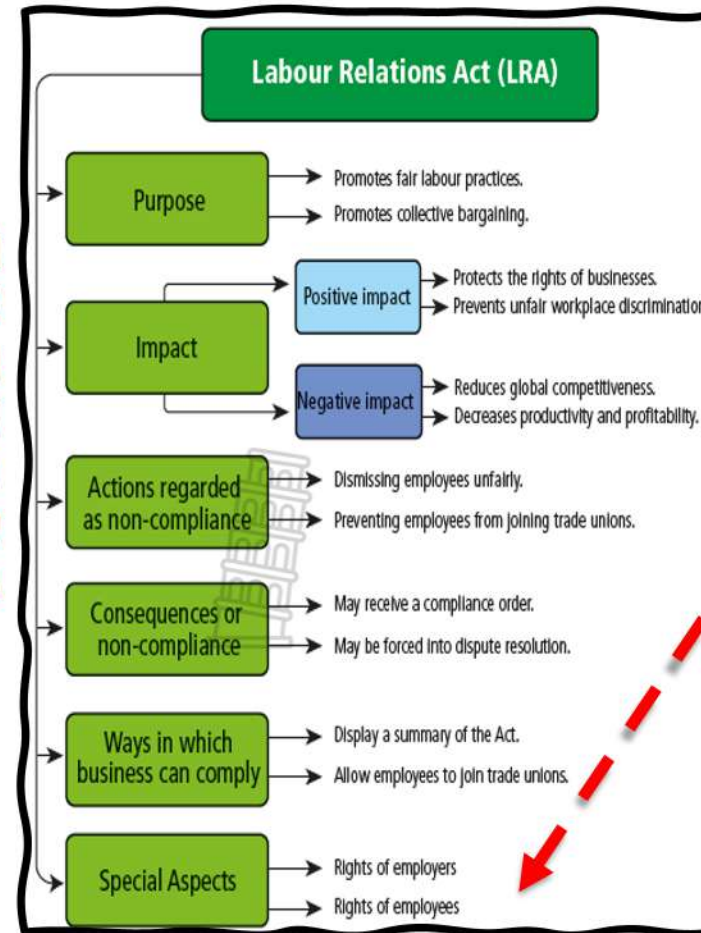
- Improves the supply of skills, which benefits the country.
- Promotes social justice and helps to reduce poverty.
- Addresses skills shortages in the South African workplace.
- Develops short-and long-term workforce skills.



### LEGISLATION

#### WHAT YOU MUST KNOW

- Outline /Describe/ Explain/Discuss the purpose of all EIGHT Acts i.e SDA, LRA, EEA, BCEA, COIDA, BBBEE, NCA and CPA
  - Discuss/Explain/Evaluate the impact (positives/advantages and/or negatives/ disadvantages) of the Acts on businesses.
  - Outline/Explain/Discuss actions regarded as non-compliance by the various Acts
  - Outline/Explain/Discuss penalties/consequences of non-compliance to the various Acts.
  - Suggest/Recommend ways in which businesses can comply with the Acts.
- NOTE: SPECIAL ASPECTS FOR SDA; LRA; BCEA; BBBEE; NCA AND CPA.**



### RIGHTS OF EMPLOYERS:

- Employers have the right to lockout employees who engage in illegal strike.
- Form employer organisations.
- Dismiss employees who are engaged in an unprotected strikes
- Right not to pay an employee who has taken part in a protected strike.

### RIGHTS OF EMPLOYEES:

- Employees may join a trade union of their choice
- Embark on legal strikes as a remedy for grievances
- Request trade union representatives to assist in a disciplinary hearing.
- Refer unresolved workplace disputes to the CCMA



# PAPER 1: BUSINESS ENVIRONMENTS

## TOPIC: MACRO ENVIRONMENT: IMPACT OF RECENT LEGISLATION ON BUSINESS



Use the mind maps as a guide. Ensure that you study the content relevant to each heading

### Employment Equity Act (EEA)

#### Purpose

- Implements affirmative action.
- Prevents gender discrimination.

#### Impact

##### Positive Impact

- Promotes affirmative action.
- Promotes equal opportunities.

##### Negative Impact

- Increased training costs.
- May appoint unsuitable candidates.

#### Actions regarded as non-compliance

- Treating employees unfairly.
- Preventing opportunities based on discrimination.

#### Consequences for non-compliance

- May receive a compliance order.
- Labour inspectors may conduct investigations.

#### Ways in which business can comply

- Display a summary of the Act.
- Compile Employment Equity plans.

### LEGISLATION

#### WHAT YOU MUST KNOW

- Outline /Describe/ Explain/Discuss the purpose of all EIGHT Acts i.e. SDA, LRA, EEA, BCEA, COIDA, BBBEE, NCA and CPA
- Discuss/Explain/Evaluate the impact (positives/advantages and/or negatives/ disadvantages) of the Acts on businesses.
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- Outline/Explain/Discuss penalties/consequences of non-compliance to the various Acts.
- Suggest/Recommend ways in which businesses can comply with the Acts.



### Compensation for Occupational Injuries and Diseases Amendment Act (COIDA)

#### Purpose

- Compensates for injuries, diseases and fatalities.
- Establishes the Compensation Board.

#### Impact

##### Positive Impact

- Promotes health and safety.
- Covers all employees in the workplace.

##### Negative Impact

- Time-consuming, prescriptive and expensive.
- Employees must be registered.

#### Actions regarded as non-compliance

- Not disclosing all information.
- Falsifying documentation and information.

#### Consequences for non-compliance

- May receive a compliance order.
- May receive large fines.

#### Ways in which business can comply

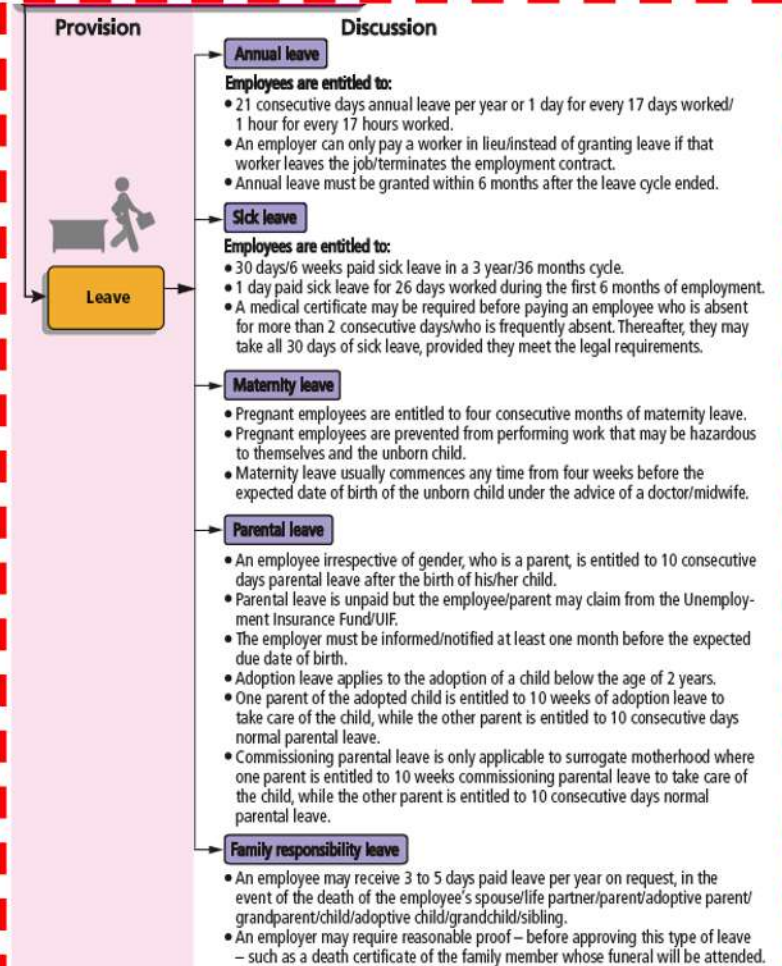
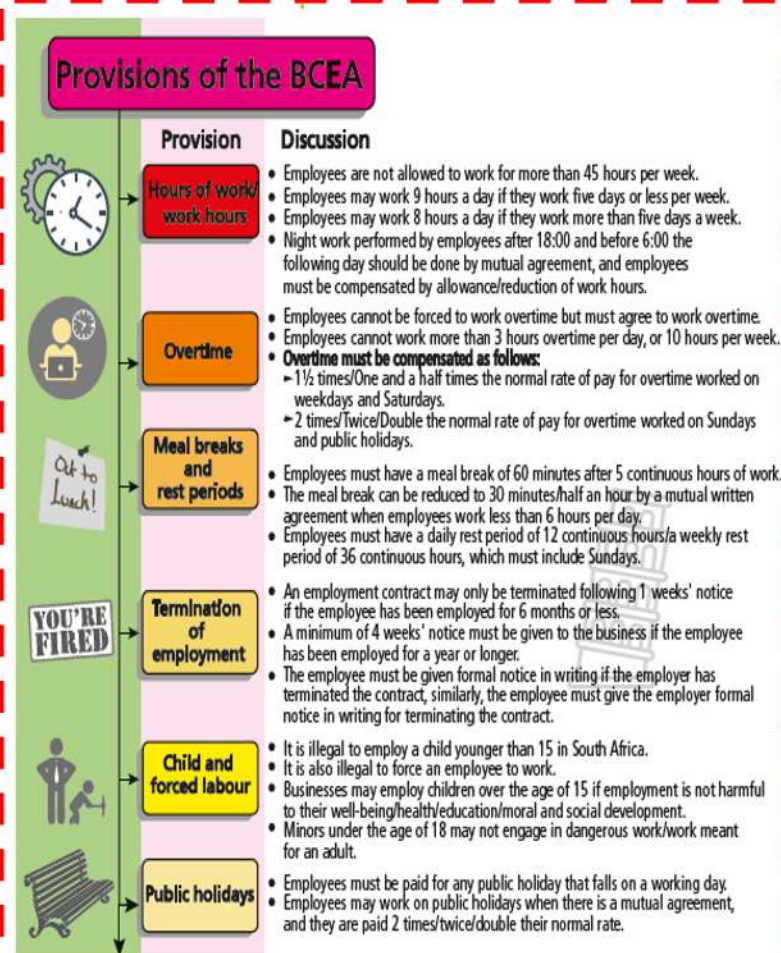
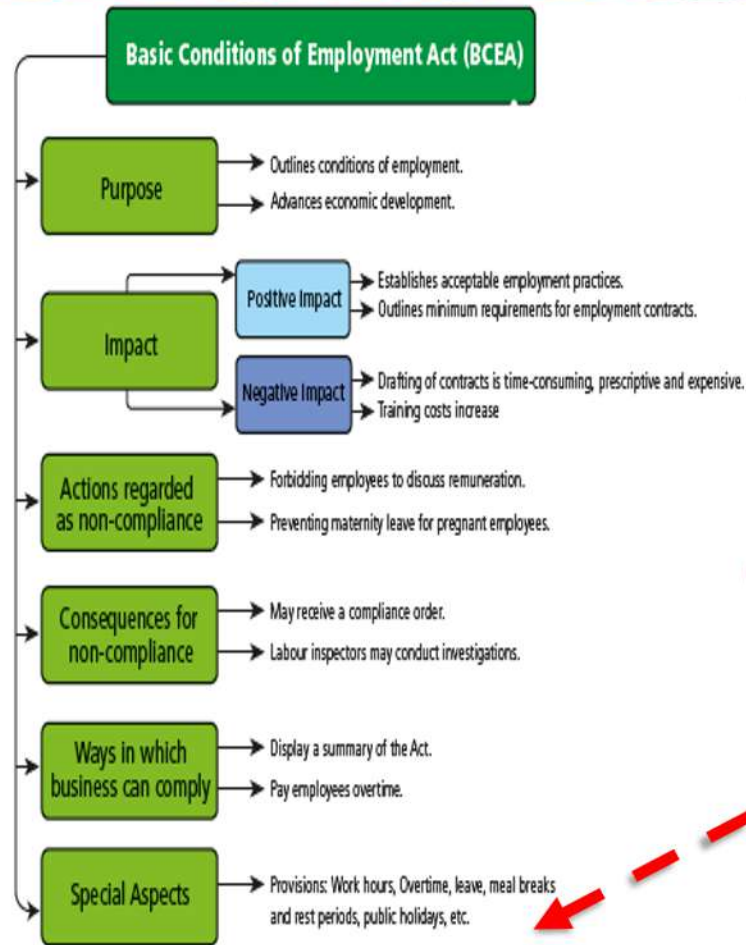
- Organise training on COIDA.
- Pay levies to the Compensation Fund.



# PAPER 1: BUSINESS ENVIRONMENTS

## TOPIC: MACRO ENVIRONMENT: IMPACT OF RECENT LEGISLATION ON BUSINESS

Use the mind maps as a guide. Ensure that you study the content relevant to each heading



## LEGISLATION

### WHAT YOU MUST KNOW

- Outline /Describe/ Explain/Discuss the purpose of all EIGHT Acts i.e. SDA, LRA, EEA, BCEA, COIDA, BBBEE, NCA and CPA
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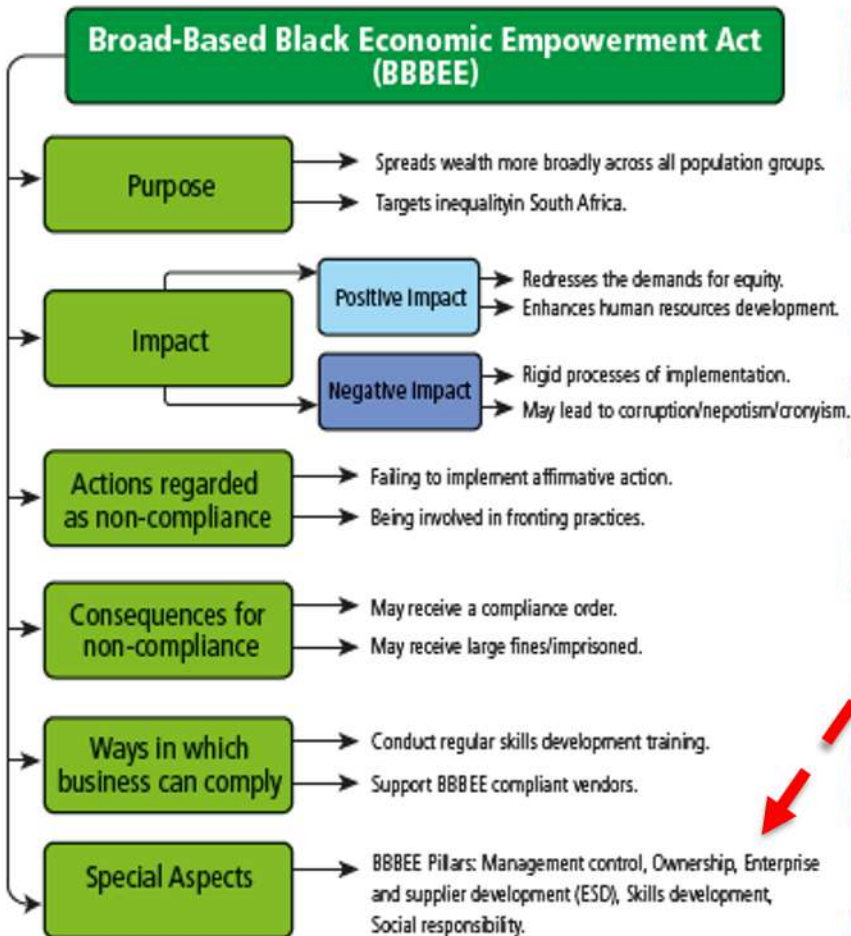
NOTE: SPECIAL ASPECTS FOR BCEA



# PAPER 1: BUSINESS ENVIRONMENTS

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### THE REVISED BBBEE PILLARS: APPLICATION AND IMPLICATIONS OF

#### 1. MANAGEMENT CONTROL

Businesses must:

- Appoint black people in management positions.
- Ensure that black females are represented in management.

Barriers / Limitations:

- Due to a shortage of skilled black managers/directors, some businesses find it difficult to make appointments.

#### 2. OWNERSHIP

Businesses should:

- Include black people in shareholding
- Create more opportunities for black people to become owners

Barriers / Limitations:

- Businesses find it difficult to locate black business shareholders as many black people cannot afford shares.

#### 3. ENTERPRISE AND SUPPLIER DEVELOPMENT

Businesses must

- Identify black owned suppliers that can supply goods and services.
- Develop and implement a supply chain.
- Businesses can invest and support black owned SMMEs

Limitation/barrier:

- Businesses are forced to choose from a smaller pool of suppliers.

#### 4. SKILLS DEVELOPMENT

Businesses must:

- Contribute 1% of their payroll to fund skills development programmes.
- Engage black employees in skills development initiatives.

Barriers / Limitations:

- Productivity is compromised due to time spent on training.

#### 5. SOCIAL RESPONSIBILITY

Businesses must:

- Contribute towards CSI projects and community development.
- Focus on critical areas which can affect growth and development e.g. education; unemployment etc.

Barriers / Limitations:

- CSR may result in wastage of financial resources if not investigated correctly.

### LEGISLATION

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NOTE: SPECIAL ASPECTS FOR BBBEE

### Differences between BEE and BBBEE

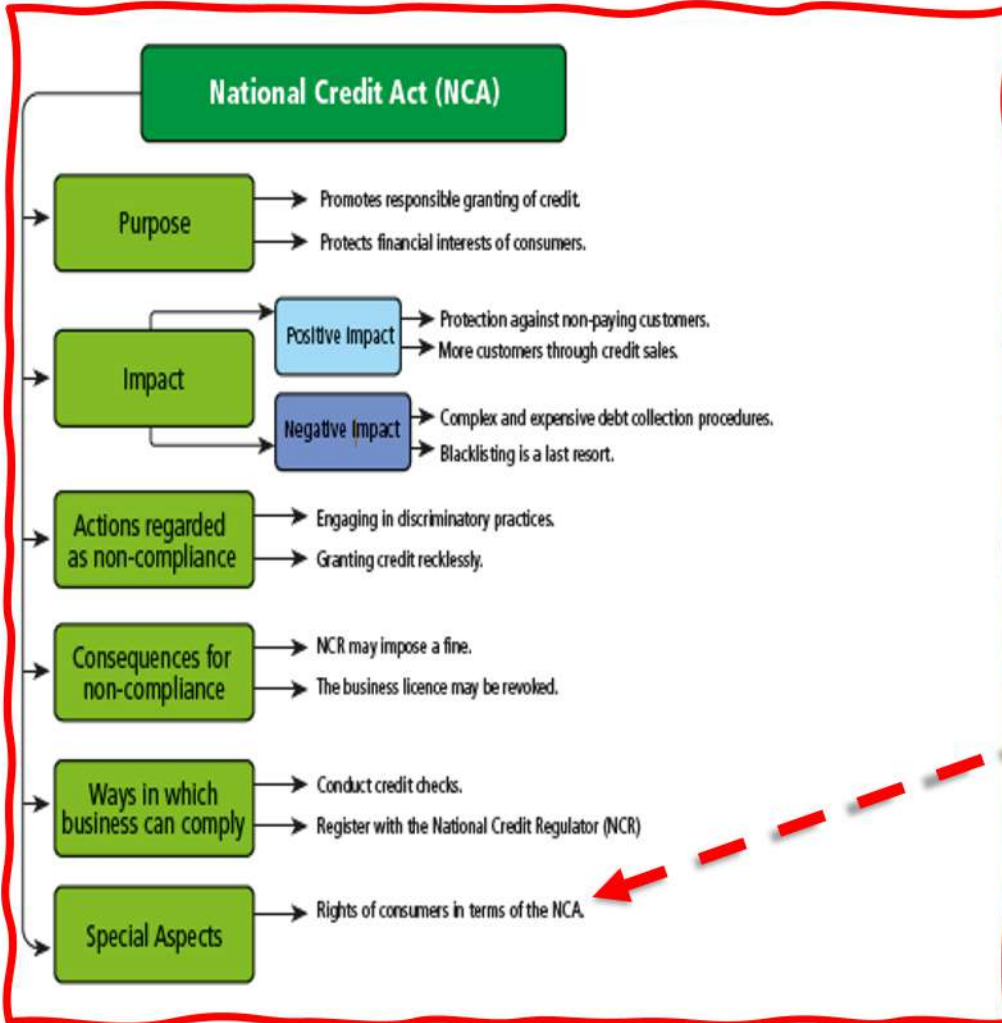
Black Economic Empowerment (BEE)	Broad-Based Black Economic Empowerment Act (BBBEE)
<ul style="list-style-type: none"> <li>• A government policy that may not always be enforced.</li> </ul>	<ul style="list-style-type: none"> <li>• An Act that is enforced/must be complied with by businesses.</li> </ul>
<ul style="list-style-type: none"> <li>• Benefitted only a few previously disadvantaged people in the economy.</li> </ul>	<ul style="list-style-type: none"> <li>• Encourages a wider group of previously disadvantaged people – which includes black women, people who are physically challenged, youth, and people in rural areas – to participate in the economy.</li> </ul>
<ul style="list-style-type: none"> <li>• This resulted in a few previously disadvantaged individuals sharing in the wealth of the economy.</li> </ul>	<ul style="list-style-type: none"> <li>• Aims to distribute the country's wealth across a broader spectrum of society.</li> </ul>



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### LEGISLATION

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  - **Suggest/Recommend** ways in which businesses can comply with the Acts.
- NOTE: SPECIAL ASPECTS FOR NCA**



### Rights of consumers in terms of the NCA

Consumers of credit have the right to:

- apply for credit and to be free from discrimination
- obtain reasons for credit being refused
- receive protection of their personal information.
- receive pre-agreement documentation
- fair and responsible credit marketing.
- receive information in plain and understandable language.
- receive documentation as required by the NCA.
- access and challenge credit records and information held by the Credit Bureau.
- return goods to the credit provider to settle the outstanding debt.
- apply for debt review if the consumers cannot afford to repay their debt.
- receive protection from being held accountable for the use of their credit facility after they reported the theft
- refuse a credit limit increase.

#### WHAT YOU MUST KNOW

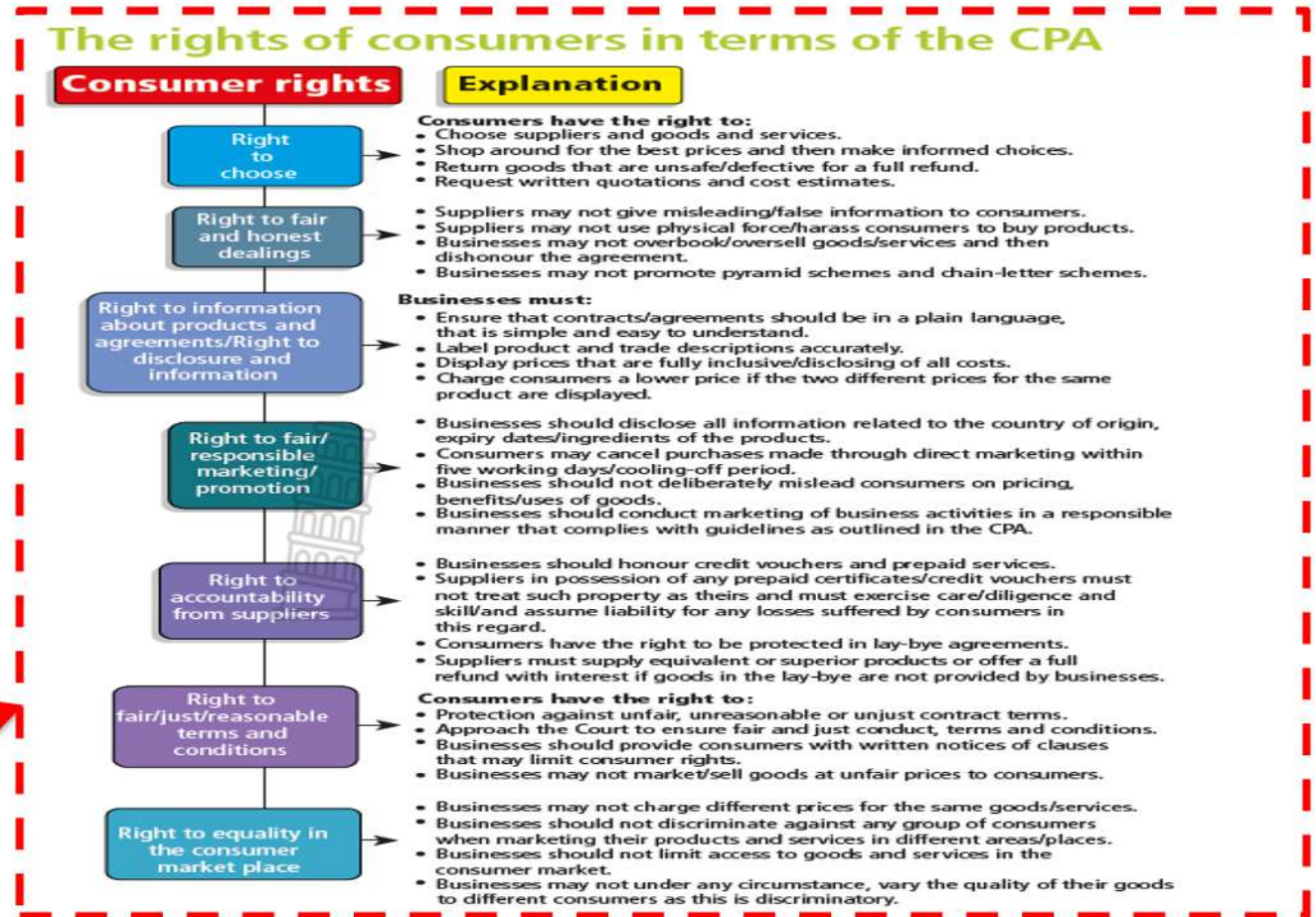
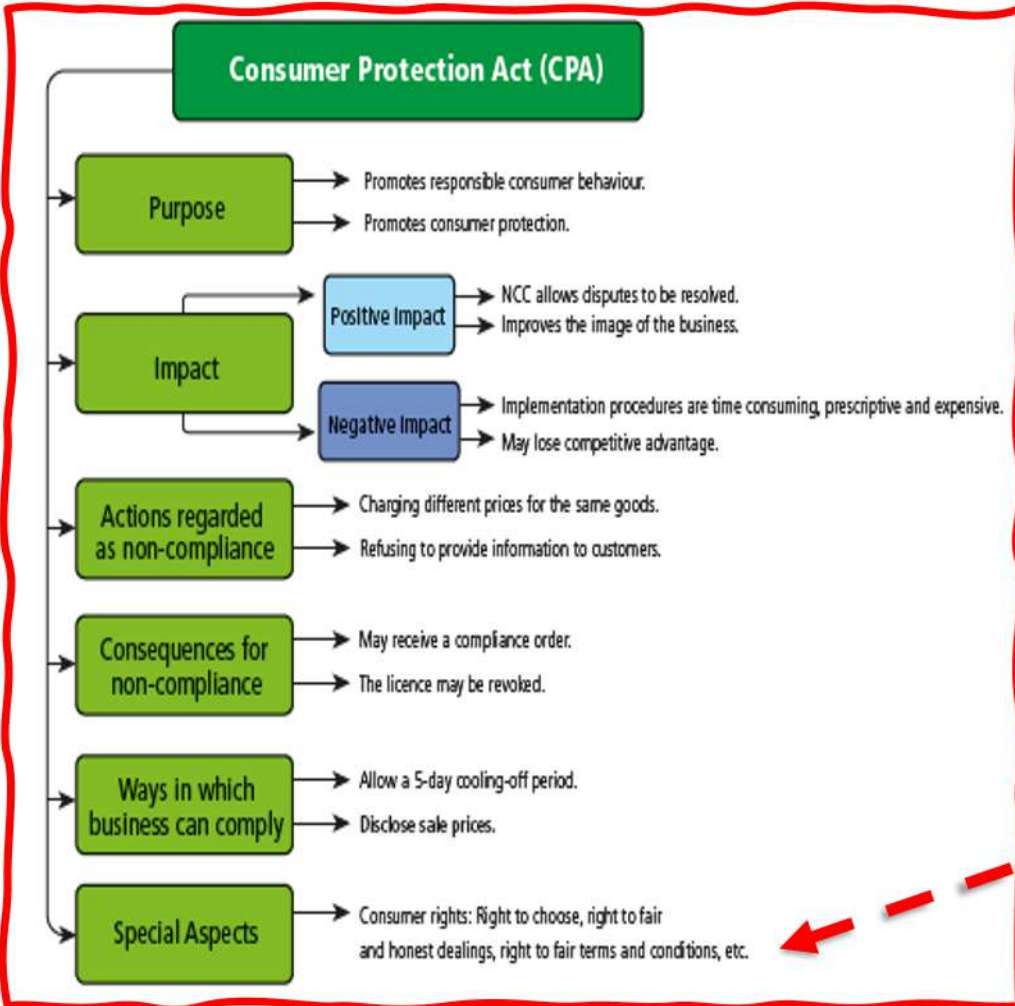
- **Outline/Explain/Describe/ Discuss** the rights of consumers in terms of the NCA



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### NOTE: SPECIAL ASPECTS FOR CPA

- Outline/Explain/Describe/ Discuss the rights of consumers in terms of the CPA(





# PAPER 1: BUSINESS ENVIRONMENTS

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## TOPIC: MACRO ENVIRONMENT: IMPACT OF RECENT LEGISLATION ON BUSINESS

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	SKILLS DEVELOPMENT ACT (SDA)	LABOUR RELATIONS ACT (LRA)	EMPLOYMENT EQUITY ACT (EEA)	BASIC CONDITIONS OF EMPLOYMENT ACT (BCEA)
PURPOSE	To improve the <b>QUALITY OF EDUCATION</b> and training in the workplace.	Provides a framework for <b>LABOUR RELATIONS</b> between employers and employees.	Promotes equal opportunity and <b>FAIR TREATMENT</b> in the workplace	<b>ESTABLISH AND ENFORCE</b> basic conditions of employment
POSITIVES	<ul style="list-style-type: none"> <li>✓ Improves <b>PRODUCTIVITY</b></li> <li>✓ Increased <b>SKILLED WORKERS</b></li> </ul>	<ul style="list-style-type: none"> <li>✓ Promotes a <b>HEALTHY RELATIONSHIP</b> between the employers and employees</li> <li>✓ Promotes <b>ORDERLY COLLECTIVE BARGAINING</b> and effective resolution of labour disputes.</li> </ul>	<ul style="list-style-type: none"> <li>✓ Promotes <b>EQUAL OPPORTUNITIES</b> and fair treatment in employment</li> <li>✓ Promotes <b>DIVERSITY</b> in the workplace</li> </ul>	<ul style="list-style-type: none"> <li>✓ Creates a <b>FRAMEWORK OF ACCEPTABLE EMPLOYMENT PRACTICES</b> e.g., work hours, leave, etc.</li> <li>✓ <b>PROMOTES FAIR TREATMENT</b> of employees in business.</li> </ul>
NEGATIVES	<ul style="list-style-type: none"> <li>✗ Business must <b>PAY 1% OF THE MONTHLY WAGE</b> and salary roll towards the funding of this initiative</li> <li>✗ Small businesses will find it difficult to <b>GIVE WORKERS TIME OFF</b> for training</li> </ul>	<ul style="list-style-type: none"> <li>✗ <b>COSTS OF LABOUR INCREASES</b> because of legal strikes</li> <li>✗ <b>REDUCED GLOBAL COMPETITIVENESS</b> due to lower productivity</li> </ul>	<ul style="list-style-type: none"> <li>✗ Businesses must <b>COMPILE AND SUBMIT EMPLOYMENT EQUITY REPORTS</b> every two years.</li> <li>✗ Businesses <b>MUST TRAIN OR EMPLOY</b> someone who knows a lot about the Act</li> </ul>	<ul style="list-style-type: none"> <li>✗ <b>Processes and procedures</b> stipulated in the BCEA <b>CAN BE COSTLY TO A BUSINESS.</b></li> <li>✗ The employer may have to <b>LIMIT OPERATIONS</b> if they can't afford to employ more workers</li> </ul>
COMPLIANCE	Employers who collect <b>PAYE</b> <b>MUST REGISTER WITH SETAS</b>	Employers must allow <b>THE FORMATION OF WORKPLACE FORUMS</b> and bargaining councils	Employers must <b>PROMOTE EQUAL OPPORTUNITIES</b> in the workplace	An employer must give new workers <b>INFORMATION ABOUT THEIR JOB DESCRIPTION</b> and working conditions in writing
PENALTIES	Any person convicted of a fraudulent offence may be <b>SENTENCED TO A FINE OR IMPRISONMENT</b> or stop operating	Financial costs (legal fees, CCMA fees and <b>FINES</b> ) <b>AND/OR ULTIMATELY IMPRISONMENT</b>	If found guilty, the employer could be <b>FINED AND BE ORDERED TO PAY COMPENSATION</b> and damages to the employee	The business could face <b>FINES AND LEGAL ACTION</b> from Labour Court.
DISCRIMINATORY ACTIONS	Employers who <b>PROMOTE SKILLS DEVELOPMENT UNFAIRLY</b>	Employers refusing union representative's <b>LEAVE FOR TRADE UNION ACTIVITIES</b>	<b>REFUSING TO EMPLOY A PERSON</b> because they have strong religious beliefs	Preventing workers having access to <b>EMPLOYMENT CONTRACTS</b> or conditions of work

HERE IS A SUMMARY



CHECK YOUR KNOWLEDGE ON:

- ☐ **Outline /Describe/ Explain/Discuss** the purpose of all **EIGHT** Acts.
- ☐ **Discuss/Explain/Evaluate** the impact (positives/advantages and/or negatives/ disadvantages) of the Acts on businesses.
- ☐ **Outline/Explain/Discuss** actions regarded as non-compliance by the various Acts
- ☐ **Outline/Explain/Discuss** penalties/consequences of non-compliance to the various Acts.
- ☐ **Suggest/Recommend** ways in which businesses can comply with the Acts.



# PAPER 1: BUSINESS ENVIRONMENTS

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## TOPIC: MACRO ENVIRONMENT BUSINESS STRATEGIES

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### WHAT YOU MUST KNOW:

- Outline/Explain/Describe/Discuss the strategic management process
- Apply the strategic management process to solve business-related problems
- Outline/Explain/Recommend/Advise businesses on the steps in strategy evaluation



### DEFINITION OF A STRATEGY

A strategy is a long-term plan of action to achieve a goal.

You must be able to apply the strategic management process to solve business-related problems.

### STRATEGIC MANAGEMENT PROCESS

1 Have a clear **VISION, MISSION** statement and realistic goals



2 Use **INDUSTRIAL ANALYSIS TOOL** for environmental scanning



3 **FORMULATE STRATEGIES** to respond to challenges



4 **DEVELOP ACTION PLANS**, i.e. tasks to be done



5 Continuously **EVALUATE** and take corrective action



See the next page for application of these instruments.

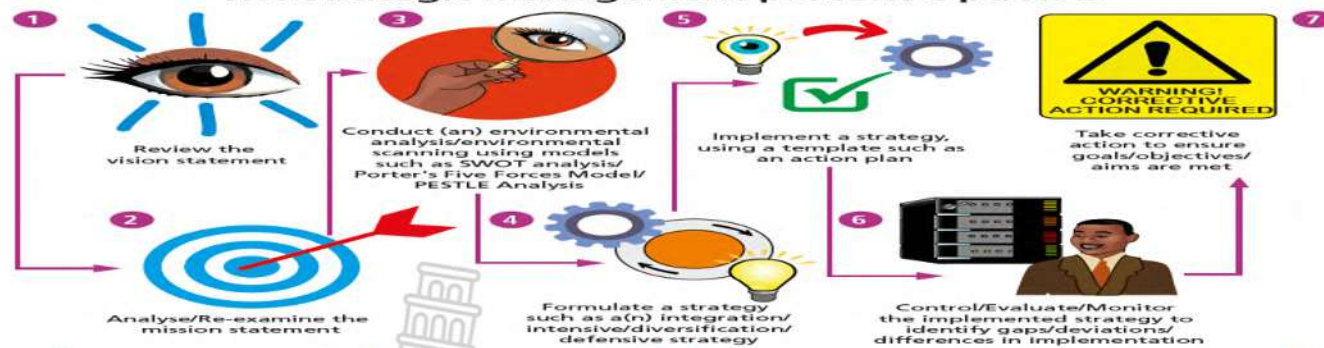
### INDUSTRIAL ANALYSIS TOOLS

1 **MICRO = SWOT ANALYSIS**

2 **MARKET = PORTER'S 5 FORCES**

3 **MACRO = PESTLE ANALYSIS**

### The strategic management process: Option 2



### 5 STEPS IN EVALUATING A STRATEGY



1. Examine the underlying basis of a business strategy.
2. Look forward and backwards into the implementation process.
3. Take corrective action so that deviations may be corrected.



4. Set specific dates for control and follow up.
5. Decide on the desired outcome.



# PAPER 1: BUSINESS ENVIRONMENTS

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## TOPIC: MACRO ENVIRONMENT: BUSINESS STRATEGIES

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### WHAT YOU MUST KNOW:

#### INDUSTRIAL ANALYSIS TOOLS

- ❑ **Compile** a SWOT analysis of a particular business from a given scenario.
- ❑ **Name and identify** Porter's Five forces model from given statements/scenarios.
- ❑ **Explain/Advise** businesses on how they could apply Porter's Five Forces model to analyse their position in the market.
- ❑ **Name and apply** PESTLE analysis factors from given scenarios/statements.
- ❑ **Explain** how PESTLE factors pose challenges to businesses.
- ❑ **Recommend** ways in which businesses can deal with the challenges that are posed by PESTLE factors.



### S.W.O.T. ANALYSIS

STRENGTHS

WEAKNESSES

INTERNAL FACTORS

OPPORTUNITIES

THREATS

EXTERNAL FACTORS

Compile a SWOT analysis from a given scenario

You need to name the PESTLE factor, identify challenges of each factor and make recommend ways businesses can deal with the identified challenges as explained in the table below:

You must be able to identify and apply the Porter's Five forces model from given statements / scenarios

### PORTER'S FIVE FORCES MODEL

#### 1. POWER OF SUPPLIERS

Assess power of suppliers to influence prices. The more powerful suppliers the less control business have.



#### 2. POWER OF BUYERS

Buyers buying in bulk can bargain for prices in their favour.



#### 5. COMPETITIVE RIVALRY

Refers to the number of competitors and their ability to control the market. Competitors with a unique product or service will have greater power



#### 3. THREAT OF SUBSTITUTES

Substitute products are different products that can replace one another



#### 4. BARRIERS TO ENTRY

New entrants are businesses sellin similar products in existing markets for the first time. If the barriers to enter the market is low, it is easy for new businesses to enter the market

### P.E.S.T.L.E. ANALYSIS

FACTOR	CHALLENGE	RECOMMENDATIONS
<b>POLITICAL</b>	1. Some government policies may affect businesses 2. Trade agreements may prevent businesses from importing some products.	1. Research recent government policies 2. Trade only with countries that have favourable trade agreements with the government.
<b>ECONOMIC</b>	3. Inflation/Interest rates may negatively impact on business. 4. Fluctuations in foreign currency may restrict import.	3. Consider decreasing profit margins rather than increasing product prices. 4. Consider exchange rates when trading with other countries
<b>SOCIAL</b>	5. Customers may not be able to afford products due to low income levels. 6. Businesses may not be conversant with the local language of their customers.	5. Sell substitute products at lower prices. 6. Hire employees who are well conversant with the local language.
<b>TECHNOLOGICAL</b>	7. May not keep up with of the latest technology.	7. Continuous research on the latest available technology in the market.
<b>LEGAL</b>	8. Consider certain Acts that may have a direct impact on a business, e.g. the CPA/BCEA. 9. Legal requirements for operating certain types of businesses time-consuming.	8. Comply with all relevant legislation that may impact on businesses. 9. Comply with the legal requirements for operating businesses, e.g. licence/trade mark registration/patents.
<b>ENVIRONMENTAL</b>	10. Measures to dispose of business waste may be expensive.	10. Implement cost effective measures to dispose of medical waste. Use packaging that recyclable.



# PAPER 1: BUSINESS ENVIRONMENTS

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## TOPIC: MACRO ENVIRONMENT: BUSINESS STRATEGIES

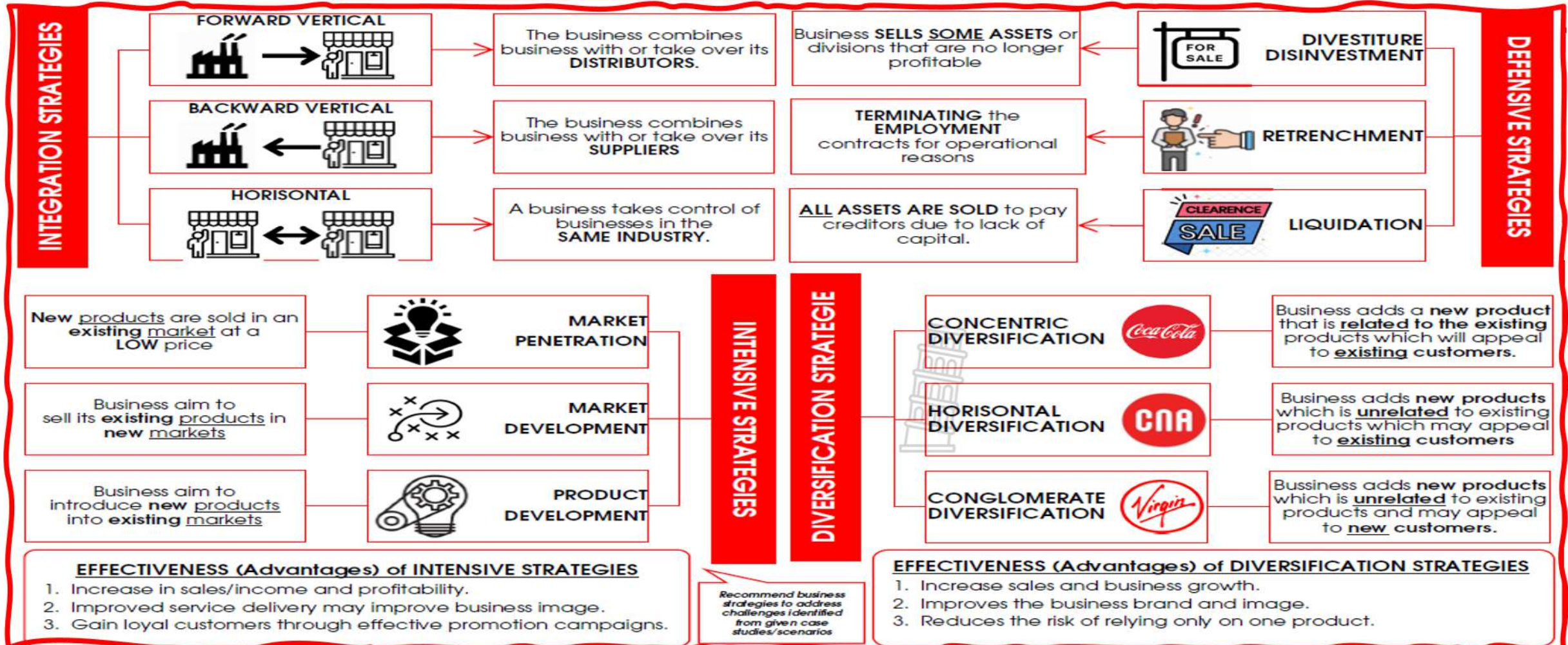
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### WHAT YOU MUST KNOW: INDUSTRIAL ANALYSIS TOOLS

- **Explain/describe/discuss** the following types of business strategies:
  - Integration strategies
  - Intensive strategies
  - Diversification strategies
  - Defensive strategies
- **Outline/Explain/Discuss** the advantages of intensive and diversification strategies.



### TYPES OF BUSINESS STRATEGIES





# PAPER 1: BUSINESS ENVIRONMENTS

## TOPIC: BUSINESS SECTORS AND THEIR ENVIRONMENTS

### TOTAL QUALITY MANAGEMENT(TQM)

#### WHAT YOU MUST KNOW

- Name **THREE** types of business sectors: primary, secondary and tertiary.
- Identify/Name a business sector from given scenarios/statements.
- Identify business challenges from given scenarios/case studies and **classify** them according to the **THREE** business environments.
- **State** the extent to which a business (operating in any of the three sectors) can control the three business environments from given scenarios and case studies.

#### PRIMARY SECTOR

This sector deals with **EXTRACTION** of **RAW MATERIALS** and natural resources.

EXAMPLES of the **PRIMARY** sector industries:





MINING 	AGRICULTURE 
FISHING 	FORESTRY 

You must be able to Identify business challenges from given scenarios and classify them according to the **THREE** business environments

#### SECONDARY SECTOR

This business sector is responsible for **CHANGING THE RAW MATERIALS** acquired from the primary sector into **USEFUL PRODUCTS**.

EXAMPLES of the **SECONDARY** sector industries:







CLOTHING 	FOOD PROCESSING 
CONSTRUCTION 	MANUFACTURING 

You must be able to Identify a business sector from given scenarios/statements

#### TERTIARY SECTOR

This sector **RENDERS SERVICES** to the public and businesses.

EXAMPLES van nywerhede in die **TERSIERE** sektor:

TRANSPORTATION 	INSURANCE 
BANKING 	TOURISM 
RETAIL 	LEGAL SERVICES 

#### BESIGHEIDSOMGEWING

#### POSSIBLE CHALLENGES

#### EXTENT OF CONTROL

#### MICRO

- Employees
- Vision and Mission
- Management

#### FULL control

#### MARKET

- Competition
- Shortage of supply
- Demographics

#### LIMITED control

#### MACRO

- Interest rates
- Pandemic
- Legislation

#### NO control





## ***Do's and Dont's***



- You **MUST** answer all 4 questions.
- In Section A: make sure you do not give more than one answer for a question. Even if one of the given answers are correct you will get **NO** marks.
- In scenarios, make sure to quote fully/correctly. Don't make up your own words! "Copy and Paste" over from the question paper.
- The cognitive level of the question determines the nature/length of your answer. Answer accordingly.
- **ABOVE ALL: REMEMBER- YOU, YES YOU 🖐️ CAN HIT BISNIS DIZNIS. SO, ENJOY THE RACE AND MAKE THE MOST OF YOUR STUDIES.**