



**Western Cape
Government**

Education

FOR YOU

BUSINESS STUDIES GRADE 12

PREPARATORY EXAMINATION PAPER 1

11 SEPTEMBER 2025

MARKS: 150

TIME: 2 HOURS

This question paper consists of 9 pages.

INSTRUCTIONS AND INFORMATION

Read the following instructions carefully before answering the questions.

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

SECTION A: COMPULSORY

SECTION B: Consists of THREE questions.

Answer any TWO of the THREE questions in this section.

SECTION C: Consists of TWO questions.

Answer any ONE of the TWO questions in this section.

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

Note that ONLY the answers to the first TWO questions selected in SECTION B and the answers to the FIRST question selected in SECTION C will be marked.

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

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

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

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

SECTION	QUESTION	MARKS	TIME
A: Objective-type questions COMPULSORY	1	30	20 minutes
B: THREE direct/indirect-type questions CHOICE: Answer any TWO.	2	40	70 minutes
	3	40	
	4	40	
C: TWO essay-type questions CHOICE: Answer any ONE.	5	40	30 minutes
	6	40	
TOTAL		150	120 minutes

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

8. You may use a non-programmable calculator.

9. Write neatly and legibly.

SECTION A (COMPULSORY)

QUESTION 1

- 1.1. Various options are provided as possible answers to the following questions. Choose the answer and write only the letter (A-D) next to the question number (1.1.1-1.1.5) in the ANSWER BOOK, e.g. 1.1.6 D.

1.1.1 This Act outlines the minimum requirements for the employment contract.

- A Consumer Protection Act (CPA), 2008 (Act 68 of 2008)
- B Employment Equity Act (EEA), 1998 (Act 55 of 1998)
- C Basic Conditions of Employment Act (BCEA), 1997 (Act 75 of 1997)
- D Skills Development Act (SDA), 1998 (Act 97 of 1998)

1.1.2 Biko Traders is experiencing a high employee turnover. This is classified as a/an ... in the SWOT analysis.

- A weakness
- B threat
- C opportunity
- D strength

1.1.3 Solo Enterprise has ... control over suppliers who increase the prices of their products.

- A full
- B no
- C limited
- D complete

1.1.4 The job specification of an available post includes ...

- A knowledge, qualifications and duties.
- B knowledge, skills and experience.
- C responsibilities, duties and experience.
- D responsibilities, job title and duties.

1.1.5 The ... function is responsible for allocation of business resources to provide for the achievement of long-term and short-term plans.

- A general management
- B administration
- C purchasing
- D production

(5 × 2) (10)

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

selection; Consumer Protection Act; environment; headhunting; control ;
economical; assurance; walk-ins; National Credit Act;
recruitment

- 1.2.1 Karoo Traders uses packaging that is reusable when dealing with challenges posed by the ... as a PESTLE analysis factor.
- 1.2.2 The ... forces businesses to disclose more information about their products and processes.
- 1.2.3 A well-experienced auditor from Rand Consultants received an employment offer from Euro Consultants. This is known as ...
- 1.2.4 Quality ... means ensuring that every process is aimed to get the product 'right the first time' and prevent mistakes from happening.
- 1.2.5 Jameel Traders implemented the ... procedure when they placed the advertisement in the appropriate media.

(5 × 2) (10)

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

COLUMN A	COLUMN B
1.3.1 Internal recruitment	A an action plan to achieve a pre-determined goal
1.3.2 Public relations function	B implement aggressive advertising campaigns to sustain the market share.
1.3.3 National Skills Development Strategy	C intranet and office notice boards
1.3.4 Strategy	D aims at maximising the business profits
1.3.5 PDCA cycle	E provides career guidance and training centres
	F an action plan outlining the implementation process
	G implement sustainable Corporate Social Investment (CSI) programmes
	H provides for a system of credits that learners receive when they complete learnerships
	I aims at continuous improvement to processes and systems
	J internet and billboards

(5 x 2) (10)

TOTAL SECTION A: 30

SECTION B

Answer ANY TWO questions in this section.

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

QUESTION 2: BUSINESS ENVIRONMENTS

- 2.1 Name any FOUR pillars of the Broad-Based Black Economic Empowerment Act (BBBEE), 2003 (Act 53 of 2003). (4)
- 2.2 Elaborate on the meaning of *learnership*. (6)
- 2.3 Identify the type of integration strategy applied by Ubuntu Furniture Manufacturers in EACH statement below:
 - 2.3.1 Ubuntu Furniture Manufacturers combined with Mahummed Suppliers to speed up the manufacturing process. (2)
 - 2.3.2 Ubuntu Furniture Manufacturers decided to combine their business with Hlala Phantsi Traders. (2)
 - 2.3.3 Ubuntu Furniture Manufacturers took over Redson Factory in order to gain a larger market share. (2)
- 2.4 Read the scenario below and answer the question that follows.

KARMA MANUFACTURERS (KM)

The management of KM failed to report serious incidents to the Commissioner on time. KM refuses to send workers on training. They also bribe their employees not to report injuries sustained while on duty.

- 2.4.1 Identify the Act that is applicable in the scenario above. (2)
- 2.4.2 Quote TWO actions that can be regarded as discriminatory according to the Act identified in QUESTION 2.4.1. (2)
- 2.5 Explain the rights of consumers in terms of the National Credit Act, 2005 (Act 34 of 2005) (NCA). (4)
- 2.6 Describe how SETAs are funded. (4)
- 2.7 Discuss the rights of employers according to Labour Relations Act (LRA) 1995, (Act 66 of 1995). (6)
- 2.8 Advise businesses on the advantages of intensive strategies. (6)

[40]

QUESTION 3: BUSINESS OPERATIONS

- 3.1 Name any FOUR examples of employee fringe benefits. (4)
- 3.2 Outline the legal requirements of the employment contract. (4)
- 3.3 Read the scenario below and answer the questions that follow.

ELECTRIC-CALL SERVICES (EC)

Zanele was recently hired as a secretary at Electric-Call services. EC drew up an induction programme for Zanele that included safety regulations and rules, a competitive salary and an overview of the business. EC enjoys the benefits of induction.

- 3.3.1 Name TWO aspects that EC included in their induction programme (2)
- 3.3.2 Explain the benefits of induction for businesses. (4)
- 3.4 Advise businesses on the impact of external recruitment. (6)
- 3.5 Outline the benefits of a good quality management system. (4)
- 3.6 Read the scenario below and answer the questions that follow.

MADINI DISTRIBUTORS LIMITED (MDL)

Madini Distributors Limited is known for selling quality products to a wide range of consumers. The management of MDL conducts monthly survey requesting customers feedback on quality of their products. They also ensure that their employees attend workshops on regular basis to increase productivity.

Identify TWO total quality management (TQM) elements, applied by MDL. Motivate your answer by quoting from the scenario above.

Use the table below as a GUIDE to answer QUESTION 3.6

TQM ELEMENTS	MOTIVATIONS
1.	
2.	

- (6)
- 3.7 Discuss the impact of total quality management (TQM) if poorly implemented by businesses. (6)
- 3.8 Advise businesses on the importance of quality circles as part of continuous improvement to processes and systems. (4)

[40]

QUESTION 4: MISCELLANEOUS TOPICS BUSINESS ENVIRONMENTS

- 4.1 Name any FOUR leave provisions of the Basic Conditions of Employment Act (BCEA), 1997 (Act 75 of 1997). (4)
- 4.2 Outline the role of SETAs in supporting the Skills Development Act (SDA), 1998 (Act 97 of 1998). (4)
- 4.3 Read the scenario below and answer the questions that follow.

SOLUNA CAFÉ (SC)

Soluna Café implemented a strategy aimed at improving their customer service due to a decrease in sales. The management of SC evaluated if their strategy had been effective. SC examined the underlying basis of their strategy throughout the implementation process. They also analysed the impact of the implemented strategy on their internal and external environments.

- 4.3.1 Quote TWO steps in strategy evaluation implemented by SC from the scenario above. (2)
- 4.3.2 Describe other steps in strategy evaluation that could be applied by SC. (4)
- 4.4 Discuss any TWO types of defensive strategies. (6)

BUSINESS OPERATIONS

- 4.5 Name TWO salary determination methods. (2)
- 4.6 Outline the role of the interviewee during an interview. (4)
- 4.7 Discuss the difference between *quality management* and *quality performance*. (4)
- 4.8 Read the scenario below and answer the questions that follow.

QBHEKA LOGISTICS (QL)

Qbheka Logistics buys raw materials in bulk at lower prices by selecting reliable suppliers who provide the best quality materials at reasonable prices.

- 4.8.1 Identify the business function that contributes to the success of QL in the scenario above. (2)
- 4.8.2 Explain other quality indicators of the business function identified in QUESTION 4.8.1. (4)
- 4.9 Recommend ways in which total quality management (TQM) can reduce the cost of quality. (4)

[40]

TOTAL SECTION B 80

SECTION C

Answer ANY ONE question in this section.

NOTE: Clearly indicate the QUESTION NUMBER of the chosen question.
The answer to EACH question must start on a NEW page, e.g
QUESTION 5 on a NEW page OR QUESTION 6 on a NEW page.

QUESTION 5: BUSINESS ENVIRONMENTS (BUSINESS STRATEGIES)

A strategic management process allows businesses to apply appropriate strategies to address the challenges presented by their business environments. Intensive strategies could be implemented in response to findings from applying Porter's Five Forces model. Many businesses prefer to diversify their products to remain sustainable in the market.

Write an essay on the business strategies in which you include the following aspects:

- Outline the strategic management process.
- Explain how businesses could apply the following forces of Porter's Five Forces model to analyse their position in the market environment:
 - Power of buyers
 - Power of suppliers
 - Threat of substitution
- Discuss THREE types of intensive strategies.
- Advise businesses on the advantages of diversification strategies.

[40]

QUESTION 6: BUSINESS OPERATIONS (HUMAN RESOURCES FUNCTION)

The screening process can be defined as the process where applicants' documents are being checked. Businesses and employees must familiarise themselves with the reasons for the termination of employment contracts. The role of the interviewer before an interview is imperative since the success of the interview depends on it. The EEA gives the human resource manager a guideline when choosing a suitable candidate.

Write an essay on the human resources function in which you include the following aspects:

- Outline the screening procedure.
- Explain the reasons for the termination of an employment contract.
- Discuss the role of the interviewer before an interview.
- Advise the Human Resource Manager on the implications of the Employment Equity Act (EEA), 1998 (Act 55 of 1998) on the human resource function.

[40]

TOTAL SECTION C 40

GRAND TOTAL 150



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WESTERN CAPE EDUCATION DEPARTMENT

BUSINESS STUDIES GRADE 12

PRELIMINARY EXAMINATION

**PAPER 1
2025**

FINAL MARKING GUIDELINE

MARKS: 150

TIME: 2 HOURS

This marking guideline consists of 28 pages.

NOTES TO MARKERS

PREAMBLE

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

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

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

Marker:	Red
Internal Moderator:	Green
External Moderator:	Orange
Subject Advisor:	Pink
DBE Moderator:	Turquoise

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

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

4. Take note of other responses provided by candidates, that are relevant within the context of a particular question, and allocate marks accordingly. (In cases where the answer is unclear or indicates some understanding, part-marks should be awarded, for example, one mark instead of the maximum of two marks.)
5. The word 'Submax' is used to facilitate the allocation of marks within a question or sub-question.
6. The purpose of circling marks (guided by 'max' in the breakdown of marks) on the right-hand side is to ensure consistency and accuracy in the marking of scripts as well as for calculation and moderation purposes.
7. Subtotals to questions must be written in the right-hand margin. Circle the sub-totals as indicated by the allocation of marks. This must be guided by 'max' in the marking guidelines. Only the total for each question should appear in the left-hand margin next to the appropriate question number.
8. In an indirect question, the theory as well as the response must be relevant and related to the question.

9. Correct numbering of answers to questions or sub questions is recommended in SECTIONS A and B. However, if the numbering is incorrect, follow the sequence of the candidate's responses. Candidates will be penalised if the latter is not clear.
10. No additional credit must be given for repetition of facts. Indicate with an 'R'.
11. The differentiation between 'evaluate' and 'critically evaluate' can be explained as follows:
 - 11.1 When 'evaluate' is used, candidates are expected to respond in either a positive/negative manner or take a neutral (positive and negative) stance, e.g. **Positive:** *'COIDA eliminates time and costs spent✓ on lengthy civil court proceedings.'*✓
 - 11.2 When 'critically evaluate' is used, candidates are expected to respond in either a positive/negative manner or take a neutral (positive and negative) stance. In this instance candidates are also expected to support their responses with more depth, e.g. *'COIDA eliminates time and costs spent✓ on lengthy civil court proceedings✓, because the employer will not be liable for compensation to the employee for injuries sustained during working hours as long as it can be proved that the business was not negligent.'*✓
- NOTE:** 1. The above could apply to 'analyse' as well.
2. Note the placing of the tick (✓) in the allocation of marks.
12. The allocation of marks must be informed by the nature of the question, cognitive verb used, mark allocation in the marking guideline and the context of each question.

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

14. **SECTION B**

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



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

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

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

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

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

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

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

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

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

15. **SECTION C**

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

Introduction	Maximum: 32
Content	
Conclusion	
Insight	8
TOTAL	40

15.2 Insight consists of the following components:

Layout/Structure	Is there an introduction, a body, and a conclusion?	2
Analysis and interpretation	Is the candidate able to break down the question into headings/subheadings/interpret it correctly to show understanding of what is being asked? Marks to be allocated using this guide: All headings addressed: 1 (One 'A') Interpretation (16 to 32 marks): 1 (One 'A')	2
Synthesis	Are there relevant decisions/facts/responses made based on the questions? Option 1: Only relevant facts: 2 marks (No '-S') Where a candidate answers 50% or more of the question with only relevant facts; no '-S' appears in the left margin. Award the maximum of TWO (2) marks for synthesis. Option 2: Some relevant facts: 1 mark (One '-S') Where a candidate answers less than 50% of the question with only OR some relevant facts; one '-S' appears in the left margin. Award a maximum of ONE (1) mark for synthesis. Option 3: Some relevant facts: 1 mark (One '-S') Where a candidate answers FOUR sub-question, but one/two/three sub-questions with no relevant facts; one '-S' appears in the left margin. Award a maximum of ONE (1) mark for synthesis. Option 4: No relevant facts: 0 marks (Two '-S') Where a candidate answers less than 50% (only one sub-question) of the questions with no relevant facts; two '-S' appears in the left margin. Award a ZERO mark synthesis.	2
Originality	Is there evidence of one or two examples, not older than two (2) years that are based on recent information, current trends and developments?	2
TOTAL FOR INSIGHT:		8
TOTAL MARKS FOR FACTS:		32
TOTAL MARKS FOR ESSAY (8 + 32):		40

- NOTE:**
- The candidate must respond to at least any **TWO** of the four sub-questions in the **INTRODUCTION** and at least **ONE** of the four sub-questions in the **CONCLUSION**. Verbatim quoting of definitions/facts from credible sources is strongly discouraged.
 - The candidate forfeits marks for layout if the words **INTRODUCTION** and **CONCLUSION** are not stated.
 - No marks will be awarded for layout, if the headings **INTRODUCTION** and **CONCLUSION** are not supported by an explanation.
 - No marks will be awarded for contents repeated from the introduction and conclusion.

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

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

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

SECTION A

QUESTION 1

- 1.1
- 1.1.1 C ✓✓
 - 1.1.2 A ✓✓
 - 1.1.3 C ✓✓
 - 1.1.4 B ✓✓
 - 1.1.5 A ✓✓

(5 x 2) (10)

- 1.2
- 1.2.1 environment ✓✓
 - 1.2.2 Consumer Protection Act ✓✓
 - 1.2.3 headhunting ✓✓
 - 1.2.4 assurance ✓✓
 - 1.2.5 recruitment ✓✓

(5 x 2) (10)

- 1.3
- 1.3.1 C ✓✓
 - 1.3.2 G ✓✓
 - 1.3.3 E ✓✓
 - 1.3.4 A ✓✓
 - 1.3.5 I ✓✓

(5 x 2) (10)

TOTAL SECTION A: 30

BREAKDOWN OF MARKS

QUESTION 1	MARKS
1.1	10
1.2	10
1.3	10
TOTAL	30

SECTION B

Mark the **FIRST TWO** answers only.

QUESTION 2: BUSINESS ENVIRONMENTS

2.1 Pillars of the Broad-Based Black Economic Empowerment Act

- Management control ✓
- Ownership ✓
- Enterprise and supplier development / ESD ✓
- Skills development ✓
- Socio-economic development / Social responsibility ✓

NOTE: Mark the first FOUR (4) only.

(4 x 1) (4)

2.2 Meaning of learnership

- Agreement between a learner/trainee and an employer/a training provider ✓ to use the workplace as an active learning environment. ✓
- Theoretical/Practical training opportunities ✓ that can lead to a recognised occupational qualification. ✓
- Structured learning programme completed during work hours ✓ for a specified period of time. ✓
- 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 other relevant answer related to the meaning of learnership.**

Max (6)

2.3 Integration strategies from statements

- 2.3.1 Backward vertical integration ✓✓ **(2)**
- 2.3.2 Forward vertical integration ✓✓ **(2)**
- 2.3.3 Horizontal integration ✓✓ **(2)**

2.4 Act applicable to the scenario

- 2.4.1 Compensation for Occupational Injuries and Diseases Act, 1993 (Act 130 of 1993)/Compensation for Occupational Injuries and Diseases Amendment Act, 1997 (Act 61 of 1997) ✓✓

NOTE: Also accept COIDA/Compensation for Injuries and Diseases Act.

Max (2)

2.4.2 Actions that can be regarded as discriminatory

- The management of CM failed to report serious incidents to the Commissioner on time. ✓
- They also bribe their employees not to report injuries sustained while on duty. ✓

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

Max (2)

2.5 Rights of consumers in terms of the National Credit Act

Consumers have a right to:

- Apply for credit ✓ and to be free from discrimination. ✓
- Obtain reasons ✓ for credit being refused. ✓
- Receive pre-agreement documentation ✓ before concluding any credit transaction. ✓
- Fair ✓ and responsible marketing. ✓
- 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 information ✓ in plain and understandable language. ✓
- Receive documents/statements ✓ as required by the Act. ✓
- Access and challenge credit records ✓ and information. ✓
- 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 other relevant answer related to the consumer rights as stipulated in the NCA.**

Max (4)

2.6 Funding of Sector Education and Training Authorities/SETAs

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

Max (4)

2.7 Rights of employers in terms of the Labour Relations Act/LRA

Employers have the right to:

- 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 other relevant answer related to the rights of employers in terms of the LRA.**

Max (6)

2.8 Advantages of intensive strategies

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

Max (6)

BREAKDOWN OF MARKS

QUESTION 2	MARKS
2.1	4
2.2	6
2.3	6
2.4.1	2
2.4.2	2
2.5	4
2.6	4
2.7	6
2.8	6
TOTAL	40

QUESTION 3: BUSINESS OPERATIONS

3.1 Examples of employee/fringe benefits

- Medical Aid Fund / Health Insurance Fund ✓
- Pension Fund ✓
- Provident Fund ✓
- Funeral benefits ✓
- Allowances / Car / Travel / Housing / Cell phone / Clothing ✓
- Performance-based incentives ✓
- Issuing of bonus shares ✓
- Staff discount / Free or low-cost meals / Canteen facilities ✓
- **Any other relevant examples of fringe benefits.**

NOTE: Mark the first FOUR (4) only.

(4 x 1) (4)

3.2 Legal requirements of an employment contract

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

Max (4)

3.3 Induction

3.3.1 Aspects of the induction programme from the scenario

- Safety regulations and rules ✓
- An overview of the business ✓

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

2. Only award marks for responses from the scenario.

(2 x 1) (2)

3.3.2 Benefits of induction for businesses

- Allows new employees to settle in quickly ✓ and work effectively. ✓
- Ensures 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 focussed 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 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 (4)

3.4 Impact of external recruitment

Positives/Advantages

- New candidates bring new talents/ideas/experiences/skills into the business. ✓✓
- There is a larger pool of candidates from which to choose. ✓✓
- It may help the business to meet affirmative action/BBBEE targets. ✓✓
- Minimises unhappiness/conflict amongst current employees who may have applied for the post. ✓✓
- There is a better chance of getting a suitable candidate with the required skills / qualifications / competencies who does not need much training/development which reduce costs. ✓✓
- New employees may add value to the overall efficiency/productivity of the business. ✓✓

- **Any other relevant answer related to the positive impact/advantages of external recruitment on businesses.**

AND/OR

Negatives/Disadvantages

- Information on CV's/from referees may not be reliable. ✓✓
- Many unsuitable applications can slow down the selection process. ✓
- New candidates generally take longer to adjust to a new work environment. ✓✓
- External sources can be expensive, such as recruitment agencies' fees/ advertisements in newspapers/magazines. ✓✓
- The selection process may not be effective as an incompetent candidate may be chosen. ✓✓
- Recruitment process takes longer as background checks must be conducted/is time-consuming due to the lengthy process of finding a suitable candidate. ✓✓
- In-service training may be needed which decreases productivity during the time of training. ✓✓
- External recruitment may limit promotion/growth opportunities that could lead to resentment amongst employees. ✓✓
- **Any other relevant answer related to the negative impact/disadvantages of external recruitment on businesses.**

Max (6)

3.5 Benefits of a good quality management system

- Effective customer services are rendered, resulting in increased customer satisfaction. ✓✓
- Time and resources are used efficiently. ✓✓
- Productivity increases through proper time management/using high quality resources. ✓✓
- Products/Services are constantly improved resulting in increased levels of customer satisfaction. ✓✓
- Vision/Mission/Business goals may be achieved. ✓✓
- A 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/financial sustainability as more customers improves profitability. ✓✓
- Improves business image as there are less defects/returns. ✓✓
- **Any other relevant answer related to the benefits of a good quality management system.**

Max (4)

3.6 **TQM elements from the scenario**

TQM ELEMENTS	MOTIVATIONS
1. Total Client/Customer Satisfaction ✓✓	The management of MDL conducts monthly survey requesting customers feedback on quality of their products. ✓
2. Continuous Skills Development/ Education and Training ✓✓	They also ensure that their employees attend workshops on regular basis to increase productivity. ✓
Submax (4)	Submax (2)

- NOTE:**
1. Mark the first TWO (2) only.
 2. The answer does not have to be in tabular format.
 3. Award marks for the steps of the TQM elements even if the motivations were incomplete.
 4. Do not award marks for the motivations if the TQM elements were incorrectly identified.

Max (6)

3.7 **Impact of total quality management/TQM if 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. ✓
- Businesses' 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 processes/systems ✓ could result in errors/deviations from pre-set quality standards. ✓
- **Any other relevant answer related to the impact of TQM if poorly implemented by businesses.**

Max (4)

3.8 **Role 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 suggestions 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 role of quality circles as part of continuous improvement to processes and systems.**

Max (4)

BREAKDOWN OF MARKS

QUESTION 3	MARKS
3.1	4
3.2	4
3.3.1	2
3.3.2	4
3.4	6
3.5	4
3.6	6
3.7	6
3.8	4
TOTAL	40

QUESTION 4: MISCELLANEOUS TOPICS

BUSINESS ENVIRONMENTS

4.1 Provisions of leave as stipulated in the BCEA

- Annual leave ✓
- Sick leave ✓
- Maternity leave ✓
- Parental leave ✓
- Family responsibility leave ✓

NOTE: Mark the first FOUR (4) only.

(4 x 1) (4)

4.2 Role of SETAs in supporting the Skills Development Act/SDA

- Report to the Director General ***on the development and implementation of sector skills plans.*** ✓✓
- Promote and establish learnerships. ✓✓
- Collect levies and pay 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/training providers. ✓✓
- Oversee training in different sectors of the South African economy. ✓✓
- Develop sector 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 businesses that are complying with the requirements of the Skills Development Act. ✓✓
- Identify suitable workplaces for practical work experience. ✓✓
- **Any other relevant answer related to the role of SETAs in supporting the SDA.**

Max (4)

4.3 Steps in strategy evaluation

4.3.1 Steps in strategy evaluation from the scenario

- SC examined the underlying basis of their strategy throughout the implementation process. ✓
- They also analysed the impact of the implemented strategy on their internal and external environments. ✓

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

2. Only award marks for responses that are quoted from the scenario.

(2 x 1) (2)

4.3.2 Other steps in strategy evaluation

- Look forward and backwards ✓ into the implementation process. ✓
- Compare the expected performance ✓ with the actual performance. ✓
- 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/expected when strategies were implemented. ✓
- **Any other relevant answer related to other steps in strategy evaluation.**

NOTE: 1. Accept steps in any order.

2. Do not award marks for responses that were quoted in QUESTION 4.3.1.

Max (4)

4.4 Types of defensive strategies

4.4.1 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 share in another business. ✓
- **Any other relevant answer related to divestiture as a type of defensive strategy.**

Strategy (2)

Discussion (1)

Submax (3)

4.4.2 Retrenchment ✓✓

- Terminating employment contracts/Letting go of employees for operational reasons/to 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 a type of defensive strategy.**

Strategy (2)

Discussion (1)

Submax (3)

4.4.3 Liquidation ✓✓

- Selling all assets/Bringing the business activities to an end to pay creditors due to lack of capital. ✓
- Selling the entire business in order to pay shareholders a fair price for their shares. ✓
- Allowing creditors to apply for forced liquidation in order to have their claims settled. ✓
- **Any other relevant answer related to liquidation as a type of defensive strategy.**

Strategy (2)

Discussion (1)

Submax (3)

NOTE: Mark the first TWO (2) only.

Max (6)

BUSINESS OPERATIONS

4.5 Salary determination methods

- Piecemeal ✓
- Time-related ✓

NOTE: Mark the first TWO (2) only.

(2 x 1) (2)

4.6 Role of the interviewee during an 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. ✓✓
- Show respect and treat the interview with its due importance. ✓✓
- Be honest about mistakes and explain how you dealt with them. ✓✓
- Know your strengths and weaknesses and be prepared to explain them. ✓✓
- Ask clarity seeking questions, about the job/position offered. ✓✓
- Thank the interviewer for the opportunity given to be part of the interview. ✓✓
- Any other relevant answer related to the role of the interviewee during the interview.

Max (4)

4.7 Difference between *quality management* and *quality 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.
Submax (2)	Submax (2)

- NOTE:**
1. The answer does not have to be in tabular format.
 2. The difference does not have to link, but must be clear.
 3. Award a maximum of TWO (2) marks if the difference is not clear/Mark either quality management or quality performance only.

Max (4)

4.8 **Quality indicators of business functions**

4.8.1 **Business function that contributes to the success of the business from the scenario**

Purchasing function ✓✓

Max (2)

4.8.2 **Quality indicators of the purchasing function**

- Place orders timeously ✓ and do regular follow-ups to ensure that goods are delivered on time. ✓
- Effective co-ordination between the purchasing and production departments ✓ so that purchasing staff understand the production process/requirements. ✓
- Required quantities should be delivered ✓ at the right time and place. ✓
- Implement/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 processes. ✓
- 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 ✓ to apply the correct procurement procedures/processes. ✓
- **Any other relevant answer related to the quality indicators of the purchasing function.**

Max (4)

4.9 **Ways in which total quality management/TQM can reduce the cost of quality**

- Introduce quality circles to discuss ways of improving the quality of their work/workmanship. ✓✓
- Schedule activities to eliminate duplication of tasks. ✓✓
- Share responsibilities for quality output amongst management and workers. ✓✓
- Train employees at all levels, so that everyone understands their roles 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 the quality challenges/deviations, so that everyone can learn from past experiences. ✓✓
- 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 (4)

**BREAKDOWN OF MARKS**

QUESTION 4	MARKS
4.1	4
4.2	4
4.3.1	2
4.3.2	4
4.4	6
4.5	2
4.6	4
4.7	4
4.8.1	2
4.8.2	4
4.9	4
TOTAL	40

TOTAL SECTION B: 80

SECTION C

Mark the answers to the FIRST question only.

QUESTION 5: BUSINESS ENVIRONMENTS (BUSINESS STRATEGIES)

5.1 Introduction

- The strategic management process allows businesses to develop turnaround strategies to enhance/improve their operations. ✓
- A critical analysis of Porter's Five Forces model requires businesses to conduct continuous research on latest developments in the market. ✓
- The effective implementation of intensive strategies enables businesses to gain a competitive advantage in the market. ✓
- Diversification strategies provides growth opportunities for businesses as they can identify the strengths and weaknesses of each product line. ✓
- **Any other relevant introduction related to the strategic management process/Porter's Five Forces model/intensive strategies/advantages of diversification strategies.**

Any (2 x 1) (2)

5.2 Strategic management process

OPTION 1

- Have a clear vision/mission statement/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. ✓✓
- Implement selected strategies by communicating it to all stakeholders/ organising business resources/motivating staff. ✓✓
- Continuously evaluate/monitor/measure strategies order to take corrective action. ✓✓

OR

OPTION 2

- Review/Analyse/Re-examine their vision/mission statement. ✓✓
- Conduct an environmental 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/objectives are met. ✓✓
- **Any other relevant answer related to the strategic management process.**

Max (12)

5.3 Application of Porter's Five Forces model

5.3.1 Power of buyers

- Assess how easy it is for buyers/customers ✓ to drive prices down. ✓
- Determine the number of buyers/the importance of each buyer to the business ✓ and the cost of switching to other products. ✓
- A few powerful buyers are often able to dictate ✓ their terms to the business. ✓
- Buyers buying in bulk can bargain ✓ for prices in their favour. ✓
- If buyers can do without the business's products ✓ then they have more power to determine the prices and terms of sale. ✓
- Conduct market research ✓ to gather more information about buyers/customers. ✓
- **Any other relevant answer related to how businesses could apply the power of buyers to analyse their position in the market environment.**

Submax (4)

5.3.2 Power of suppliers

- Assess the power of the 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 of products/services/reliability/ability to make prompt deliveries. ✓
- **Any other relevant answer related to how businesses could apply power of suppliers to analyse their position in the market environment.**

Submax (4)

5.3.3 Threat of substitution

- Establish whether the sellers of substitute products ✓ have improved their product/sell lower quality goods at lower prices. ✓
- If the business's product can be easily substituted ✓, it weakens the power of the business in the market. ✓
- 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 how businesses could apply the threat of substitution/substitutes to analyse their position in the market environment.**

Submax (4)

Max (12)

5.4 Types of intensive strategies

5.4.1 Market penetration ✓✓

- New products penetrate an existing market at a low price, ✓ until it is well known to the customers and then the price increases. ✓
- Businesses focus on selling existing products into existing markets ✓ to increase their market share. ✓
- Businesses use market research on existing clients ✓ to decide on how to improve their marketing mix. ✓
- Aggressive marketing campaigns such as lowering prices ✓ are used to attract potential/existing clients. ✓
- Embark on an intensive advertising campaign ✓ to increase awareness and customer loyalty. ✓
- Employ more sales staff ✓ to improve sales/services. ✓
- **Any other relevant answer related to market penetration as a strategy.**



Strategy (2)
Discussion (2)
Submax (4)

5.4.2 Market Development ✓✓

- It is a growth strategy where businesses aim to sell their existing products ✓ in new markets. ✓
- Businesses target consumers in a potential market ✓ that is outside of its normal target market. ✓
- Increasing sales of existing products ✓ by finding new ways to develop new markets. ✓
- Prices are reviewed to cater for customers/consumers ✓ of all income levels. ✓
- **Any other relevant answer related to market development as a strategy.**

Strategy (2)
Discussion (2)
Submax (4)

5.4.3 Product development ✓✓

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

Strategy (2)
Discussion (2)
Submax (4)

Max (12)

5.5 Advantages of diversification strategies

- Increases 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 several industries or product lines 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)**5.6 Conclusion**

- Businesses should always assess their strategic management process to be able to respond effectively to new trends in the market. ✓✓
- The correct application of Porter's Five Forces model allows businesses to develop relevant business strategies that may yield fruitful results. ✓✓
- It is important for businesses to conduct comprehensive marketing campaigns when implementing various types of intensive strategies. ✓✓
- The financial sustainability of businesses is significantly improved through the correct application of diversification strategies. ✓✓
- The effective implementation of diversification strategies may result in financial stability and future business prospects. ✓✓
- **Any other relevant conclusion related to strategic management process/Porter's Five Forces model/types of intensive strategies/advantages of diversification strategies.**

Any (1 x 2) (2)



QUESTION 5: BREAKDOWN OF MARK ALLOCATION

DETAILS	MAXIMUM	TOTAL
Introduction	2	Max 32
Strategic management process	12	
Application of Porter's Five Forces model	12	
Types of intensive strategies	12	
Advantages of diversification strategies	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.

QUESTION 6: BUSINESS OPERATIONS (HUMAN RESOURCES FUNCTION)

6.1 Introduction

- All screening procedures should be conducted within the framework of the Employment Equity Act (EEA) to ensure fairness. ✓
- Shortlisted applicants should be interviewed in order to evaluate their suitability for the job by the interviewer. ✓
- Employees contracts have many legalities that businesses must ensure they abide to. ✓
- HRM should operate within the boundaries of the EEA. ✓
- **Any other relevant introduction related to screening, legal requirements of the employment contract/role of interviewer before an interview/the implications of the Employment Equity Act (EEA) on the human resources function.**

Any (2 x 1) (2)

6.2 Screening procedure

- Check application documents against the requirements of the job. ✓✓
 - Candidates who meet the minimum requirements are separated from others. ✓✓
 - Conduct 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 procedure.**
- NOTE: The procedure can be in any order.**

Max (8)

6.3 Reasons for the termination of an employment contract

- The employer may dismiss an employee for (a) 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 by resigning voluntarily ✓ for better job opportunities. ✓
- An employee may have reached the predetermined age ✓ for retirement. ✓
- Incapacity to work ✓ due to illness/injuries. ✓
- By mutual agreement ✓ between the employer and employee. ✓
- The duration of the employment contract ✓ expires/comes to an end. ✓
- **Any other relevant answer related to the reasons for termination for the employment contract.**

NOTE: Award a maximum of TWO (2) marks for only naming the reasons.

Max (12)

6.4 Role of interviewer before an interview

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

Max (12)

6.5 The implications of the Employment Equity Act (EEA) on the human resources function

- Equal pay for the work value. ✓✓
- Ensure that affirmative action promotes diversity in the workplace. ✓✓
- The human resource manager must treat employees fairly and promote/provide equal opportunities in the workplace. ✓✓
- Retrain/Develop/Train designated groups through skills development programmes. ✓✓
- Define the appointment process clearly to ensure all parties are well informed. ✓✓
- Compile employment equity plans that indicate how they will implement affirmative action. ✓✓
- Assign a manager to ensure that the employment equity plan will be implemented/regularly monitored. ✓✓
- Display a summary of the Act where employees can clearly see it/have access to it. ✓✓
- Report to the Department of Labour on the progress in the implementation of equity. ✓✓
- 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. ✓✓
- **Any relevant answer related to the implications of the EEA on human resource function.**

Max (14)

6.6 Conclusion

- Employees are the most important resource in any business and its success is strongly influenced by recruiting and appointing quality employees. ✓✓
- A well prepared and organised interview process will result in identifying and appointing the most suitable and deserving candidate. ✓✓
- The EEA not only promotes and regulates affirmative action, but also gives guidance in conducting a fair appointment process. ✓✓
- The employment contract should adhere to the stipulations of the law and not disadvantage employees. ✓✓
- **Any other relevant conclusion related to screening, legal requirements of the employment contract/role of interviewer before an interview/the implications of the Employment Equity Act (EEA) on the human resources function.**

Any (1 x 2) (2)

QUESTION 6: BREAKDOWN OF MARK ALLOCATION

DETAILS	MAXIMUM	TOTAL
Introduction	2	Max 32
Screening procedure	8	
Legal requirements of an employment contract	12	
Role of interviewer before an interview	12	
Implications of the EEA on the human resources function	14	
Conclusion	2	8
INSIGHT		
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.

TOTAL SECTION C: 40

GRAND TOTAL: 150