



education

Department:
Education

PROVINCE OF KWAZULU-NATAL
ILEMBE DISTRICT

BUSINESS STUDIES
TERM ONE 2025
CASE STUDY
GRADE 12

Stanmorephysics.com

Issue date:

Duration: 2 Hours

TOPICS ASSESSED:

1. Impact of recent legislation
2. Human Resources Management
3. Professionalism and ethics
4. Creativity thinking and problem solving

Submission date:

Total marks: 50

Note:

1. Learners should be informed of the topics to be assessed.
2. The case study must be administered and completed within two hours under controlled conditions.
3. The task must be completed individually. Group work is not allowed.
4. Write neatly and legibly.
5. Number your answers correctly as indicated in the question paper.

INSTRUCTIONS

Read the case study below and answer the questions that follow:

Volkswagen, Mercedes and BMW win SA court battle over fee refunds to car owners

A new high court judgement brings good news for VW, Mercedes and BMW financing arms- but vehicle owners may be disappointed that they won't get refunds for so called "on-the-road" (OTR) charges.

In 2017, the National Credit Regulator (NCR) ordered the companies to repay (OTR) fees and other fees that were added to vehicle loans and accrued interest over the years. The OTR fees include pre-delivery safety check costs, roadworthy certificates, and fuel costs. The Credit Regulator contended that these charges were not allowed in terms of the National Credit Act (NCA) and shouldn't be added to vehicle loans. The regulator went as far as declaring that it was a criminal offence to charge these fees.

The companies appealed that order. In 2019, the National Consumer Tribunal confirmed that VW Financial services had to repay the money, but two years later, it cancelled a compliance order against BMW Financial Services and Mercedes-Benz Finance Services.

The three companies and the NCR appealed the tribunal's conflicting decision in the High Court. This month the North Gauteng High Court in Pretoria ruled that they did nothing wrong by financing OTR fees. They didn't charge them, they merely financed them. Although the NCR argued during the appeal hearings that OTR fees were not contained in the list of permissible charges under the NCA, the financiers argued that they operated separately from their car dealers. VW further stated that they had recruited their best car dealers through newspapers. VW also argued that they followed the correct procedure during their process of induction. VW further outlined they also implemented the following legislation EEA and BCEA during the appointment of their car dealers. They also stated that car financiers used their creativity when deciding on financing OTR fees or charges. Mercedes-Benz also elaborated that it has increased its BroadBased Black Economic Empowerment (BBBEE) ownership to a revised 20% target, with a significant worker ownership component. As a company (Mercedes-Benz) a negative court ruling will affect the company's image.

Therefore, it would be absurd if they ended up being the ones who have to repay the consumers.

Two of the high court judges agreed that dealers and financiers perform separate roles which complement each other.

Adapted : <https://www.news24.com/fin24/companies/volkswagen-mercedesand-bmw-win-sa-court-battle-over-fee-refunds-to-car-owners-20230130> "SA Money Daily", The biggest business, economic and market news of the day. Date:20/01/23

QUESTION ONE: Impact of recent legislation

1.1 Identify the provision of the Basic Conditions of Employment Act (BCEA) contained in each statement below:

1.1.1 Management does not employ workers who are younger than 16 years old. (2)

1.1.2 One of the male employees took three day's leave after the birth of his child. (2)

1.1.3 Employees are generally not allowed to work more than ten hours extra a week. (2)

1.2 Explain the purpose of the National Credit Act (NCA) (6)

1.3 Advise VW, Mercedes-Benz and BMW, TWO ways they can comply with the NCA. (4)

1.4 Discuss the implications of management and control as a pillar of BBBEE. (4)

1.5 Name THREE other pillars of the BBBEE Act (3)

[23]

QUESTION TWO: Human Resources Management

2.1 Identify the recruitment method that VW used when recruiting their dealers. Motivate your answer by quoting from the scenario above. (3)

2.2 Elaborate on the advantages of the recruitment method identified in QUESTION 2.1 (6)

2.3 State TWO aspects that should be included in an induction programme (2)

2.4 Discuss the benefits of induction to VW (6)

[17]

QUESTION THREE: Professionalism and ethics

3.1 Name TWO unprofessional business practices. (2)

3.2 Suggest to VW, Mercedes -Benz and BMW, TWO strategies that they can use to deal with the unethical business practice in the rural areas. (4)

QUESTION FOUR: Creativity thinking and problem solving

4. Outline to VW the benefits of promoting creativity in the workplace. (4)

[10]

TOTAL : [50]



education

Department:
Education
PROVINCE OF KWAZULU-NATAL

ILEMBE DISTRICT

BUSINESS STUDIES

TERM ONE 2025

CASE STUDY

GRADE 12

Stanmorephysics.com

MARKING GUIDELINE Notes

to markers:

1. Candidates' responses must be in full sentences. However, this would depend on the nature of the question.
2. 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
3. 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.)
4. Correct numbering of answers to questions or sub questions is recommended. However, if the numbering is incorrect, follow the sequence of the candidate's responses.
5. No additional credit must be given for repetition of facts. Indicate with an 'R'.
6. 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. this applies only to questions where the number of facts is specified.

QUESTION ONE: Impact of recent legislation

1.1 Provisions of the Basic Conditions of Employment Act (BCEA)

1.1.1 Child labour/ forced labour ✓✓ (2)

1.1.2 Family responsibility leave / paternity leave ✓✓ (2)

1.1.3 Overtime ✓✓ (2)

1.2 Purpose of the National Credit Act.

- Promotes the social ✓ and financial interests of South African consumers. ✓
- Promotes a fair/competitive ✓ credit market. ✓
- Promotes responsible granting of credit ✓ by credit providers. ✓
- Ensures that customers are well informed ✓ about what is included in their credit contracts. ✓
- Ensures that credit is equally available ✓ to all consumers. ✓
- Protects consumers from unfair business practices ✓ where credit is involved. ✓
- Protects lenders and borrowers from negligent lending practices ✓ that results in over-indebtedness for consumers. ✓
- Ensures that credit bureau/credit providers/debt counsellors ✓ are registered to avoid consumer exploitation. ✓
- Creates national standards ✓ for the credit industry. ✓
- Any other relevant answer related to the purpose of the NCA

Max (6)

1.3 TWO ways in which VW, Mercedes-Benz and BMW can comply with the NCA

- Credit providers must be registered with the National Credit Regulator ✓✓
- Businesses must submit an annual compliance report to the National Credit Regulator ✓✓
- Conduct affordability assessment to ensure the consumer has the ability to meet his/her obligation. ✓✓
- Conduct a credit check with a registered credit bureau and could also consult the National Credit Register. ✓✓
- Credit providers must have procedures in place to comply with the provision of the Financial Intelligence Centre Act (FICA). ✓✓
- Verify the identity of clients, report suspicious transactions/train staff on their obligations in terms of FICA. ✓✓
- Any other relevant answer related to ways in which VW, Mercedes-Benz and BMW can comply with the NCA

Max (4) **Note: Mark the first TWO ways only.**

1.4 Implications of management and control as a pillar of BBEE

- Business must ensure ✓ that transformation is implemented at all levels ✓
- Appoint black people ✓ in senior executive positions/to management ✓
- Involve black people ✓ in the decision making processes. ✓
- Ensure that black females ✓ are represented in management. ✓
- Businesses are directly penalised ✓ for not implementing this pillar. ✓
- Businesses score points in both management and ownership ✓ when selling more than 25 % of their shares to black investors so that some of them can become directors. ✓
- Due to a shortage of skilled black managers/directors ✓, some businesses find it difficult to make appointments. ✓
- Any other relevant answer related to the implications of management and control as a pillar of BBEE.

Max (4)

1.5 THREE other pillars of the BBEE Act

- Ownership ✓
- Enterprise and supplier development ✓
- Skills development ✓
- Employment equity ✓
- Socio-economic development / social responsibility ✓

Max (3)

Note: Mark the first THREE pillars only.

QUESTION TWO: Human Resources Management

2.1 Identification: External recruitment ✓ ✓ (2)

Motivation: VW stated they had recruited their best car dealers through newspapers. ✓ (1)

**Note: 1. Do not award marks for the motivation if the identification is incorrect.
2. The motivation must be from the scenario.**

2.2 Advantages of external recruitment method

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

- Any other relevant answer related to advantages of external recruitment method

Max (6)

2.3 TWO aspects that should be included in an induction programme

- Safety regulations and rules ✓
- Overview of the business. ✓
- Information about the business products/services. ✓
- Meeting with senior management who will explain the company's vision/values/job descriptions/daily tasks. ✓
- Tour of the premises. ✓
- Introduction to key people and immediate colleagues. ✓
- Conditions of employment, e.g. working hours/leave application process /disciplinary procedures ✓, etc.
- Administration details on systems/processes/logistics. ✓
- Discussion of the employment contract and conditions of service. ✓
- Discussion of personnel policies, e.g. making private phone calls/using the Internet ✓, etc.
- Discussion of employee benefits. ✓
- Corporate social responsibility programme. ✓
- Any other relevant answer related to aspects that should be included in an induction programme.

(2)

Note: Mark the FIRST two aspects only.

Stanmorephysics.com

2.4 Benefits of induction

- New employees who are familiar with the business's policies/procedures ✓ may easily adapt to his/her new work environment. ✓
- New employees learn more about the business ✓ and understand their role in the business/what is expected in the job. ✓
- Increased productivity ✓ and quality of service/performance. ✓
- Minimises the need ✓✓ for on-going training and development. ✓
- Better/More focused training may be provided ✓ based on the results obtained from the induction process. ✓
- New employees will understand rules/restrictions ✓ in the business. ✓
- New employees will know where everything is ✓ and who the supervisors/low-level managers are for better communication purposes. ✓
- New employees may feel part of the team ✓ resulting in positive morale/ motivation. ✓
- Any other relevant answer related to the benefits of induction.

Max (6)

QUESTION THREE: Professionalism and ethics

3.1 Unprofessional business practice

- Sexual harassment ✓
- Unauthorised use of workplace funds and resources ✓
- Abuse of work time ✓

Note: Mark the first TWO unethical business practice.

Max (2)

3.1 Strategies that can be used to deal with the unethical business practice of pricing in the rural area.

- Businesses should be fair and apply reasonable pricing. ✓✓
- Access to rural areas should be increased, so that more products and a bigger variety is available. ✓✓
- Consumers in rural areas should insist on prices being fair and report any unfair pricing. ✓✓
- Entrepreneurship should be encouraged in these areas. ✓✓
- Cost effective ways of transporting the products can be investigated. ✓✓
- Suppliers can work together when delivering products to remote rural areas. ✓✓
- Adam should lobby with other businesses in the area to convince government to improve the infrastructure in the rural area ✓✓
- Avoid unethical business practice to attract customer loyalty ✓✓
- Adam should buy in bulk and get discounts to avoid charging higher prices ✓✓
- Any other relevant answer related to strategies to deal with pricing of goods in rural areas as an unethical business practice.

Max (4)

Note: 1. Mark the first TWO strategies.

2. Award a maximum of TWO marks for negative strategies

QUESTION FOUR: Creativity thinking and problem solving

4. Benefits of promoting creativity in the workplace.

- Better/Unique/Unconventional ideas/solutions is generated. ✓✓
- May give the business a competitive advantage if unusual/unique solutions/ideas/strategies are implemented. ✓✓
- Complex business problems may be solved. ✓✓
- Productivity increases as management/employees may quickly generate multiple ideas which utilises time and money more effectively. ✓✓
- Managers/Employees have more confidence as they can live up to their full potential. ✓✓
- Managers will be better leaders as they will be able to handle/manage change(s) positively and creatively. ✓✓
- Managers/Employees can develop a completely new outlook, which may be applied to any task(s) they may do. ✓✓
- Leads to more positive attitudes as managers/employees feel that they have contributed towards problem solving. ✓✓

- Improves motivation amongst staff members. ✓✓
- Managers/Employees have a feeling of great accomplishment and they will not resist/obstruct the process once they solved a problem/contributed towards the success of the business. ✓✓
- Management/employees may keep up with fast changing technology. ✓✓
- Stimulates initiative from employees/managers, as they are continuously pushed out of their comfort zone. ✓✓
- Creativity may lead to new inventions which improves the general standard of living. ✓✓
- Any other relevant answer related to the benefits of promoting creative thinking in the workplace.

Max (4)

Total: 50

Cognitive grid

Ques. No	Basic	Moderate	High
1.1	6		
1.2		6	
1.3			4
1.4		4	
1.5	3		
2.1	2		1
2.2		6	
2.3	2		
2.4		6	
3.1	2		
3.2			4
4		4	
Total	15	26	9
%	30%	52%	18%
Difference	0	+2	-2