



basic education

Department:
Basic Education
REPUBLIC OF SOUTH AFRICA

**NATIONAL
SENIOR CERTIFICATE**

GRADE 12

BUSINESS STUDIES P1

NOVEMBER 2025

MARKS: 150

TIME: 2 hours

This question paper consists of 10 pages.



INSTRUCTIONS AND INFORMATION

Read the following instructions carefully before answering the questions.

- 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.

- 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 answer to the FIRST question selected in SECTION C will be marked.

- 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.
- Except where other instructions are given, answers must be written in full sentences.
- Use the mark allocation and nature of each question to determine the length and depth of an answer.
- Use the table below as a guide for mark and time allocation when answering each question.

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

- Begin the answer to EACH question on a NEW page, e.g. QUESTION 1 – new page, QUESTION 2 – new page.
- You may use a non-programmable calculator.
- Write neatly and legibly.

SECTION A (COMPULSORY)**QUESTION 1**

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

1.1.1 This Act requires businesses to display information of their products on packaging:

- A Employment Equity Act (EEA), 1998 (Act 55 of 1998)
- B Labour Relations Act (LRA), 1995 (Act 66 of 1995)
- C Consumer Protection Act (CPA), 2008 (Act 68 of 2008)
- D National Credit Act (NCA), 2005 (Act 34 of 2005)

1.1.2 Smith Stores uses outdated computers which prevent access to online transactions. This challenge is classified as a ... factor of the PESTLE analysis.

- A technological
- B political
- C legal
- D social

1.1.3 Highway Manufacturing operate in the ... sector as they produce office chairs from timber and steel.

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

1.1.4 The role of the interviewer during an interview is to ...

- A make the interviewee feel at ease.
- B ask clarity-seeking questions about the position.
- C assist candidates in responding to questions.
- D be inquisitive and show interest in the business.

1.1.5 Top Limited implemented the ... step of the PDCA model by monitoring processes to determine whether they are functioning effectively.

- A do
- B check
- C plan
- D act

(5 x 2) (10)

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

selection; job specification; National Skills; management;
threat; placement; weakness; performance; job description;
Human Resources

- 1.2.1 The ... Development Strategy aims to increase access to programmes that train people.
- 1.2.2 Eezy Electronics are losing customers due to the high crime rate in the area. This is classified as a ... in the SWOT analysis.
- 1.2.3 The component of the job analysis that outlines the duties and responsibilities of the position is known as ...
- 1.2.4 Themba, the human resources manager, conducts background checks of applicants who qualify for the job during the ... procedure.
- 1.2.5 Blue Manufacturer developed new methods and techniques to improve the quality of their products. This is known as quality ...

(5 x 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 numbers (1.3.1 to 1.3.5) in the ANSWER BOOK, e.g. 1.3.6 K.

COLUMN A	COLUMN B
1.3.1 Black Economic Empowerment	A an agreement between the employer and the employee that is legally binding
1.3.2 Horizontal integration	
1.3.3 Employment contract	B responsible for producing goods at the lowest possible cost
1.3.4 Purchasing function	
1.3.5 Total quality management	C focuses on the ability of a product to satisfy the needs of customers
	D distributes the wealth of the country to a few previously disadvantaged individuals
	E aims at reducing the business' dependency on suppliers
	F an agreement between the employer and the trade union that is legally binding
	G responsible for buying raw materials in bulk at lower prices
	H focuses on achieving customer satisfaction and continuous improvement in all business processes
	I distributes the wealth of the country across a broader spectrum of society
	J aims at reducing the threat of competition

(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 that you choose. The answer to EACH question must start on a NEW page, e.g. QUESTION 2 on a NEW page, QUESTION 3 on a NEW page.

QUESTION 2: BUSINESS ENVIRONMENTS

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

BONA FRAMES (BF)

Bona Frames are well-known for their quality sunglasses and reading spectacles. BF sales have decreased as Bright Eyewear sells unique sunglasses at reasonable prices.

- 2.3.1 Identify the force of Porter's Five Forces model that is applicable to BF. Motivate your answer by quoting from the scenario above. (3)
- 2.3.2 Describe how businesses could apply ONE other force of Porter's Five Forces model to analyse their position in the market environment. (3)
- 2.4 Explain the steps in strategy evaluation. (4)
- 2.5 Discuss any TWO types of intensive strategies. (6)
- 2.6 Read the scenario below and answer the questions that follow.

MEYER FURNITURE (MF)

Meyer Furniture provides customers with facilities to buy goods on credit. MF conducts credit checks with the credit bureau before the granting of credit. They allow customers a five-day cooling-off period to return goods. MF also ensures that their procedures adhere to the provisions of the Financial Intelligence Centre Act (FICA).

- 2.6.1 Quote TWO ways in which MF complies with the National Credit Act (NCA), 2005 (Act 34 of 2005) from the scenario above. (2)
- 2.6.2 Recommend other ways in which businesses can comply with the National Credit Act. (4)
- 2.7 Explain ways in which businesses can apply ownership as a pillar of the Broad-Based Black Economic Empowerment Act (BBBEE), 2003 (Act 53 of 2003). (6)
- 2.8 Advise businesses on the advantages of diversification strategies. (4)

[40]

QUESTION 3: BUSINESS OPERATIONS

- 3.1 Give any FOUR examples of fringe benefits. (4)
- 3.2 Outline the placement procedure as a human resources activity. (6)
- 3.3 Read the scenario below and answer the questions that follow.

FABRIC WHOLESALERS (FW)

Fabric Wholesalers sell different types of material. FW pay their employees according to the number of rolls of material they sell. They have a sound knowledge of the Labour Relations Act (LRA), 1995 (Act 66 of 1995) and its implications on the human resources function.

- 3.3.1 Name the salary determination method applied by FW in the scenario above. (2)
- 3.3.2 Explain the implications of the Labour Relations Act on the human resources function. (4)
- 3.4 Advise businesses on the reasons for the termination of an employment contract. (4)
- 3.5 Outline the difference between *quality control* and *quality assurance*. (4)
- 3.6 Read the scenario below and answer the questions that follow.

BILON MANUFACTURERS (BM)

Bilon Manufacturers produce sport cars. BM schedule their activities to avoid the duplication of tasks. The management of BM shares the responsibility for quality output with employees. BM is also aware of the impact of total quality management (TQM) if it is poorly implemented.

- 3.6.1 Quote TWO ways from the scenario above in which BM apply total quality management (TQM) to reduce the cost of quality. (2)
- 3.6.2 Discuss the impact of total quality management (TQM) if poorly implemented by businesses. (4)
- 3.7 Describe the advantages of monitoring and evaluation of quality processes as a total quality management (TQM) element for large businesses. (6)
- 3.8 Advise businesses on the quality indicators of the public relations function. (4)

[40]

QUESTION 4: MISCELLANEOUS TOPICS

BUSINESS ENVIRONMENTS

- 4.1 Name any TWO types of defensive strategies. (2)
- 4.2 Outline the strategic management process. (4)
- 4.3 Read the scenario below and answer the questions that follow.

GLOBAL FARMS (GF)

Global Farms distribute their fruit locally and internationally. Their exports have decreased due to unfavourable exchange rates. The workers of GF are also not meeting their deadlines because they are often late for work.

Use the table below as a GUIDE to answer QUESTIONS 4.3.1 and 4.3.2.

CHALLENGES (4.3.1)	BUSINESS ENVIRONMENTS (4.3.2)
1.	
2.	

- 4.3.1 Quote TWO challenges for GF from the scenario above. (2)
- 4.3.2 Classify GF's challenges according to the business environments. (2)
- 4.4 Discuss the impact of the Compensation for Occupational Injuries and Diseases Amendment Act (COIDA), 1997 (Act 61 of 1997) on businesses. (6)
- 4.5 Recommend ways in which businesses can deal with the challenges posed by the social factor of the PESTLE analysis. (4)

BUSINESS OPERATIONS

- 4.6 Outline the purpose of induction. (4)
- 4.7 Explain the Unemployment Insurance Fund (UIF) as a benefit required by law. (6)



4.8 Read the scenario below and answer the questions that follow.

FIBERNET LIMITED (FL)

Fibernet Limited supply Wi-Fi routers to businesses and they apply total quality management (TQM) in their operations. FL can afford to conduct research to gather information on the quality of their products. They also benefit from a good quality management system.

4.8.1 Name the total quality management (TQM) element applied by FL in the scenario above. (2)

4.8.2 Explain the benefits of a good quality management system. (4)

4.9 Advise businesses on the role of quality circles as part of continuous improvement to processes and systems. (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 the 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 (LEGISLATION)

The Employment Equity Act (EEA), 1998 (Act 55 of 1998) was established to facilitate the transformation process in the workplace. The implementation of the EEA may have an impact on business operations. Businesses are compelled to comply with the requirements of this Act to avoid facing penalties for non-compliance.

Write an essay on the Employment Equity Act in which you include the following aspects:

- Outline the purpose of the Employment Equity Act.
- Discuss the impact of the Employment Equity Act on businesses.
- Explain ways in which businesses can comply with the Employment Equity Act.
- Advise businesses on penalties they may face for non-compliance with this Act.

[40]

QUESTION 6: BUSINESS OPERATIONS (HUMAN RESOURCES FUNCTION)

Businesses following the correct recruitment procedures will attract the best applicants. The human resources manager could use the internal recruitment method to fill the available vacancies. The interviewer must be well prepared before conducting the interview. Both employers and employees should be aware of the legal requirements of an employment contract.

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

- Outline the recruitment procedure as a human resources activity.
- Discuss the impact of internal recruitment on businesses.
- Explain the role of the interviewer before the interview.
- Advise businesses on the legal requirements of an employment contract.

[40]

TOTAL SECTION C: 40
GRAND TOTAL: 150



basic education

Department:
Basic Education
REPUBLIC OF SOUTH AFRICA

**NATIONAL
SENIOR CERTIFICATE**

GRADE 12

**BUSINESS STUDIES P1
NOVEMBER 2025
MARKING GUIDELINES**

MARKS: 150

These marking guidelines consist of 31 pages



NOTES TO MARKERS

PREAMBLE

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

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

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

Marker:	Red
Senior Marker:	Green
Deputy Chief Marker:	Orange
Chief Marker:	Pink
Internal Moderator:	Black/Blue
DBE Moderator:	Turquoise

2. Candidates' responses must be in full sentences for SECTIONS B and C. However, this would depend on the nature of the question.

3. A comprehensive marking guideline has been provided but this is by no means exhaustive. Due consideration should be given to an answer that is correct but:

- Uses a different expression from that which appears in the marking guideline
- Comes from another credible source
- Original
- A different approach is used

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

4. Take note of other relevant answers provided by candidates which relate to 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 'Sub-max' is used to facilitate the allocation of marks within a question or sub-question.

6. The purpose of circling marks (guided by 'max' in the breakdown of marks) on the right-hand side is to ensure consistency and accuracy in the marking of scripts as well as for calculation and moderation purposes.

7. Subtotals to questions must be written in the right-hand margin. Circle the subtotals as indicated by the allocation of marks. This must be guided by 'max' in the marking guidelines. Only the total for each question should appear in the left-hand margin next to the appropriate question number.

8. In an indirect question, the theory as well as the response must be relevant and related to the question.
9. Correct numbering of answers to questions or 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 Name, state, give, outline, quote, identify, motivate, recommend, suggest, advise (*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 assessing is conducted according to established norms so that uniformity, consistency and fairness are achieved.
13. Mark only the FIRST answer where candidates offer more than one answer for SECTION B and C questions that require one answer.

14. **SECTION B**

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

- 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 the DBE for approval in consultation with the UMALUSI external moderators.

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

14.4.1 If the number of facts is 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, paragraphs 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 (two to four sub-questions) of the question with only relevant facts; no '-S' appears in the left margin. Award the maximum of TWO (2) marks for synthesis. Option 2: Some relevant facts: 1 mark (One '-S') Where a candidate answers less than 50% (only one sub-question) 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-questions, 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 mark (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 for synthesis.	2
Originality	Is there evidence of one example in any TWO of the four sub-questions, 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:**
1. 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.
 2. The candidate forfeits marks for layout if the words INTRODUCTION and CONCLUSION are not stated.
 3. No marks will be awarded for layout, if the headings INTRODUCTION and CONCLUSION are not supported by an explanation.
 4. 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 SUB MAX/MAX mark in a subsection has been attained. Write SUB MAX/MAX after maximum marks have been obtained but continue reading for originality 'O'.
- 15.6 At the end of each essay indicate the allocation of marks for facts and marks for insight as follows: (L – Layout, A – Analysis, S – Synthesis, O – Originality) as in the table below.

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

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

SECTION A

QUESTION 1

- 1.1 1.1.1 C √√
- 1.1.2 A √√
- 1.1.3 D √√
- 1.1.4 A √√
- 1.1.5 B √√ (5 x 2) **(10)**
- 1.2 1.2.1 National Skills √√
- 1.2.2 threat √√
- 1.2.3 job description √√
- 1.2.4 selection √√
- 1.2.5 management √√ (5 x 2) **(10)**
- 1.3 1.3.1 D √√
- 1.3.2 J √√
- 1.3.3 A √√
- 1.3.4 G √√
- 1.3.5 H √√ (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 answers to the **FIRST TWO** questions only.

QUESTION 2: BUSINESS ENVIRONMENTS

2.1 **Types of leave as stipulated in the Basic Conditions of Employment Act/BCEA**

- Annual ✓
- Sick ✓
- Maternity ✓
- Parental/Adoption/Commissioning parental/Paternity ✓
- Family responsibility ✓

NOTE: Mark the first FOUR (4) only.

(4 x 1) (4)

2.2 **Role of SETAs in supporting the Skills Development Act/SDA**

- Report to the Director General. ✓✓
- 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)

2.3 **Porter's Five Forces model**

2.3.1 **Porter's Five Forces model from the scenario**

Competitive rivalry/Power of competitors ✓✓

(2)

Motivation

BF sales have decreased as Bright Eyewear sells unique sunglasses at reasonable prices. ✓

(1)



- NOTE:**
1. Do not award marks for the motivation, if the force of Porter's Five Forces model was incorrectly identified.
 2. Award marks for the force of Porter's Five Forces model even if the motivation was incomplete.

Max (3)

Other force of Porter's Five Forces model

Bargaining power of suppliers/Power of suppliers √√

- Assess the power of the suppliers in influencing prices. √
- Suppliers that deliver high quality/unique/scarce products 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 as a force of Porter's Five forces model to analyse their position in the market environment.

Force (2)

Description (1)

Submax (3)

Bargaining power of buyers/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 its buyers. √

Any other relevant answer related to how businesses could apply power of buyers as a force of Porter's Five forces model to analyse their position in the market environment.

Force (2)

Description (1)

Submax (3)



Threat of substitution/substitutes √√

- Business's products that can be easily substituted, weakens the power of the business in the market. √
- Establish whether the sellers of substitute products have improved their product/sell lower quality goods at lower prices. √
- If the business sells unique products it will not be threatened by substitute products. √
- Assess if customers are using substitute products/services and determine reasons for using substitutes. √

Any other relevant answer related to how businesses could apply threat of substitution/substitutes as a force of Porter's Five forces model to analyse their position in the market environment.

Force (2)
Description (1)
Submax (3)

Threat/Barriers of new entrants to the market √√

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

Any other relevant answer related to how businesses could apply threat/barriers of new entrants to the market as a force of Porter's Five forces model to analyse their position in the market environment.

Force (2)
Description (1)
Submax (3)

- NOTE:**
1. Mark the first ONE (1) only.
 2. Do not award marks for competitive rivalry/power of competitors.
- Max (3)**

2.4 **Steps in strategy evaluation**

- Examine the underlying basis √ of a business strategy. √
- 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 when strategies were implemented. √
- Consider the impact of the strategic implementation √ in the internal and external environments of the business. √

Any other relevant answer related to the steps in strategy evaluation.

NOTE: Accept the steps in any order

Max (4)

2.5 Types of intensive strategies



2.5.1 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/reducing 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 type of intensive strategy.

Strategy (2)
Discussion (1)
Submax (3)

2.5.2 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 restructured/reviewed to cater for customers/consumers of all income levels. √

Any other relevant answer related to market development as a type of intensive strategy.

Strategy (2)
Discussion (1)
Submax (3)

2.5.3 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 type of intensive strategy.

Strategy (2)
Discussion (1)
Submax (3)

NOTE: Mark the first TWO (2) only.

Max (6)

2.6



Ways in which businesses can comply with the National Credit Act/NCA

2.6.1 Ways in which businesses can comply with the NCA from the scenario

- MF conducts credit checks with the credit bureau before granting of credit. ✓
- MF also ensures that their procedures adhere to the provisions of the Financial Intelligent Centre Act (FICA). ✓

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

2. Only award marks for responses that are quoted from the scenario. (2 x 1)

(2)

2.6.2

Other ways in which businesses can comply with the National Credit Act/NCA

- Offer applicants pre-agreement statements. ✓✓
- Disclose all costs of the loan/No hidden costs should be charged/added. ✓✓
- Businesses should be registered with the National Credit Regulator. ✓✓
- Submit an annual compliance report to the National Credit Regulator. ✓✓
- Conduct affordability assessment to ensure that consumers have the ability to meet their obligations. ✓✓
- Verify the identity of clients and report suspicious transactions/train staff on their obligations in terms of FICA. ✓✓

Any other relevant answer related to other ways in which businesses can comply with the NCA.

NOTE: Do not award marks for responses that are quoted from the scenario in QUESTION 2.6.1.

Max (4)

2.7

Ways in which businesses can apply ownership as a pillar of the Broad Based Black Economic Empowerment Act/BBEE

- Businesses should include black people ✓ in shareholding/partnerships/franchises. ✓
- Encourage small black investors to invest in big companies ✓ and share ownership. ✓
- Exempted Micro Enterprises (EMEs) with an ownership of 50% or more of black people ✓ are promoted to level 3 of the BEE scorecard. ✓
- More opportunities are created for black people ✓ to become owners/entrepreneurs. ✓
- Large businesses should form joint ventures ✓ with small black owned businesses and share business risks. ✓



- Businesses sometimes find it difficult ✓ to locate suitable black business partners/shareholders who can afford shares. ✓
 - Many black people cannot afford shares ✓ in companies/contributions to partnerships. ✓
- Any other relevant answer related to ways in which businesses can apply ownership as a pillar of the BBEE Act/BBEE.

Max (6)

2.8 Advantages of diversification strategies

- Increases sales/revenue/income and business growth. ✓✓
- Improves the business brand/image/brand awareness of the business. ✓✓
- Reduces the risk of relying only on one product for sales/revenue/income. ✓✓
- Businesses gain more technological capabilities through product modification. ✓✓
- Sustained profitability from different product lines during times of fluctuating economic activities. ✓✓
- Businesses produce more output using less inputs as one factory may be used to manufacture more products. ✓✓
- Enables businesses to retain their competitive advantage by meeting the needs of current/new customers/expanding into new unexplored markets. ✓✓
- Allow businesses to remain relevant/functional/operational in a dynamic business environment. ✓✓
- Enable businesses to establish additional markets in unrelated markets/industries. ✓✓

Any other relevant answer related to the advantages of diversification strategies.

**Max (4)
 [40]**

BREAKDOWN OF MARKS

QUESTION 2	MARKS
2.1	4
2.2	4
2.3.1	3
2.3.2	3
2.4	4
2.5	6
2.6.1	2
2.6.2	4
2.7	6
2.8	4
TOTAL	40

QUESTION 3: BUSINESS OPERATIONS

3.1 Examples of fringe benefits

- Pension fund ✓
- Medical aid fund/Health Insurance fund ✓
- Funeral benefit ✓
- Provident fund ✓
- Allowances/Car/Travel/Housing/Cell phone/Clothing ✓
- Performance based incentives ✓
- Issuing of bonus shares ✓
- Staff discount/Free or low-cost meal/Canteen facilities ✓

Any other relevant answer related to examples of fringe benefits.

NOTE: Mark the first FOUR (4) only.

(4 x 1) (4)

3.2 Placement procedure as a human resources activity

- Businesses should outline the specific responsibilities/expectations/skills of the new position. ✓✓
- Determine the successful candidate's strengths/weaknesses/interests/skills by subjecting him/her to a range of psychometric tests. ✓✓
- Determine the relationship between the position and the competencies of the new employee. ✓✓

Any other relevant answer related to the placement procedure as a human resources activity.

Max (6)

3.3 Salary determination method and implications of Labour Relations Act/LRA on the human resources function

3.3.1 Salary determination method from the scenario

Piecemeal ✓✓

(2)

3.3.2 Implications of the Labour Relations Act/LRA on the human resources function

- Promotes resolution of labour disputes ✓ between employer and employees. ✓
- Protects the rights of employees/employers ✓ as outlined in the Constitution. ✓
- Advances economic development ✓ and social justice/labour peace. ✓
- Provides for unresolved disputes ✓ to be referred to Labour Courts/Labour Appeal Courts. ✓
- Promotes orderly negotiations and employee participation ✓ in decision making in the workplace. ✓
- Workers cannot be easily dismissed ✓ as bargaining council/Commission for Conciliation, Mediation and Arbitration (CCMA) processes need to be followed. ✓
- Provides a framework for bilateral meetings ✓ where employees, trade unions and employers discuss matters relating to employment. ✓



- The human resource manager should allow workers to form/establish workplace forums/trade unions/collective bargaining/ bargaining councils ✓ to promote the interests of all employees. ✓
- Clarify the transfer ✓ of contracts of employment. ✓/If a business is transferred to another owner ✓ then the employee contracts are also transferred. ✓

Any other relevant answer related to the implications of the LRA on the human resources function.

Max (4)

3.4 **Reasons for the termination of an employment contract**

- The employer may dismiss an employee for a valid reason(s) such as unsatisfactory job performance/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 may decide to leave/resign voluntarily for better job opportunities. ✓✓
- An employee may have reached the pre-determined age for retirement. ✓✓
- Incapacity of an employee to work due to illness/injuries. ✓✓
- By a 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 the termination of an employment contract.

Max (4)



3.5 **Difference between quality control and quality assurance**

QUALITY CONTROL	QUALITY ASSURANCE
- System that ensures the desired quality is met by inspecting the final product. √√	- Checks carried out during and after the production process. √√
- Ensure that finished products meet the required standards. √√	- Ensure that required standards have been met at every stage of the process. √√
- Process of ensuring that products are consistently manufactured to high standards. √√	- Processes put in place to ensure that the quality of products/services/systems adhere to pre-set standards with minimal defects/delays/short-comings. √√
- Checking raw materials/ employees/machinery/ workmanship/products to ensure that high standards are maintained. √√	- Ensuring that every process is aimed to get the product “right the first time” and prevent mistakes from happening. √√
- Includes setting targets/ measuring performance and taking corrective measures. √√	- The 'building in' of quality as opposed to 'checking of' quality. √√
Any other relevant answer related to quality control.	Any other relevant answer related to quality assurance.
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 control or quality assurance only.
- Max (4)**

3.6 **Total quality management/TQM**

- 3.6.1 **Ways in which a business applies TQM to reduce the cost of quality from the scenario**
- BM schedules their activities to avoid the duplication of tasks. √
 - The management of BM shares the responsibility for quality output with employees. √

- NOTE:**
1. Mark the first TWO (2) only.
 2. Only award marks for responses that are quoted from the scenario.

(2 x 1) (2)



3.6.2

Impact of total quality management/TQM if it is poorly implemented

- Setting unrealistic deadlines ✓ that may not be achieved. ✓
- Employees may not be adequately trained ✓ resulting in poor quality products. ✓
- Decline in productivity, ✓ because of stoppages. ✓
- Businesses may not be able to make necessary changes of products/services ✓ to satisfy the needs of customers. ✓
- 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 it is poorly implemented by businesses.

Max (4)

3.7

Advantages of monitoring and evaluation of quality processes as a total quality management/TQM element on large businesses

- Prevents product defects ✓ and minimises wastage/customer complaints. ✓
- Good quality checks/procedures minimise ✓ the replacement/breakdown of equipment/machinery on a regular basis. ✓
- May be equipped to get things done right ✓ the first time. ✓
- Improve performance ✓ and maintain high quality standards. ✓
- Improve current and future management ✓ of quality outputs/outcomes/impact. ✓
- Provide clear indication about quality aspects ✓ that are contributing to the achievement of goals/targets. ✓
- Modify interventions that may improve ✓ the efficient use of resources. ✓
- Support management to acquire information needed ✓ to make informed decision about processes. ✓
- Cost of production is reduced ✓ as deviations from set standards can be corrected. ✓
- Strategies are revised ✓ in order to improve the quality of the product and services/business image. ✓
- Allows for quality control checks ✓ and procedures at key points. ✓
- Key performance indicators are carefully selected ✓ to monitor and evaluate the outcome. ✓
- Benchmarking is used to find best practices ✓ in order to determine the competitive position of the business. ✓



- Quality circles meet on regular basis ✓ to evaluate the progress in terms of quality. ✓
 - Continuous research is conducted on latest developments ✓ to ensure that TQM planning is up to date. ✓
- Any other relevant answer related to the positive impact/advantages of monitoring and evaluation of quality processes as a TQM element on large businesses.

Max (6)

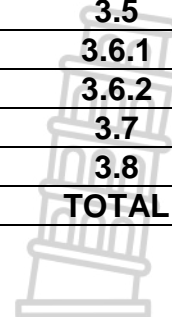
3.8 Quality indicators of the public relations function

- Dealing quickly with negative publicity./Less/little/no incidents of negative publicity. ✓✓
 - Providing regular/positive press releases. ✓✓
 - Implement sustainable corporate social investment (CSI) programmes. ✓✓
 - Good/positive results of feedback from public surveys on business image. ✓✓
 - High standard of internal publicity/appearance of buildings/professional telephone etiquette. ✓✓
 - Deliver quality goods/services that promote the brand/image with key stakeholders/ customers/suppliers/government/service providers. ✓✓
 - Compliance with recent legislation, such as BEE compliant. ✓✓
- Any other relevant answer related to quality indicators of the public relations function.

Max (4)
[40]

BREAKDOWN OF MARKS

QUESTION 3	MARKS
3.1	4
3.2	6
3.3.1	2
3.3.2	4
3.4	4
3.5	4
3.6.1	2
3.6.2	4
3.7	6
3.8	4
TOTAL	40



QUESTION 4: MISCELLANEOUS TOPICS

BUSINESS ENVIRONMENTS

4.1 Types of defensive strategies

- Divestiture ✓
- Retrenchment ✓
- Liquidation ✓

NOTE: Mark the first TWO (2) only.

(2 x 1) (2)

4.2 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 in order to take corrective action. ✓✓

Any other relevant answer related to the strategic management process.

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 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 (4)

4.3 **Challenges of business environments**

CHALLENGES (4.3.1)	BUSINESS ENVIRONMENT (4.3.2)
1. Their exports have decreased due to unfavourable exchange rates. ✓	Macro environment ✓
2. The workers of GF are also not meeting their deadlines because they are often late for work. ✓	Micro environment ✓
Max (2)	Max (2)

- NOTE:**
1. **Mark the first TWO (2) challenges only.**
 2. **If the business environment is not linked to the challenge, mark the challenge only.**
 3. **Accept responses in any order.**

4.4 **Impact of the COIDA on businesses**

Positives/Advantages

- Promotes safety ✓ in the workplace. ✓
- Domestic workers can now claim compensation ✓ for work related injuries/illnesses. ✓
- Employees do not contribute ✓ towards this fund. ✓
- Claiming processes ✓ are relatively simple. ✓
- Eliminates time and costs ✓ spent on lengthy civil court proceedings. ✓
- Any compensation to an employee/the family ✓ is exempt from income tax. ✓
- Employers are protected from financial burden ✓ should an accident occur in the workplace provided that the employer was not negligent. ✓
- Makes businesses more socially responsible ✓ as they cannot just employ workers at random in dangerous working conditions. ✓
- Workers are treated with dignity and respect ✓ as businesses view them as valuable assets and not just as workers. ✓
- Covers all employees at the workplace ✓ if both parties meet all the necessary safety provisions in the Act. ✓
- Creates a framework for acceptable employment practices ✓ and safety regulations. ✓
- Supply administrative guidelines/mechanisms ✓ for dealing with/processing claims. ✓
- Employees are compensated financially for any injury/disability ✓ resulting from performing their duties at their workplace. ✓
- In the event of the death of an employee as a result of a work-related accident/disease, ✓ his/her dependent(s) will receive financial support. ✓
- Employees receive medical assistance ✓ provided there is no other medical assistance option/Cannot claim medical assistance from the fund and medical aid. ✓
- Medical expenses/Other types of compensation are paid to employees and/or their families ✓ depending on the type/severity of the injuries. ✓
- Employers have to pay a monthly amount to the Compensation Fund ✓ depending on the number of employees/the level of risk they are exposed to. ✓

Any other relevant answer related to the positive impact/advantages of COIDA on businesses.

AND/OR



Negative/Disadvantages

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

Any other relevant answer related to the negative impact/disadvantages of COIDA on businesses. **Max (6)**

4.5 Ways in which businesses can deal with the challenges posed by the social factors

- Sell substitute products at lower prices due to low levels of income distribution/Employ people from local community. ✓✓
- Learn local languages/indigenous languages/Hire employees who are well conversant with the local language. ✓✓
- Work together with community police forums and improve security in the business. ✓✓
- Businesses must be well conversant with the demands/trends of their customers. ✓✓
- Develop/produce/incorporate/innovate new products that aim to address the lifestyle attitude/trends of customers. ✓✓

Any other relevant answer related to the ways in which businesses can deal with the challenges posed by social factor of the PESTLE analysis.

Max (4)

BUSINESS OPERATIONS

4.6 Purpose of induction

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



- Ensure that employees understand their roles/responsibilities so that they will be more efficient/productive. ✓✓
 - Communicate information about the products/services offered by the business. ✓✓
 - Communicate business policies regarding ethical/professional conduct/procedures/employment contract/conditions of employment. ✓✓
- Any other relevant answer related to the purpose of induction.

Max (4)**4.7 Unemployment Insurance Fund/UIF as benefit required by law**

- Employees are required to contribute 1% ✓ of their basic salary towards UIF. ✓
- Employers are required to contribute 1% ✓ of an employee's basic salary towards UIF. ✓
- Employers must pay unemployment insurance contributions of 2% directly to UIF ✓ of the value of each worker's salary per month. ✓
- The fund also assists the dependants ✓ of a contributing worker who has died. ✓
- The fund offers short-term financial assistance to workers ✓ when they become unemployed or are unable to work due to illness, maternity or adoption leave. ✓
- Contributions are paid ✓ to the Unemployment Insurance Fund (UIF)/ South African Revenue Services (SARS). ✓

Any other relevant answer related to UIF as a benefit required by law

Max (6)**4.8 TQM elements****4.8.1 TQM element from the scenario**

Adequate financing and capacity ✓✓

(2)**4.8.2 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/competencies. ✓
- Employers and employees will have a healthy working relationship ✓ resulting in happy/productive workers/improved employee morale/productivity. ✓
- Increased market share/financial stability ✓ as more customers improve 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)

4.9 **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)
[40]**

BREAKDOWN OF MARKS

QUESTION 4	MARKS
4.1	2
4.2	4
4.3.1	2
4.3.2	2
4.4	6
4.5	4
4.6	4
4.7	6
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 (LEGISLATION)**5.1 Introduction**

- The Employment Equity Act gives businesses the opportunity to create acceptable employment practices to correct inequalities of the past. ✓
- Businesses that implement the EEA will benefit from improved and greater transformation processes in the workplace. ✓
- The requirements stated in the EEA compels businesses to align all the employment policies and procedures appropriately. ✓
- The Act stipulates bodies that are responsible for monitoring of compliance and impose punitive measures for non-compliance. ✓

Any other relevant introduction related to the purpose of the EEA/impact of EEA on businesses/ways in which businesses can comply with the EEA/penalties for non-compliance with the EEA.

Any (2 x 1) (2)

5.2 Purpose of the Employment Equity Act/EEA

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

Any other relevant answer related to the purpose of the EEA.

Max (10)

**5.3 Impact of the Employment Equity Act/EEA on businesses
Positives/Advantages**

- Encourages consultation ✓ between employer and employees. ✓
- Treat employees fairly ✓ and promote/provide equal opportunities in the workplace. ✓
- Impacts positively ✓ on BEE ratings for businesses. ✓
- Appointment process is clearly defined ✓, so all parties are well informed. ✓
- Motivates employees because the workforce ✓ is more diverse/representative/inclusive. ✓
- Motivates employees because everyone has ✓ the same employment opportunities. ✓
- Promotes the implementation of affirmative action measures ✓ to redress the imbalances in employment. ✓



- Provides employees with legal recourse ✓ if they have been unfairly discriminated against. ✓
- Provides all employees with an equal opportunity ✓ to be selected/appointed/promoted in a position. ✓
- Prevents unfair discrimination ✓ as it ensures that the workforce represents the demographics of the country. ✓
- Creates a framework ✓ of acceptable employment practices/affirmative action measures. ✓
- Encourages diversity in business ✓ by employing people from various racial backgrounds. ✓
- Businesses are in a better position ✓ to negotiate contracts with the government. ✓
- Certified psychometric tests may be used ✓ to assess applicants/employees to ensure that they are suitable for the vacancy. ✓

Any other relevant answer related to the positive impact/advantages of the EEA on businesses.

AND/OR

Negatives/Disadvantages

- Increased administration burden ✓, as businesses must compile/submit employment equity reports every two years. ✓
- Expensive to train/employ someone ✓ who knows little about the Act. ✓
- Other groups may not respect the knowledge/skills/experience of an EEA appointment ✓ and may lead to conflict. ✓
- Fines/Penalties for non-compliant businesses ✓ may be expensive for the business. ✓
- Employers have to appoint one or more senior managers to ensure the implementation of the plan ✓, which increases salary expenditure. ✓
- Skilled people from designated groups may demand higher salaries ✓ which increase salary expenses. ✓
- Job hopping of skilled/trained EEA appointees ✓ may increase staff turnover. ✓
- Diversity in the workplace ✓ may lead to conflict/unhappiness. ✓
- Businesses must submit a compliance certificate ✓ before they can conduct business with state businesses. ✓
- Businesses are sometimes pressurised to appoint an unsuitable person ✓ to meet EEA requirements. ✓
- Often positions go unfilled ✓ because there are no suitable EEA candidates. ✓

Any other relevant answer related to the negative impact/disadvantages of the EEA on businesses.

Max (14)

5.4 **Ways in which businesses can comply with the Employment Equity Act/EEA**

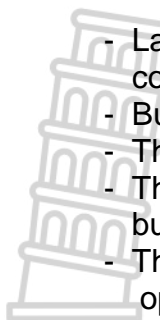
- Businesses should guard ✓ against discriminatory appointments. ✓
- Assess the racial composition of all employees, ✓ including senior management. ✓
- Ensure that there is equal representation of all racial groups ✓ in every level of employment. ✓
- Clearly define the appointment process, ✓ so that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

Any other relevant answer related to ways in which businesses can comply with the EEA.

Max (12)

5.5 **Penalties for non-compliance with the Employment Equity Act/EEA**

- Labour inspectors may conduct onsite visits, to interview employees which can create a bad image for the business. ✓✓
- A compliance order may be issued to businesses that do not comply with the EEA. ✓✓
- Businesses may be brought before the Labour Court if compliance orders are not adhered to/no efforts made to reach targets. ✓✓



- Labour inspectors may investigate/inspect/ask questions about complaints. ✓✓
- Businesses may face heavy fines for non-compliance. ✓✓
- They can be ordered to pay compensation and damages to the employee. ✓✓
- The Department of Labour may block non-compliant companies from doing business with the government. ✓✓
- The labour Inspector could issue a compliance order to businesses to stop operating should they be found guilty of illegal practices. ✓✓

Any other relevant answer related to the penalties for non-compliance with the EEA.

Max (10)

5.6 Conclusion

- Businesses that implement the EEA enjoy a balanced workforce and fair representation which portrays the demographics of the community in which the business operates. ✓✓
- The EEA affords businesses access to the skills and expertise by employing people from various backgrounds. ✓✓
- Businesses that comply with the EEA have preferential treatment by government institutions regarding the awarding of tenders. ✓✓
- Penalties for non-compliance with the Act may have a negative financial implication for businesses. ✓✓

Any other relevant conclusion related to the purpose of the EEA/impact of EEA on businesses/ways in which businesses can comply with the EEA/penalties for non-compliance with the EEA.

Any (1 x 2)

**(2)
[40]**

QUESTION 5: BREAKDOWN OF MARK ALLOCATION

DETAILS	MAXIMUM	TOTAL
Introduction	2	Max 32
Purpose of the EEA	10	
Impact of the EEA on businesses	14	
Ways in which businesses can comply with the EEA	12	
Penalties for non-compliance with the EEA	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

- An accurate recruitment procedure enables businesses to appoint suitable candidates who meet the needs of the identified position. ✓
- Businesses prefer internal recruitment methods as they provide existing employees with the opportunity to grow and showcase the skills they have acquired. ✓
- The interviewer should have a comprehensive understanding of the interview process to ensure the necessary planning arrangements before the interview. ✓
- Businesses are guided by laws on drawing up the legal requirements of the employment contract. ✓

Any other relevant introduction related to the recruitment procedure/impact of internal recruitment/ role of interviewer before the interview/legal requirements of an employment contract.

Any (2 x 1) (2)

6.2 Recruitment procedure


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

Any other relevant answer related to the recruitment procedure as a human resource activity.

NOTE: The procedure may be in any order.

Max (10)

6.3 Impact of internal recruitment on businesses**Positives/Advantages**

- 
- Cheaper/Quicker to fill the post ✓ as this method focuses on promoting existing employees. ✓
 - Placement is easy, ✓ as management knows the employees' skills/personality/experience/strengths. ✓
 - Provides opportunities for career paths ✓ within the business. ✓
 - The employee already understands how the business operates, ✓ induction/training is not always necessary. ✓
 - Reduces the chances of losing employees, ✓ as future career prospects are available. ✓
 - Detailed, reliable information can be obtained ✓ from the supervisors/employee records. ✓

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

AND/OR**Negatives/Disadvantages**

- Current employees may not bring/Close the door to/new ideas ✓ into the business/from outsiders. ✓
- Promoting a current employee may cause resentment ✓ amongst other employees. ✓
- Promotion may disrupt business operations ✓ as it creates open vacancies that need to be filled. ✓
- The number of applicants is limited ✓ to current staff only. ✓
- Employees who do not really have the required skills for the new job ✓ may be promoted. ✓
- Current employees may need to be trained/developed ✓ before they can be promoted, which can be expensive. ✓
- Staff that is not promoted may feel demotivated ✓ which may hamper productivity. ✓

Any other relevant answer related to the negative impact/disadvantages of internal recruitment on businesses.

Max (14)

6.4 **Role of the interviewer before the interview**



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

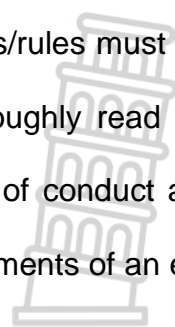
Any other relevant answer related to the role of the interviewer before the interview.

Max (10)

6.5 **Legal requirements of an employment contract**

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

Any other relevant answer related to the legal requirements of an employment contract.



Max (12)

6.6 **Conclusion**



- The correct recruitment procedure enables businesses to compile a proper job analysis that will be used to identify suitable candidates for the vacancy. ✓✓
- Internal recruitment may result in existing employees feeling valued when they are considered for promotions. ✓✓
- The success of the interview depends on the manner in which the interviewer properly planned before the interview. ✓✓
- Businesses can avoid legal actions by aligning their employment contracts according to recent legislation. ✓✓

Any other relevant conclusion related to the recruitment procedure/impact of internal recruitment/role of interviewer before the interview/legal requirements of an employment contract.

Any (1 x 2)

(2)
[40]

QUESTION 6: BREAKDOWN OF MARK ALLOCATION

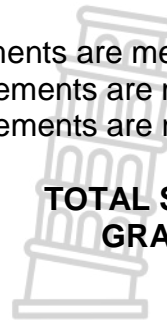
DETAILS	MAXIMUM	TOTAL
Introduction	2	Max 32
Recruitment procedure	10	
Impact of internal recruitment	14	
Role of the interviewer before the interview	10	
Legal requirements of an employment contract	12	
Conclusion	2	
INSIGHT		8
Layout	2	
Analysis/Interpretation	2	
Synthesis	2	
Originality/Examples	2	
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.



TOTAL SECTION C:
GRAND TOTAL:

40
150