



GAUTENG PROVINCE

EDUCATION

REPUBLIC OF SOUTH AFRICA

JUNE EXAMINATION GRADE 12

2026

BUSINESS STUDIES (PAPER 2)

BUSINESS STUDIES P2



C2722E

X05



Stanmorephysics.com

TIME: 2 hours

MARKS: 150

10 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 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

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 numbers (1.1.1 to 1.1.5) in the ANSWER BOOK, e.g. 1.1.6 D.

1.1.1 The ... leader has certainty that decisions will be made timeously and work will get done on the scheduled time.

- A democratic
- B charismatic
- C transactional
- D autocratic

1.1.2 Avela invested an amount of R50 000 in a fixed deposit at 15% compound interest per annum for two years with Masingita Bank. Avela will receive ... as interest after two years.

- A R16 130
- B R17 120
- C R16 125
- D R15 000

1.1.3 Carlos Manufacturers registered with the ... Fund to enable their employees to be paid for injuries sustained in the workplace.

- A Compensation
- B Pension
- C Road Accident
- D Unemployment Insurance

1.1.4 An employee of Ntini Traders used the credit card of the business to pay for his lunch. This refers to ... as a type of unprofessional business practice.

- A unproductive employees
- B abuse of work time
- C difficult employees
- D unauthorised use of workplace funds and resources

1.1.5 Creative thinking in the workplace means ... to solve business problems.

- A using old ways
- B generating innovative ideas
- C using routine thinking
- D allowing one employee

(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.

compound; situational; under-insurance; ethical; force field analysis;
professional; simple; over-insurance; transformational; Delphi

- 1.2.1 Thompson Traders' assets are insured for less than the actual value. This is known as ...
- 1.2.2 The amount of interest earned based on the original amount invested as well as the interest earned is known as ... interest.
- 1.2.3 Nelani Enterprise implements the ... leadership theory as the business is experiencing radical changes.
- 1.2.4 The employees of Bennies Bookshop show ... behaviour as they apply the business's code of conduct when dealing with clients.
- 1.2.5 The ... problem-solving technique may be time-consuming since the business must stabilise before further changes can be made.

(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	Capital gain	A	noise levels in an office environment are reduced since there are no group discussions
1.3.2	Situational leadership theory	B	applicable to short-term insurance
1.3.3	Assurance	C	board of directors develop equity programmes to ensure that all employees are treated equally
1.3.4	Delphi technique	D	leaders are required to manage employees under different conditions
1.3.5	Responsibility	E	noise levels in an office environment are high since there are group discussions
		F	growth in value of property in relation to the original amount invested
		G	applicable to long-term insurance
		H	board of directors implement programmes aimed at protecting the communities in which they operate
		I	leaders communicate the vision of the organisation in a clear manner
		J	selling property for less than its original price in relation to the amount invested

(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 VENTURES

- 2.1 Name any FOUR examples of long-term insurance. (4)
- 2.2 Elaborate on the meaning of *excess* as an insurance concept. (6)
- 2.3 Identify the types of investment opportunities applicable to Maretele Enterprise (ME) in EACH statement below.
- 2.3.1 Maretele Enterprise offered Tinyiko Traders the opportunity to start a business in return for having a share in the new business.
- 2.3.2 ME agreed to lend money to Mariah Limited under certain conditions for a fixed period.
- 2.3.3 Ahmed, an employee of ME, makes a monthly payment to Mango Insurance and is guaranteed a predetermined amount on a date in the future. (6)
- 2.4 Explain the functions of the Johannesburg Securities Exchange (JSE). (6)
- 2.5 Read the scenario below and answer the questions that follow.

MAZIVILA SNEAKERS (MS)

Mazivila Sneakers is a very lucrative business for teenagers. There is regular communication between the business and employees which leads to improved decision-making. MS offers counselling to boost the morale of demotivated employees. Authority is also delegated which inspires workers to be more productive.

- 2.5.1 Quote TWO advantages of the democratic leadership style applied by MS in the scenario above. (2)
- 2.5.2 Discuss other advantages of the democratic leadership style. (4)
- 2.6 Describe situations in which the transformational leadership theory can be applied in the workplace. (6)
- 2.7 Advise businesses on the advantages of insurance. (6)

[40]

QUESTION 3: BUSINESS ROLES

- 3.1 Elaborate on the meaning of ethical behaviour. (4)
- 3.2 Explain any TWO problem-solving steps. (6)
- 3.3 Read the scenario below and answer the questions that follow.

JONAS ENTERPRISE (JE)

Jonas Enterprise is experiencing huge losses on their profits. JE requested their employees to generate ideas silently on their own before sharing them with others.

- 3.3.1 Identify the problem-solving technique applied by JE in the scenario above. (2)
- 3.3.2 Discuss other ways in which JE can apply the problem-solving technique identified in QUESTION 3.3.1. (4)
- 3.4 Explain how the abuse of work time as a type of unprofessional business practice poses challenges to businesses. (6)
- 3.5 Read the scenario below and answer the question that follows.

TREVOR CARGO (TC)

Trevor Cargo (TC) is a large business that specialises in delivery services. They did not declare all their income of the previous financial year to the South African Revenue Service. TC also uses fine print to hide important information when promoting their products.

Identify TWO types of unethical business practices applicable to TC. Motivate your answer by quoting from the scenario above.

Use the table below as a GUIDE to answer QUESTION 3.5.

TYPES OF UNETHICAL BUSINESS PRACTICES	MOTIVATIONS
1.	
2.	

- 3.6 Explain how businesses can apply the following King Code principles for good corporate governance to improve ethical business conduct: (6)
- 3.6.1 Transparency (4)
- 3.6.2 Accountability (4)

- 3.7 Suggest ways in which professional, responsible, ethical and effective business practices should be conducted.

(4)
[40]

QUESTION 4: MISCELLANEOUS TOPICS

BUSINESS VENTURES

- 4.1 State any FOUR factors that should be considered when making an investment decision.
- 4.2 Outline the positive impact of unit trusts as a form of investment.
- 4.3 Read the following scenario and answer the questions that follow.

(4)

(4)

MAVIS TRADING (MT)

Mavis Trading is known for selling quality products to various customers. The management of MT insured their business against theft and will be compensated for the damages specified. MT disclosed everything that may affect the extent of the risk.

Identify TWO principles of insurance applicable to MT. Motivate your answer by quoting from the scenario above.

(6)

Use the table below as a GUIDE to answer QUESTION 4.3.

PRINCIPLES OF INSURANCE	MOTIVATIONS
1.	
2.	

- 4.4 Advise businesses on the advantages of the transactional leadership style.

(6)

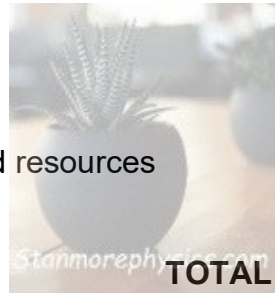
BUSINESS ROLES

- 4.5 Outline the ways in which businesses can apply the brainstorming technique to solve complex business problems. (6)
- 4.6 Read the following scenario and answer the questions that follow.

SMUTS MANUFACTURERS (SM)

Smuts Manufacturers supplies farming products. Management experienced a decline in sales due to the high costs added to the price of the final product. They do not have remedial programmes to protect the environment. SM formed a monopoly to increase their prices unilaterally which resulted in heavy fines.

- 4.6.1 Quote TWO challenges posed by the pricing of goods in rural areas as an unethical business practice from the scenario above. (2)
- 4.6.2 Describe other challenges posed by pricing of goods in rural areas as an unethical business practice. (4)
- 4.7 Recommend ways in which businesses could deal with the following unprofessional business practices:
- 4.7.1 Sexual harassment (4)
- 4.7.2 Unauthorised use of workplace funds and resources (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, for example QUESTION 5 on a NEW page, QUESTION 6 on a NEW page.

QUESTION 5: BUSINESS VENTURES (MANAGEMENT AND LEADERSHIP)

Effective management and leadership are crucial for achieving business objectives. The leader-follower leadership theory is often used in the workplace to help employees reach their highest level of performance. Most leaders also use the laissez-faire and charismatic leadership styles. A leader's personal attitude is considered by some to be a key factor in successful leadership.

Write an essay on management and leadership in which you include the following aspects:

- Outline the differences between management and leadership.
- Explain leaders and followers as a leadership theory.
- Discuss the impact of the following leadership styles on businesses:
 - Laissez-faire
 - Charismatic
- Advise businesses on the role of personal attitude in successful leadership.

[40]**QUESTION 6: BUSINESS ROLES (CREATIVE THINKING AND PROBLEM-SOLVING)**

Businesses encounter various problems that affect their operations and must come up with innovative ways to make informed decisions. They must also create an environment that promotes creative thinking to enjoy the benefits of creativity in the workplace. The Delphi technique and the Force-field analysis enable businesses to solve complex business problems.

Write an essay on creative thinking and problem solving in which you include the following aspects:

- Outline the differences between problem-solving and decision-making.
- Explain ways in which businesses can create an environment that promotes creative thinking in the workplace.
- Discuss the advantages of creative thinking in the workplace.
- Advise businesses on how they could apply the following problem-solving techniques to solve complex business problems:
 - Delphi technique
 - Force-field analysis

[40]**TOTAL SECTION C: 40****TOTAL: 150**



GAUTENG PROVINCE

EDUCATION
REPUBLIC OF SOUTH AFRICA

JUNE EXAMINATION GRADE 12

2026

MARKING GUIDELINES

BUSINESS STUDIES

(PAPER 2)

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 province
- (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:

Educator:	Red
DH:	Green
District Moderator:	Orange
Provincial 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. Comprehensive marking guidelines have 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 guidelines
 - Comes from another credible source
 - Is 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 and allocate marks accordingly. (In cases where the answer is unclear or indicates a measure of 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 subquestion.
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 at the end of each question. 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 subquestions 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 the 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 in depth information, 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, the cognitive verb used, the mark allocation in the marking guidelines 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 MSM to finalise possible alternative answers.

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 awarded in Section C)

The 'fact' and 'explanation' are given separately in the marking guidelines 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(s) allocated in the marking guidelines.

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

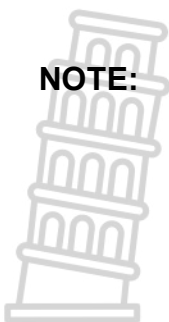
15. SECTION C

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, paragraph 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 subquestions) 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 subquestion) of the question with only one 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 subquestions, but one/two/three subquestion/s 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 subquestion) of the questions with no relevant facts; two '-S' appear in the left margin. Award a ZERO mark for synthesis.	
Originality	Is there evidence of one example in any TWO (2) 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 SUBMAX/MAX mark in a subsection has been attained. Write 'SUBMAX'/'MAX' after maximum marks have been obtained but continue to read for originality 'O'.

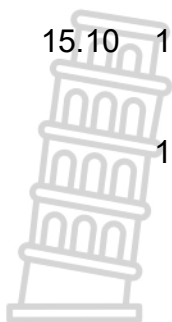
15.6 At the end of each essay indicate the allocation of marks for facts and marks for insight as follows: (L – Layout, A – Analysis, S – Synthesis, O – Originality) as in the table below.

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 MARKS 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 guidelines.



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. 'Inflation rate refers to a general increase in the price of goods and services over a period of time, ✓ resulting in a decrease in the value of money.' ✓

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 (COMPULSORY)**QUESTION 1**

1.1 1.1.1 D ✓✓

1.1.2 C ✓✓

1.1.3 A ✓✓

1.1.4 D ✓✓

1.1.5 B ✓✓

(5 x 2) (10)

1.2 1.2.1 under-insurance ✓✓

1.2.2 compound ✓✓

1.2.3 transformational ✓✓

1.2.4 professional ✓✓

1.2.5 force-field analysis ✓✓

(5 x 2) (10)

1.3 1.3.1 F ✓✓

1.3.2 D ✓✓

1.3.3 G ✓✓

1.3.4 A ✓✓

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 question only.

QUESTION 2: BUSINESS VENTURES**2.1 Examples of long-term insurance**

- Endowment policy ✓
- Life cover policy/Life insurance ✓
- Retirement annuity/Pension fund/Provident fund ✓
- Disability policy ✓
- Trauma insurance ✓
- Funeral insurance ✓
- Health insurance/Medical aid ✓

NOTE: Mark the first FOUR (4) only.

(4 x 1) (4)

2.2 Meaning of excess as an insurance concept

- Excess is the amount that the insured agrees to pay upfront ✓ when he/she takes out an insurance policy. ✓/The amount the insured agrees to pay upfront ✓ as stipulated in the insurance policy. ✓
- A portion of the insurance claim that the insured will have to pay ✓ towards the cost of replacing/repairing goods/property concerned. ✓
- Excess payments protect the insurer against fraudulent claims ✓ as the insured is less likely to submit a false claim/when he/she needs to pay the amount upfront. ✓
- It is the amount paid to the insurer ✓ when a claim for damages is lodged/in the event of a claim. ✓
- It is not paid out to the insured when a claim is settled, ✓ but is recovered from the liable party by the insurer. ✓
- Higher excess amounts keep the insurance premium lower ✓ and discourage fraud. ✓
- Excess payment prevents the insured ✓ from claiming for minor damages. ✓

Any other relevant answer related to the meaning of excess as an insurance concept.

NOTE: Award a maximum of TWO (2) marks for an example that is used as an explanation.

Max. (6)

2.3 Investment opportunities from statements

- 2.3.1 Venture capital/ Business ventures ✓✓ (2)
- 2.3.2 Debenture ✓✓ (2)
- 2.3.3 Retirement annuities/Endowment/ Life insurance policies ✓✓ (2)

2.4 **Functions of the Johannesburg Securities Exchange (JSE)**

- Gives opportunities to financial institutions such as insurance companies ✓ investing their surplus funds in shares. ✓
- Serves as a barometer/indicator ✓ of economic conditions in South Africa. ✓
- Keeps investors informed ✓ by publishing share prices daily. ✓
- Acts as a link ✓ between investors and public companies. ✓
- Shares are valued and assessed ✓ by experts. ✓
- Small investors are invited to take part in the economy of the country ✓ through the buying/selling of shares. ✓
- Raises primary capital ✓ by encouraging new investments in listed companies. ✓
- Strict investment rules ✓ ensure a disciplined/orderly market for securities. ✓
- Venture capital market is made possible ✓ on the open market. ✓
- Mobilises the funds of insurance companies ✓ and other institutions. ✓
- Regulates the market ✓ for trading in shares. ✓
- Plans, researches and advises ✓ on investment possibilities. ✓
- Ensures that the market operates ✓ in a transparent manner. ✓
- Provides protection for investors ✓ through strict rules/legislation. ✓
- Encourages short-term investment ✓ as shares can be sold at any time. ✓
- Enhances job creation ✓ and increases economic growth development. ✓
- Facilitates electronic trading ✓ of shares/STRATE/Channels financial resources into productive economic activities. ✓

Any other relevant answer related to the functions of the Johannesburg Securities Exchange (JSE).

Max. (6)

2.5 Advantages of democratic leadership style**2.5.1 Advantages of democratic leadership style from the scenario**

- There is regular communication between the business and employees which leads to improved decision-making. ✓
- Authority is also delegated which inspires workers to be more productive. ✓

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

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

(2x1) (2)

2.5.2 Other advantages of the democratic leadership style

- The leaders do not have to rely on their knowledge/skills ✓ to solve complex problems. ✓
- The leader may invite employees to participate in the decision-making process, ✓ and benefit from their experience/expertise. ✓
- Staff gives a variety of ideas/inputs/feedback/viewpoints ✓ that can lead to innovation/improved production methods/increased sales. ✓
- Employees feel empowered/motivated, ✓ resulting in increased productivity. ✓
- Complex decisions can be made ✓ with inputs from specialists/skilled workers. ✓

Any other relevant answer related to other advantages of the democratic leadership style.

NOTE: Do not award marks for responses that were quoted in QUESTION 2.5.1

Max. (4)

2.6 Situations in which transformational leadership theory can be applied

- Suitable for a dynamic environment, ✓ where change could be radical/drastring. ✓
- The passion/vision/personality of leaders inspire followers ✓ to change their expectations/perceptions/motivation to work towards a common goal. ✓
- Strategic thinking leaders develop a long-term vision ✓ for the organisation and sell it to subordinates/employees. ✓
- Leaders have the trust/respect/admiration of their followers/subordinates ✓ regarding the planned changes within the organisation. ✓
- Promotes intellectual stimulation/creative thinking/problem solving ✓ which results in the growth/development/success of the business. ✓
- Followers are coached/led/mentored/emotionally supported ✓ through transformation/change so that they can share their ideas freely. ✓
- Encourages followers to explore/try ✓ new things/opportunities. ✓

- Leaders lead by example ✓ and make workers interested in their work. ✓
- Leaders have strong, charismatic personalities ✓ and are very good at motivating staff to achieve results. ✓
- Enable employees to take greater ownership ✓ for their work/responsibilities and to know their strengths and weaknesses/limitations. ✓

Any other relevant answer related to the situation in which the transformational leadership theory can be applied.

Max. (6)

2.7 Advantages of insurance for businesses

- Transfers the risk from the business/insured to the insurance company/insurer. ✓✓
- Transfer of the risk is subject to the terms and conditions of the insurance contract. ✓✓
- The business will be compensated for insurable losses, such as destruction of property through fire. ✓✓
- Business assets such as vehicles/equipment/buildings need to be insured against damage and/or theft. ✓✓
- Protects businesses against theft/loss of stock and/or damages caused by natural disasters such as floods/storm damage. ✓✓
- Businesses are protected against the loss of earnings, such as strikes by employees which may result in losses worth millions. ✓✓
- Life insurance can be taken on the life of partners in a partnership to prevent unexpected loss of capital. ✓✓
- Should the services of key personnel be lost due to accidents/death, the proceeds of an insurance policy can be paid out to the business/beneficiaries. ✓✓
- Replacement costs for damaged machinery/equipment are very high, therefore insurance can reduce/cover such costs. ✓✓
- Protects businesses against dishonest employees. ✓✓
- Protects businesses from claims made by members of the public for damages that businesses are responsible for. ✓✓
- Protects businesses against losses due to the death of a debtor. ✓✓

Any other relevant answer related to the benefits of insurance for businesses.

Max. (6)
[40]

BREAKDOWN OF MARKS

QUESTION 2	MARKS
2.1	4
2.2	6
2.3.1	2
2.3.2	2
2.3.3	2
2.4	6
2.5.1	2
2.5.2	4
2.6	6
2.7	6
TOTAL	40

QUESTION 3: BUSINESS ROLES**3.1 The meaning of ethical behaviour**

- Acting according to a set of values ✓ that is morally acceptable in society. ✓
- This means that businesses have the responsibility to use moral codes ✓ that guide them to choose between right and wrong. ✓
- Refers to acting in ways consistent with what society and individuals think ✓ are good values. ✓
- Ethical behavior is expected ✓ from every employee in the business. ✓
- It means that the highest legal and moral standards are upheld ✓ when dealing with stakeholders. ✓

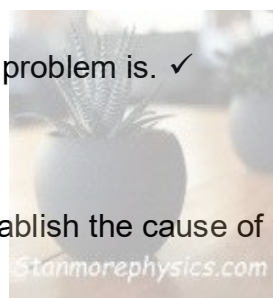
Any other relevant answer related to the meaning of ethical behaviour. **Max.** (4)

3.2 Problem-solving steps**Identify the problem ✓✓**

- Acknowledge that there is a problem. ✓
 - Identify the exact problem. ✓
 - Break down the problem into smaller/separate parts that are easier to solve. ✓
- Step (2)
Discussion (1)
Submax (3)

Define the problem ✓✓

- Name the problem by stating exactly what the problem is. ✓
- Find different ways of defining the problem. ✓
- Define the possible causes of the problem. ✓
- The nature of the problem must be precise. ✓
- Gather as much information as possible to establish the cause of the problem. ✓



Step (2)
Discussion (1)
Submax (3)

Identify possible solutions to the problem ✓✓

- Identify all different possible solutions to solve the problem. ✓
- Use creative thinking strategies to generate a wide range of solutions. ✓
- Focus on generating as many solutions as possible through creative thinking. ✓
- Collect as many ideas as possible and find the best idea, decide on one strategy to follow. ✓

Step (2)
Discussion (1)
Submax (3)

Evaluate alternative solutions ✓✓

- Use critical evaluation and analytical skills to evaluate each solution. ✓
- Consider the advantages and disadvantages of each alternative solution. ✓

Step (2)
Discussion (1)
Submax (3)

Choose/Select the most appropriate solution ✓✓

- Set criteria for the best solution, in terms of aspects such as time/cost/risk involved. ✓
- Identify the most relevant solution to be used. ✓
- The best solution should match the size and the resources of the business. ✓
- If the solution is not appropriate, the business should go back to defining the problem. ✓

Step (2)
Discussion (1)
Submax (3)

Develop an action plan/solution ✓✓

- Arrange the necessary resources and delegate tasks. ✓
- Establish a timeline for implementation and set deadlines. ✓

Step (2)
Discussion (1)
Submax (3)

Implement the suggested solution/action plan ✓✓

- Carry out the planned actions/solution. ✓
- Communicate delegated tasks/deadlines to employees. ✓

Step (2)
Discussion (1)
Submax (3)

Monitor the implementation of the solution/action plan. ✓✓

- Test the action plan/solution continuously to improve the effectiveness of the action plan. ✓
- Check/Track if the progress made is in line with the objectives of the action plan. ✓

Step (2)
Discussion (1)
Submax (3)

Evaluate the implemented action plan/solution ✓✓

- Assess whether the problem has been solved partially or entirely. ✓
- Unresolved problems should be recognised/re-formulated/reviewed to ensure an improved action plan/solution in the future. ✓

Step (2)
Discussion (1)
Submax (3)

Any other relevant answer related to the problem-solving steps.

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

2. The steps may be in any order.

Max. (6)

3.3 Problem-solving techniques**3.3.1 Problem-solving technique in the scenario**

- Nominal group technique ✓✓

(2 x 1) (2)

3.3.2 Other ways in which the nominal group technique can be applied

- JE must divide the employees ✓ into smaller groups. ✓
- Encourage the group to clearly define the problem/to improve the quality of their products due to various complaints ✓ so that all the small groups can work on the same problem. ✓
- Each employee in the small group will get the opportunity to present ✓ one of his/her ideas/solutions with a short explanation. ✓
- Appoint one employee to write the ideas/solutions ✓ on a large sheet of paper/capture solutions electronically on computer for all to see. ✓
- Allow each employee to give a second solution ✓ until all possible solutions have been recorded. ✓
- Encourage employees ✓ to ask clarity seeking questions. ✓
- Discourage criticism of ideas/solutions ✓ as this may prevent others from giving their solutions. ✓
- JE must eliminate ideas ✓ that are duplicated/similar. ✓
- Each employee must read through all the suggestions ✓ and anonymously rate them by giving the highest points for the best solution. ✓
- Collect the ratings ✓ and calculate the total points. ✓
- Small groups must present one solution to the large group ✓ that was deemed best according to the scores/votes in their small groups. ✓

Any other relevant answer related to other ways in which the nominal group technique can be applied.

NOTE: Do not allocate marks for a response that is quoted from the scenario.

Max. (4)**3.4 How the abuse of work time as a type of unprofessional business practice poses challenges to businesses**

- It may result in many employees ✓ often abusing work time. ✓
- Abuse of work time could result in losing customers ✓ or not meeting the deadlines/conflict amongst workers. ✓
- Wasting time costs the business money ✓ and affects productivity. ✓
- Abuse of work time results in a decline in profits ✓ which could damage the financial wealth of the business. ✓
- Effective customer services may not be rendered ✓ resulting in the negative image of the business. ✓

Any other relevant answer related to how the abuse of work time as a type of unprofessional business practice poses challenges to businesses.

Max. (6)

3.5 Types of unethical business practices from the scenario

TYPES OF UNETHICAL BUSINESS PRACTICES	MOTIVATIONS
1. Taxation/Tax evasion ✓✓	They did not declare all their income of the previous financial year to the South African Revenue Service. ✓
2. Unfair advertising ✓✓	TC also use fine print to hide important information when promoting their products. ✓
Submax (4)	Submax (2)

- NOTE:**
1. Mark the first TWO (2) only.
 2. Award marks for the types of unethical business practices even if the quotes are incomplete.
 3. Do not award marks for the motivations if the types of unethical business practices were incorrectly identified.
 4. Accept responses in any order.

Max. (6)

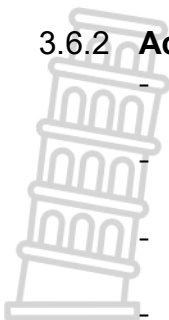
3.6 King Code principles for good corporate governance

3.6.1 Transparency

- Decisions/Actions must be clear ✓ to all stakeholders. ✓
- Staffing and other processes ✓ should be open and transparent. ✓
- Employees/Shareholders/Directors should be aware ✓ of the employment policies of the business. ✓
- Auditing and other reports must be accurate/available ✓ to shareholders/employees. ✓
- Regular audits should be done ✓ to determine the effectiveness of the business. ✓
- Business deals should be conducted openly ✓ so that there is no hint/sign of dishonesty/corruption. ✓
- Businesses should give details of shareholders' voting rights to them ✓ before/at the Annual General Meeting (AGM). ✓
- The board of directors must report on both the negative and positive impact ✓ of the business on the community/environment. ✓
- The board should ensure that the company's ethics ✓ are effectively implemented. ✓

Any other relevant answer related to how businesses can apply transparency as a King Code principle for good corporate governance to improve ethical business conduct.

Max. (4)

3.6.2 Accountability

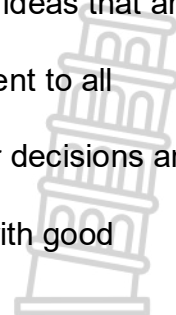
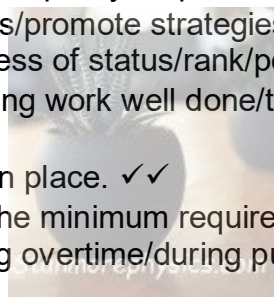
- There must be regular communication ✓ between management and the stakeholders such as shareholders. ✓
- The company should appoint internal and external auditors ✓ to audit financial statements. ✓
- The board should ensure that the company's ethics on disclosure ✓ are motivated/proper/accurate and implemented effectively. ✓
- Businesses should be accountable/responsible ✓ for their decisions/actions. ✓
- Businesses should present accurate annual reports ✓ to shareholders at the Annual General Meeting (AGM). ✓
- Top management should ensure that other levels of management are clear ✓ about their roles and responsibilities to improve accountability. ✓

Any other relevant answer related to how businesses can apply accountability as a King Code principle for good corporate governance to improve ethical business conduct.

Max. (4)

3.7 Ways in which professional, responsible, ethical and effective business practice should be conducted

- Mission statement should include the values of equality/respect. ✓✓
- Businesses should develop equity programmes/promote strategies to ensure that all employees are treated equally, regardless of status/rank/power. ✓✓
- Treat workers with respect/dignity by recognising work well done/the value of human capital. ✓✓
- Plan properly and put preventative measures in place. ✓✓
- Pay fair wages/salaries which are in line with the minimum requirements of the BCEA. ✓✓/Remunerate employees for working overtime/during public holidays. ✓✓
- Engage in environmental awareness programmes. ✓✓/Refrain from polluting the environment such as legally disposing of toxic waste. ✓✓
- Refrain from starting a venture using other businesses' ideas that are protected by law. ✓✓
- Business decisions and actions must be clear/transparent to all stakeholders. ✓✓
- Businesses should be accountable/responsible for their decisions and actions/patent rights. ✓✓
- Hire honest/trustworthy accountants/financial officers with good credentials. ✓✓
- Regular/Timeous payment of taxes. ✓✓
- All workers should have access to equal opportunities/positions/resources. ✓✓
- Ensure that employees work in a work environment that is conducive to safety/fairness/free of embarrassment. ✓✓
- Employers and employees need to comply with legislation with regard to equal opportunities/human rights in the workplace. ✓✓
- Training/Information/Business policies should include issues such as diversity/discrimination/harassment. ✓✓



- Employers should respond swiftly and fairly to reported incidents of discrimination in the workplace. ✓✓
- Orders/Tasks should be given respectfully allowing the recipient/employee to have a say in the way that task should be performed. ✓✓
- Draw up a code of ethics/conduct. ✓✓
- Ongoing development and training for all employees. ✓✓
- Performance management systems/Appraisals should be in place. ✓✓
- Adequate internal controls/monitoring/evaluation. ✓✓

Any other relevant answer related to ways in which professional, responsible, ethical and effective business practice should be conducted by businesses.

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	6
3.5	6
3.6.1	4
3.6.2	4
3.7	4
TOTAL	40

QUESTION 4: MISCELLANEOUS TOPICS

BUSINESS VENTURES

4.1 Factors that should be considered when making an investment decision

- Return of investment (ROI) ✓
- Risk ✓
- Investment term/period ✓
- Inflation rate ✓
- Taxation ✓
- Liquidity ✓

NOTE: Mark the first FOUR (4) only.

(4 x 1)

(4)

4.2 Positive impact of unit trusts as a form of investment

- Lowers the potential risk, allowing more people to invest in the fund. ✓✓
- Managed by a fund manager on behalf of the investors who buy shares on the JSE. ✓✓
- The fund manager chooses from a variety of share options that offer low to high risk investments. ✓✓
- Easy to cash in as there are no penalties for withdrawals when an investor needs all or part of the money at any time. ✓✓
- The investments are managed according to predetermined rules and procedures, which makes this type of investment a safe option. ✓✓
- Managed by a fund manager who buys shares on the stock exchange/JSE ✓✓
- Investors have free access to the funds and may convert them into cash in the event of an emergency. ✓✓
- Investment options like online investments make it easy for investors to work with this type of investments. ✓✓
- A small amount can be invested per month. ✓✓
- Generally beats inflation on the medium/long term. ✓✓
- Safe investments, as it is managed according to rules and regulations. ✓✓
- The investor has a variety to choose from/a wider range of shares from lower to higher degrees of risk. ✓✓
- Easy to invest in, as investors simply complete a few relevant forms or invest online. ✓✓
- Fluctuations in unit trust rates of return are often not so severe because of diversity of the investment fund. ✓✓
- Offer competitive returns in the form of capital growth and dividend distribution. ✓✓
- Fund managers are knowledgeable/experts/reliable/trustworthy as they are required to be accredited to sell unit trusts. ✓✓

Any other relevant answer related to the positive impact of unit trusts as a form of investment.

Max. (4)

4.3 Principles of insurance**4.3.1 Principles of insurance from the scenario**

PRINCIPLES OF INSURANCE	MOTIVATIONS
- Indemnification/ Indemnity ✓✓	The management of MT insured their business against theft and will be compensated for the damages specified. ✓
- Utmost good faith ✓✓	MT disclosed everything that may affect the extent of the risk. ✓
Submax (4)	Submax (2)



- NOTE:**
1. Mark the first TWO (2) only.
 2. Award marks for the principles of insurance even if the motivations were incomplete.
 3. Do not award marks for the motivations if the principles of insurance were incorrectly identified.

Max. (6)

4.4 Advantages of the transactional leadership style

- Linking rewards to targets encourages workers to work effectively/efficiently. ✓✓
- Incentives offered to employees who exceed targets increase the productivity levels of workers. ✓✓
- Other employees are encouraged to work harder if they see fellow employees getting incentives for meeting/exceeding targets. ✓✓
- Achieving the organisational goals becomes easier because workers feel valued/appreciated. ✓✓
- Employees are given targets and they know the targets they need to work toward. ✓✓
- Employees are aware of the punishment, should targets not be met. ✓✓
- Encourages employees to work hard because they will receive rewards. ✓✓
- Employees know what is expected of them. ✓✓

Any other relevant answer related to advantages of the transactional leadership style.

Max. (6)

BUSINESS ROLES

4.5 Ways in which the business can apply the brainstorming technique to solve complex business problems

- State/Define the business problem clearly so that all participants understand it. ✓✓
- Set a time limit for each brainstorming session. ✓✓
- Members state possible causes of the problems in the business. ✓✓
- Record/Write ideas down, where all participants can see it. /Ideas may also be shared online during an E-brainstorming session. ✓✓
- Use each suggestion, to inspire new thoughts/ideas. ✓✓
- Do not judge/criticise/discuss the ideas, so that many ideas could be generated as quickly as possible. ✓✓
- All members of the group randomly make suggestions. ✓✓
- The group rates ideas according to its usefulness/success/difficulty/cost to implement. ✓✓
- The group evaluates all ideas and combines similar ones/draw up a refined list. ✓✓
- Discuss a plan of action on how to implement the best ideas. ✓✓

Any other relevant answer related to the ways in which the business can apply the brainstorming technique to solve complex business problems. **Max.**

(6)

4.6 Challenges posed by the pricing of goods in rural areas as an unethical business practice

4.6.1 Challenges posed by the pricing of goods in rural areas as an unethical business practice from the scenario

- Management experienced a decline in sales due to the high costs added to the price of the final product. ✓
- ST formed a monopoly to increase their prices unilaterally which resulted in heavy fines. ✓

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

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

(2 x 1)

(2)

4.6.2 Other challenges posed by the pricing of goods in rural areas as an unethical business practice

- Some consumers in rural areas have little economic power ✓ and are vulnerable to exploitation. ✓
- It may be common practice to pay higher prices ✓ for goods of inferior quality in rural areas. ✓

Any other relevant answer related to other challenges posed by an unethical the pricing of goods in rural areas as an unethical business practice.

NOTE: Do not award marks for responses that were quoted in QUESTION 4.6.1.

Max.

(4)

4.7 Ways in which businesses could deal with unprofessional business practices

4.7.1 Sexual harassment

- Provide a framework for corrective action. ✓✓
- Educate employers on sexual harassment matters. ✓✓
- Formulate a policy regarding sexual harassment. ✓✓
- Implement internal complaints and disciplinary procedures. ✓✓
- Ensure compliance with the law/business code of conduct. ✓✓
- Ensure that all employees are familiar with the code of ethics regarding sexual abuse. ✓✓
- Create a good working environment where all employees' rights and dignity are respected. ✓✓
- Internal investigation should be made to determine the seriousness of the harassment. ✓✓



- Serious cases/matters on sexual harassment should be reported to the appropriate institutions/authorities such as the South African Police Services (SAPS). ✓✓

Any other relevant answer related to ways in which businesses could deal with sexual harassment as an unprofessional business practice.

Max. (4)

4.7.2 Unauthorised use of workplace funds and resources

- Conduct regular audits to prevent the unauthorised use of funds at an early stage. ✓✓
- Identify risk areas/vulnerable areas. ✓✓
- Limit the number of employees having access to business funds/assets. ✓✓
- Implement/Introduce fraud prevention strategies. ✓✓
- Educate employees about the impact of fraud. ✓✓
- Fraud prevention should be a collective responsibility of business and workers. ✓✓
- Clear policies should be in place so that employees are aware of what is considered to be fraud. ✓✓
- Set up systems in the organisation for the reporting of fraud and corruption. ✓✓

Any other relevant answer related to ways in which businesses could deal with unauthorised use of workplace funds and resources as an unprofessional business practice.

Max. (4)
[40]

BREAKDOWN OF MARKS

QUESTION 4	MARKS
4.1	4
4.2	4
4.3	6
4.4	6
4.5	6
4.6.1	2
4.6.2	4
4.7.1	4
4.7.2	4
TOTAL	40

TOTAL SECTION B: 80

SECTION C

Mark the answer to the FIRST question only.

QUESTION 5: BUSINESS VENTURES (MANAGEMENT AND LEADERSHIP)**5.1 Introduction**

- Leaders can create opportunities and motivate people to be productive which leads to successful businesses. ✓
- The attitude of a leader has an influence on the success and or failure of the business. ✓
- The leaders and followers theory focuses on the relationship between a leader and his/her followers to develop and implement the vision for the business. ✓
- Through the laissez-faire leadership styles, leaders can influence their teams toward achieving organisational goals. ✓
- Charismatic leaders offer direction and support to their employees. ✓

Any other relevant introduction related to the differences between management and leadership/leaders and followers theory/charismatic and laissez-faire leadership styles/ the role of personal attitude in successful leadership.

Any (2 x 1) (2)

5.2 Differences between management and leadership

MANAGEMENT	LEADERSHIP
- Guides human behaviour. ✓✓	- Influences human behaviour. ✓✓
- Communicates through management functions such as the line function. ✓✓	- Communicates by means of interaction/behaviour/vision/values/charisma. ✓✓
- Administers plans/programmes/tasks to reach targets. ✓✓	- Innovates/Encourages new ideas to increase productivity. ✓✓
- Controls systems and procedures to get the job done. ✓✓	- Inspires staff to trust and support each other. ✓✓
- Manages the 'how' and 'when' regarding processes/timelines of a task. ✓✓	- Leaderships asks 'what' and 'why' to foster a deeper understanding for improvement. ✓✓
- Focuses on the bottom line/short/medium term. ✓✓	- Focuses on the horizon/long term. ✓✓
- A person becomes a manager because of the position in which he/she is appointed. ✓✓	- Leaders are born with natural/instinctive leadership skills. ✓✓
- Manages the process of getting things done by exercising responsibility. ✓✓	- Guides/Leads people to become active participants. ✓✓

- Managers have power because of the position of authority into which they are appointed. ✓✓	- Leaders have influence because of his/her knowledge/ skills/ intelligence. ✓✓
- Enforce rules on subordinates./ Ensure that tasks are completed. ✓✓	- Always trying to find more efficient ways of completing tasks. ✓✓
- Management is instructional in their approach by guiding/training/ directing employees. ✓✓	- Leadership is inspirational in their approach by energizing/ motivating/encouraging employees. ✓✓
- Management is task-orientated and focuses on completing goals/deadlines/processes. ✓✓	- Leadership is people-orientated and focuses on building relationships/moral development. ✓✓
- Manage by planning/organizing/ leading/controlling. ✓✓	- Lead by example/trust/ respect. ✓✓
- Management 'does things right' ✓ by focusing on efficiency and execution of tasks. ✓✓	- Leadership 'does the right things' by focusing on the vision and strategies. ✓✓
Any other relevant answer related to management.	Any other relevant answer related to leadership.
Submax (4)	Submax (4)

Max.

(8)

5.3 Leader-follower theory

- Teams achieve great results ✓ when there is a sense of understanding between the leader and the team of followers. ✓
 - Followers listen to what is expected of them ✓/follow the instructions of the leader. ✓
 - Followers easily accept responsibility ✓ when something doesn't work outout/targets are not achieved. ✓
 - Leaders lead by example ✓ and reward/provide incentives for positive behaviour. ✓
 - Leaders motivate employees to devise alternative strategies/to be creative and innovative/ find more efficient ways ✓ to use available resources/increase productivity. ✓
 - Followers might just trail along/ stifle innovations and creativity ✓ by depending on leaders and other followers to pull them through the task. ✓
- Any other relevant answer related leaders and followers theory.

Max.

(12)

5.4 **Impact of Laissez-Faire and Charismatic leadership styles on businesses**
Impact of the Laissez-Faire leadership style on businesses

Positives/Advantages

- Individual team members ✓ may improve/develop leadership skills. ✓
- Employees/Workers/Followers are allowed to make decisions ✓ on their own areas of expertise/work/methods.
- Subordinates are motivated ✓ when leaders trust in their abilities/skills to do things themselves. ✓
- Subordinates have maximum freedom ✓ and can work independently /without having to consult the leader. ✓
- Suitable for coaching/mentoring ✓ to motivate employees to achieve more/better things. ✓
- Authority is delegated ✓, which can be motivating/empowering to competent workers/increase productivity. ✓
- Competent employees/followers experience personal growth ✓ and become selfreliant/confident in performing their job. ✓
- The leadership skills of individual employees may develop ✓ as they interact with other employees when making decisions. ✓

Any other relevant answer related to the negative impact/disadvantages of laissez-faire leadership style.

AND/OR

Negatives/ Disadvantages

- Lack of clear direction/leadership ✓ may be demotivating to employees. ✓
- Could lead to conflict ✓ when some team members act as leaders/dictate to other team members. ✓
- Productivity might be low ✓ if the employees lack the skills or knowledge. ✓
- Employees can be held responsible for their own work ✓, which may lead to underperformance. ✓
- Workers are expected to solve ✓ their own conflict situations/disagreements. ✓
- Productivity may be compromised ✓ with a lack of tight control over workers not meeting deadlines. ✓

Any other relevant answer related to the negative impact/disadvantages of laissez-faire leadership style.

Submax (8)

Impact of charismatic leadership styles on businesses**Positives/Advantages**

- A leader communicates the vision/goals ✓ of the organisation in a concise/clear manner, that inspires confidence amongst employees. ✓
- Employees are inspired ✓ by the energy/passion of the charismatic leader. ✓
- Employees are motivated to exceed ✓ their own expectations and overcome their fears. ✓
- Employees are made to feel valued/appreciated, ✓ which encourages them to work harder and improve productivity levels. ✓

Any other relevant answer related to the positive impact/advantages of the charismatic leadership style.

AND/OR**Negatives/Disadvantages**

- A leader may promote his own personal interest, ✓ instead of leading for the benefit of the organisation. ✓
- Employees rely on the leader ✓ to improve their morale/motivation levels. ✓
- The organisation may be over-reliant ✓ on the presence of the leader, which could harm the organisation if the leader should leave the organisation. ✓
- Employees could also be reluctant ✓ to challenge the leader on important issues, which may impact the organisation negatively in achieving their goals. ✓
- Leader believes more in him or herself ✓ than the team. ✓
- Projects can collapse ✓ if the leader leaves the team. ✓
- Leaders are intolerant ✓ of challenges and regard themselves as irreplaceable. ✓

Any other relevant answer related the disadvantages/negative impact of the charismatic leadership style.

Submax (8)

Max. (16)

5.5 Role of personal attitude in successful leadership.

- A positive attitude releases leadership potential for personal growth. ✓✓
- A leader's good attitude can influence the success of the business. ✓✓
- Leaders must know their strengths and weaknesses to apply their leadership styles effectively. ✓✓
- Leaders should model the behaviour that they want to see in team members. ✓✓
- Great leaders understand that the right attitude will create the right atmosphere. ✓✓
- Leaders' attitude may influence employees'/teams' thoughts/behaviour. ✓✓
- Successful leaders consider the abilities/skills of team members to allocate tasks/roles effectively. ✓✓
- Enthusiasm produces confidence in a leader and inspires them to work even harder. ✓✓
- A positive attitude is critical for good leadership because good leaders will stay with the task regardless of difficulties/challenges. ✓✓

- Successful leaders have a constant desire to work and achieve personal/professional success. ✓✓
- Leaders with a positive attitude know that there is always more to learn/space to grow. ✓✓

Any other relevant answer related to the role of personal attitude in successful leadership.

Max. (10)

5.6 Conclusion

- Leaders who understand various leadership styles may be able to lead effectively and handle any situation. ✓✓
- Leaders and followers strengthen the work relations in the workplace. ✓✓
- The use of the laissez-faire leadership style enables businesses to develop effective turn-around strategies aimed at maximising profitability. ✓✓
- By fostering strong emotional connections with the team, charismatic leaders can drive commitment and positive change in the business. ✓✓
- Leaders with a positive attitude may experience less staff turnover as employees may be happy in the workplace. ✓✓

Any other relevant conclusion related to the differences between management and leadership/leaders and followers theory/charismatic and laissez-faire leadership styles/the role of personal attitude in successful leadership.

Any (1 x 2) (2)

[40]

QUESTION 5: BREAKDOWN OF MARK ALLOCATION

DETAILS	MAXIMUM	TOTAL
Introduction	2	Max. 32
Differences between management and leadership	8	
Leaders and followers theory	12	
Impact of leadership styles	16	
Role of personal attitude in successful leadership	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 only some of the requirements are met.

Allocate 0 marks where requirements are not met at all.

QUESTION 6: BUSINESS ROLES (CREATIVE THINKING AND PROBLEM-SOLVING)**6.1 Introduction**

- The business environment is unpredictable and demands advanced creative thinking skills to support effective decision-making. ✓
- An environment that fosters creative thinking allows employees to realise their full potential, ultimately benefiting the business. ✓
- Creative thinking enables businesses to differentiate their products and develop new ways of doing things. ✓
- Businesses with diverse and highly skilled employees may apply the Delphi technique to avoid delays in solving complex business problems. ✓
- The force-field analysis enables businesses to make a critical analysis of the situation before initiating changes. ✓

Any other relevant introduction related to differences between problem-solving and decision-making/ways in which businesses can create an environment that promotes creative thinking in the workplace/advantages of creative thinking in the workplace/application of the Delphi technique and force-field analysis.

Any (2 x 1) (2)

6.2 Differences between problem-solving and decision making

PROBLEM-SOLVING	DECISION-MAKING
- Problems can be solved by a group/ team which makes the process consultative. ✓✓	- It is often done by one person/a member of senior management who makes the process authoritarian. ✓✓
- Alternative solutions are generated/ identified and critically evaluated. ✓✓	- Various alternatives are considered before deciding on the best one. ✓✓
- Process of analysing a situation to identify strategies to bring about change. ✓✓	- It is part of the problem-solving cycle as decisions need to be taken in each step. ✓✓
Any other relevant answer related to problem-solving.	Any other relevant answer related to decision-making.
Submax (4)	Submax (4)

Max. (8)

6.3 Ways in which businesses can create an environment that promotes creative thinking in the workplace

- Encourage employees to develop/come up with new/unique ideas/ alternative ways ✓ of working/doing things. ✓
- Emphasise the importance of creative thinking ✓ to ensure that all staff know that management wants to hear their ideas. ✓
- Make time for brainstorming sessions to generate new ideas ✓ such as regular workshops/generate more ideas/build on one another's ideas. ✓
- Place suggestion boxes around the workplace ✓ and keep communication channels open for new ideas. ✓
- Train staff in innovative techniques ✓ such as creative problem-solving skills/ mind-mapping/lateral thinking. ✓
- Encourage job swaps ✓ within the organisation. ✓/Study how other businesses ✓ are doing things. ✓
- Respond enthusiastically to all ideas ✓ and never let anyone feel less important. ✓
- Reward creativity ✓ by offering employees reward schemes. ✓ /Introduce incentives for staff members ✓ who come up with useful creative ideas. ✓
- Make the working environment conducive ✓ to creativity/free from distraction/high noise levels. ✓

Any other relevant answer related to ways in which businesses can create an environment that promotes creative thinking in the workplace.

Max. (12)

6.4 Advantages of creative thinking in the workplace

- Better/Unique/Unconventional ideas/solutions ✓ are generated. ✓
- May give the business a competitive advantage ✓ if unusual/unique solutions/ideas/strategies are implemented. ✓
- Broadens the range of possible solutions ✓ when solving complex business problems. ✓
- Productivity increases as management/employees 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/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 ✓ which leads to higher job satisfaction. ✓
- Managers/Employees have a feeling of great accomplishment ✓ and they may not resist/obstruct the process once they solved a problem/contributed towards the success of the business. ✓
- Managers/Employees may keep up with fast changing technology ✓ which may lead to an increased market share. ✓

- Stimulates initiative from managers/employees ✓, as they are continuously pushed out of their comfort zone. ✓
 - Creativity may lead to new inventions ✓ which improves the general standard of living/attracts new investors. ✓
 - Businesses can continuously improve on product development ✓ by exploring new ways to enhance growth. ✓
- Any other relevant answer related to the advantages of creative thinking in the workplace.

Max. (14)

6.5 Application of the Delphi technique and force-field analysis as problem solving techniques to solve complex business problems

6.5.1 Delphi technique

- Businesses must invite a panel of experts to research the complaints from customers. ✓✓
- Experts do not have to be in one place and will be contacted individually. ✓✓
- Design a questionnaire consisting of questions on how to improve the quality of their products and distribute it to the panel members/experts. ✓✓
- Request the panel to individually respond to the questionnaire/suggest improvements to the products and return it to the business. ✓✓
- Summarise the responses from the experts in a feedback report. ✓✓
- Send the feedback report and a second set of questions/ questionnaire based on the feedback report to the panel members. ✓✓
- Request panel members to provide further input/ideas on how to improve the quality of products after they have studied the results/ documentation. ✓✓
- Distribute a third questionnaire based on previous feedback from the second round. ✓✓
- Prepare a final summary/feedback report with all the methods to improve the quality of the business's products ✓✓
- The business should choose the best solution/proposal after reaching consensus. ✓✓

Any other relevant answer related to how businesses could apply the Delphi technique to solve complex business problems.

Submax

(6)

6.5.2 Force-field analysis

- Describe the current situation/problem and the desired situation. ✓✓
- List all driving/pros and restraining/cons forces that will support and resist change. ✓✓
- Allocate a score to each force using a numerical scale, where one (1) is weak and five (5) is strong. ✓✓
- Weigh up the positives and negatives then decide if the project is viable. ✓✓
- Choose the force with the highest score as the solution. ✓✓
- If the project is viable, find ways to increase the forces for change. ✓✓

- Identify priorities and develop an action plan. ✓✓
- Any other relevant answer related to how businesses could apply the force-field analysis to solve complex business problems.

Submax (6)

Max. (12)**6.6 Conclusion**

- Businesses should put systems in place that will enable them to overcome competition in the market. ✓✓
- Creating an environment that promotes creative thinking in the workplace contributes to achieving business goals and increase the market share. ✓✓
- Creative thinking enables businesses to keep abreast with the latest development in the market. ✓✓
- The application of the Delphi technique provides businesses with the opportunity to consider outsiders' points of view on various solutions to business problems. ✓✓
- The effective implementation of the force-field analysis may enable businesses to diversify their products/venture into new markets resulting in growth and sustainability. ✓✓

Any other relevant conclusion related to the differences between problem solving and decision-making/ways in which businesses can create an environment that promotes creative thinking in the workplace/advantages of creative thinking in the workplace/application of the Delphi technique and force-field analysis.

Any (1 x 2) (2)

[40]**QUESTION 6: BREAKDOWN OF MARK ALLOCATION**

DETAILS	MAXIMUM	TOTAL
Introduction	2	Max. 32
Differences between problem solving and decision making.	8	
Ways in which businesses can create an environment that promotes creative thinking	12	
Advantages of creative thinking in the workplace	14	
Application of problem-solving techniques to solve complex business problems	12	
Conclusion	2	
INSIGHT		
Layout	2	8
Analysis, interpretation	2	
Synthesis	2	
Originality/Examples	2	
TOTAL MARKS		40

LASO - For each component:

Allocate 2 marks if all requirements are met.

Allocate 1 mark if only some of the requirements are met.

Allocate 0 marks where requirements are not met at all.

[40]**TOTAL SECTION C: 40****TOTAL: 150**

