education

Department:
Education
PROVINCE OF KWAZULU-NATAL

FILIDI CLUSTER

GRADE 11

BUSINESS STUDIES

JUNE 2026

PAPER ONE

MARKS: 150

TIME: 2 HOURS

This paper consists of 10 pages

INSTRUCTIONS AND INFORMATION

Read the following instructions carefully before answering the questions.

1. This question paper consists of THREE sections.

    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 only ONE of the two questions in this section.

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

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 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 as guide for mark and time allocation when answering each question.

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

7. Begin the answer to EACH question on a NEW page, for example

QUESTION 1 – new page, QUESTION 2 – new page, et cetera.

8. Write neatly and legibly.

SECTION A (COMPULSORY)

QUESTION 1

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

1.1.1 The aim of this Act is to protect consumers against unfair reckless lending b businesses:

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

1.1.2 This Act requires businesses to report all employee accidents and illnesses that occur during working hours:

A. Skills Development Act (SDA) 1998, (Act 97 of 1998)
B. Compensation for Occupational Injuries and Diseases Act (COIDA) 1997, (Act 61 of 1997)
C. Broad-Based Black Economic Empowerment Act (BBBEE) 2003, (Act 53 of 2003)
D. Consumer Protection Act (CPA) 2008, (Act 68 of 2008)

1.1.3 Which ONE of the following businesses may be classified under the tertiary sector?

A. IMPALA Coal Mine
B. CAPE Vineyards Farm
C. True Furniture Manufacturers
D. FOX Bank

1.1.4 The … function ensures reliable capturing and storing of information.

A. purchasing
B. human resources
C. administration
D. production

1.1.5 The process of matching a new employee's skills and abilities with the requirements of a job is known as…

A. placement
B. selection
C. recruitment
D. training (5 X 2) (10)

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

external; one and half; screening; continuous improvement to processes and systems; recruitment; forward; internal; monitoring and evaluation; double; backward

1.2.1 Ricky received … his normal rate of pay for working on a public holiday.

1.2.2 The … vertical integration strategy is used when a business combines with the distributor of their product.

1.2.3 Daylight Incorporators used … recruitment when they advertised a position for a new production manager in the local newspaper.

1.2.4 The TQM element of … allows for quality control checks and procedures at key points.

1.2.5 Candidates application forms are checked against the requirements of the job during the … process.

(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 – 1.3.5) in the ANSWER BOOK, e.g 1.3.6 K

COLUMN A	COLUMN B
1.3.1 National Skills Development Strategy	A. the training opportunity that requires employees to only attend eternal practical courses.
1.3.2 SWOT analysis	B. creates conflict and how performance in the workplace.
1.3.3 Learnership	C. provides for a system of credits that learners receive when they complete learnerships.
1.3.4 Quality circle	D. create harmony and high performance in the workplace.
1.3.5 Employment contract	E. analyse the internal and external environment of the business.
	F. provides career guidance and training centers.
	G. the training opportunity that can lead to a recognised occupational qualification.
	H. an agreement between the employer, employee and trade union that is legally binding.
	I. an agreement between an employer and employee that is legally binding.
	J. analyse the external environment of a business.

(5x2) (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, for example QUESTION 2 on a NEW page, QUESTION 3 on a NEW page, et cetera.

QUESTION 2: BUSINESS ENVIRONMENTS

2.1 List TWO rights that consumers have according to the Consumer Protection Act 2008, (Act 66 of 2008). (2)

2.2 Outline the role of SETAs in supporting the Skills Development Act (SDA) 1998, (Act 97 of 1998). (6)

2.3 Read the scenario below and answer the questions that follow**:**

SCHUSTER TRADERS (ST)

Schuster Traders are known for selling quality products all over the country. They introduced online transactions for customers in remote areas. ST employees do not have the knowledge or skills to do online transactions and services.

2.3.1 Name the PESTLE factor that pose a challenge for ST in the scenario above. (2)

2.3.2 Explain ways in which ST can deal with the challenges that are posed by the PESTLE factor identified in QUESTION 2.3.1. (4)

2.4 Discuss the impact of the Employment Equity Act (EEA) 1998, (Act 55 of 1998) on businesses. (6)

2.5 Identify the type of defensive strategy that Coetzee Construction (CC) applied in each statement below

2.5.1 Coetzee Construction sold all their assets to pay creditors.

2.5.2 Management of Coetzee Construction decided to close the marketing department of the business.

2.5.3 Coetzee Construction ended the equipment contracts of many workers to save on costs. (6)

2.6 Read the scenario below and answer the questions that follow:

KAGISO LOGISTICS (KL)
Kagiso Logistics complies with the Labour Relations Act (LRA) 1995, (Act 66 of 1995) by taking the rights of employees into consideration. Employees take part in legal strikes without any fear of victimization. The trade union representatives are given time off to pay attention to various labour duties.

2.6.1 Quote TWO rights of employees according to the Labour Relations Act 1995, (Act 66 of 1995) from the scenario above. (2)

2.6.2 Explain any other rights of employees in terms of LRA. (6)

2.7 Advise businesses on the benefits of intensive strategies. (6)

[40]

QUESTION 3: BUSINESS OPERATIONS

3.1 List TWO components of job analysis. (2)

3.2 Outline selection procedure as a human resources activity. (6)

3.3 Read the scenario below and answer the questions that follow:

BUHLE CONSTRUCTION PTY (LTD)
Buhle construction is a leading company, which is known for its excellent service delivery. BC attracts skilled employees who contribute positively towards business goals. They increase employee satisfaction as they go an extra mile.

3.3.1 Quote TWO benefits of fringe benefits from the scenario above. (2)

3.3.2 Explain the negative impact of fringe benefits on business. (4)

3.4 Differentiate between quality management and quality performance. (8)

3.5 Read the scenario below and answer the questions that follow:

LESEDI AGENCY LTD (LA)
Lesedi Agency Ltd deals with shuttle services. LA has enough resources to prevent defects and minimize wastage. They also ensure that their employee satisfaction as they go an extra mile.

3.5.1 Identify TWO total quality management (TQM) elements, applied by LA. Motivate your answer by quoting from the scenario above. (6)

Use the table below as a GUIDE to answer QUESTION 3.5.1

TQM ELEMENTS	MOTIVATIONS
1.	
2.	

3.5.2 Discuss the impact of any TQM element identified in QUESTION 3.5.1 (6)

3.6 Advise businesses on the benefits of a good quality management system. (6)

[40]

QUESTION 4: MISCELLANEOUS TOPICS

BUSINESS ENVIRONMENTS

4.1 Name TWO types of business sectors. (2)

4.2 Elaborate on practical ways in which businesses can comply with the National Credit Act (NCA) 2005, (Act 34 of 2005) (4)

4.3 Read the scenario below and answer the questions that follow:

LEE MANUFACTURERS (LM)

Lee Manufacturers (LM) design and manufacture quality sportswear. They employ more black women in managerial positions to comply with BBBEE. They also sell shares to black people to enable them to take part in the economy of the country.

4.3.1 Identify the TWO pillars of Broad-Based Black Economic Empowerment Act 2003, (Act 53 of 2003) used in the scenario above. Motivate your answer by quoting from the scenario. (6)

Use the table below as a GUIDE to answer QUESTION 4.3.1

BBBEE PILLAR	MOTIVATIONS
1.	
2.	

4.3.2 Suggest ways in which businesses may apply the following BBBEE pillars in the workplace below:

- Skills development (4)
- Enterprise and Supplier Development (ESD) (4)

BUSINESS OPERATIONS

4.4 Name FOUR aspects of employment contract. (4)

4.5 Outline the importance of training development in human resource management. (6)

4.6 Read the scenario below and answer the questions that follow:

BATLOKWA HOLDINGS (BH)

Batlokwa Holdings sell different types of products across the Free State. Mpho, the manager monitors and controls stock to prevent theft. She also orders the stock timeously and makes a follow up to ensure goods are delivered on time.

4.6.1 Quote TWO quality indicators of the purchasing function from the scenario above. (2)

4.6.2 Explain any other quality indicators of the purchasing function. (4)

4.7 Recommend ways in which total quality management (TQM) can reduce the cost of quality. (4)

[40]

TOTAL SECTION B: 80

SECTION C

Answer ONE question from this section.

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

QUESTION 5: BUSINESS ENVIRONMENTS (BUSINESS STRATEGIES)

Businesses must follow the strategic management process to succeed. Porter's Five Forces should be used to identify challenges in the market. It is also important to consider the advantages of diversification strategies. Regularly evaluating strategies helps businesses to move forward.

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

- Outline the strategic management process.
- Explain how the following Porter's Five Forces model can be applied:
  - Power of competitors/Competitive rivalry
  - Threat/Barriers of new entrants to the market
- Discuss the advantages of the diversification strategy.
- Advise businesses on the steps in strategy evaluation. **[40]**

QUESTION 6: BUSINESS OPERATIONS (HUMAN RESOURCES)

The human resource manager must ensure that the business uses the right recruitment procedure. They must also know the role of an interview when filling the vacancies. The business should also implement a comprehensive induction programme for newly appointed candidates. Human resources managers must also know the link between salary determination and BCEA.

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

- Outline the recruitment procedure as a human resource activity.
- Explain the role of the interviewer during the interview.
- Discuss the purpose of induction for business.
- Suggest the link between salary determination and BCEA. **[40]**

TOTAL SECTION C [40]
GRANDTOTAL: 150

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SECTION A

QUESTION 1

1.1.1 C√√

1.1.2 B√√

1.1.3 D√√

1.1.4 C√√

1.1.5 A√√ **(5 x 2) (10)**

1.2.1 Double√√

1.2.2 Forward √√

1.2.3 External √√

1.2.4 Monitoring and evaluation√√

1.2.5 Screening√√ **(5 x 2) (10)**

1.3.1 C√√

1.3.2 E√√

1.3.3 G√√

1.3.4 D√√

1.3.5 I√√ **(5 x 2) (10)**

TOTAL SECTION A: 30

SECTION B

QUESTION 2: BUSINESS ENVIRONMENTS

2.1 Consumer rights according to CPA

- Right to choose√
- Right to privacy and confidentiality√
- Right to fair and honest dealings√
- Right to disclosure and information√
- Right to fair/responsible marketing/promotion/fair and honest dealing√
- Right to accountability from suppliers√
- Right to fair/just/reasonable terms and conditions√
- Right to equality in the consumer marketplace√
- Right to return goods/have goods replaced/claim a refund. √
- Right to complain√
- Right to fair value, good quality and safety √ Max (2)

2.2 Role/functions of SETAs

- Report to the Director General. √√
- Promote and establish learnership. √√
- 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 and training providers. √√
- Oversee training in different sectors of the South African economy. √√
- Develop skills plans in line with the National Skills Development Strategy. √√
- Draw up skills development plans for the specific economic sectors. √√
- Provide training material/programmes for skills development facilitators. √√
- Pay out grants to companies that are complying with the requirements of the Skills Development Act. √√
- Promote learnerships and learning programmes by identifying suitable workplace for practical work experience. √√
- Any other relevant answer relating to the role of SETAs. Max (6)

2.3.1 PESTLE factor

- Technological √√ (2)

2.3.2 Ways to deal with technology

- Continuous research√ on the latest available technology/equipment in the market. √
- Train existing/appoint new employees√ to maintain/use new equipment. √
- Compare prices/select suitable suppliers√ for new equipment at reasonable prices. √
- Businesses must be geared√ for online trading/e-commerce. √
- Any relevant answer relating to ways ST could handle the challenge of technology. **Max (4)**

2.4 Impact of the EEA on business

Positive/Advantages

- Encourage consultation√ between employer and employees. √
- Promote equal opportunity√ and fair treatment in the workplace. √
- Impact positively√ on BEE ratings for businesses. √
- The appointment process is clearly defined√, so all parties are well informed. √
- Motivates employees√ because the workplace is more diverse/representative/inclusive. √
- Motivates employees√ because everyone has the same employment opportunity.
- Promotes the implementation of affirmative action measures√ to redress the imbalances in employment. √
- Provides employees with legal recourse√ if they believe 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 workplace represents the demographics of the country. √
- Creates a framework √of acceptable employment practices/affirmative action measures. √
- Encourage diversity in business√ by employing people from various racial backgrounds. √
- Businesses are in better position√ to negotiate contracts with the government. √
- Certified psychometric tests may be used√ to assess applicants/employees to ensure that they are suitable. √

AND/OR

Negatives/Disadvantages

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

Max (6)

2.5 Types of defensive strategies

2.5.1 Liquidation√√

2.5.2 Divestiture√√

2.5.3 Retrenchment √√ (6)

2.6.1

- Employees take part in legal strikes without any fear of victimization. √
- The trade union representatives are given time off to pay attention to various labour duties.√ (2)

2.6.2 Rights of employees

- Employees may join a trade union√ of their choice. √
- Refer unresolved workplace disputes√ to the CCMA. √
- Refer unresolved CCMA disputes√ to the Labour Court on appeal. √
- Request trade union representatives to assist/represent employees√ in the grievance/disciplinary hearing. √
- Establish a workplace forum√ where a business has 100 or more employees to resolve work related issues. √
- Any other relevant answer relating to the rights of employees regarding Labour Relations Act.

Max (6)

2.7 Benefits of intensive strategies

- Increase in sales/income and profitability. √√
- Regular sales to existing customers may increase. √√
- Gain customer loyalty through effective promotion campaigns. √√
- Improved service delivery may positively impact/increase sales. √√
- Eliminate competitors and dominate market prices. √√
- Decrease in price could influence customers to buy more products. √√
- Enables the business to focus on market/well researched quality products that satisfy the needs of consumers. √√
- Increased market share reduces the business's vulnerability to actions of competitors. √√
- Any relevant answer relating to the advantages of intensive strategies.

Max (6)

[40]

QUESTION 3: BUSINESS OPERATIONS

3.1 Components of job analysis

- Job description√
- Job specification√ (2)

3.2 Selection procedure

- Receive documentation, e.g application forms and sort it according to the criteria
- Evaluate CVs and create a shortlist/Screen the applicants. √√
- Check information in the CVs and contact references. √√
- Check information in the CVs and contact references. √√
- Conduct preliminary sifting interviews to identify applicants who are not suitable for the job, although they meet all requirements. √√
- Assess/test candidates who have applied for senior positions/to ensure the best candidates is chosen. √√
- Conduct interviews with shortlisted candidates. √√
- Offer employment in writing to the selected candidates. √√
- Any other relevant answer related to the selection procedure as a human resources activity. **Max (6)**

3.3.1 Benefits of fringe benefits

- BC attracts skilled employees who contribute positively towards business goals. √
- They increase employee satisfaction as they go an extra mile. √ (2)

3.3.2 Negative impact of fringe benefits

- Businesses who cannot offer fringe benefits fail√ to attract skilled workers. √
- It can create conflict/lead to corruption√ if allocated unfairly. √
- Fringe benefits are additional costs√ that may result in cash flow problems. √
- Errors/mistakes in benefit plans√ may lead to costly lawsuits/regulatory fines. √
- Decreases in business profits √as incentives/packages/remuneration costs are higher. √
- Businesses who offer employees different benefit plans may create resentment √for those who receive less benefit resulting in lower productivity. √
- Administrative costs increase√ as benefits need to be correctly recorded for tax purposes. √
- Workers only stay with the business for fringe benefits√ and may not be committed/loyal to the business. √
- Businesses must pay advisors/attorneys√ to help them create benefit plans that comply with law. √
- Any other relevant answer relating the negative impact of fringe benefits. **Max (4)**

3.4

QUALITY MANAGEMENT	QUALITY PERFORMANCE
Techniques/tools used√ to design/improve the quality of a product. √	Total performance of each department √measured against the specific standards. √
Can be used for accountability√ within each business function. √	Can be obtained if all departments work together√ towards the same quality standards. √
Aims to ensure that the quality of goods/services consistent/focuses√ on the means to achieve consistency. √	Quality is measured √through physical product/statistical output of processes/surveys of the users and /buyers. √
Submax (4)	Submax (4)

Max (8)

3.5.1 Total quality management element from the scenario

TQM ELEMENTS	MOTIVATIONS
1. Continuous improvement to processes and systems√√	LA has enough resources to prevent defects and minimize wastage. √
2. Continuous skills development√√	They also ensure that their employees attend workshops on a regular basis. √
Submax (4)	Submax (2)

Max (6)

3.5.2 Impact of TQM elements

Continuous improvement to processes and systems

Advantages/positives

- Large businesses have more resources√ to check on quality performance in each unit. √
- Enough capital resources are available√ for new equipment required for processes and systems. √
- Large businesses have a person dedicated√ to the improvement of processes and systems. √
- Willing to take risk on/try new processes and systems√ because they can absorb the impact of losing money. √
- They can afford to use the services of the quality circles√ to stay ahead of their competitors. √
- Any other relevant answer related to the advantages of continuous improvement to processes and systems.

AND/OR

Negatives/disadvantages

- Large scale manufacturing√ can complicate quality control. √
- Systems and processes take time and effort to implement in large businesses√ as communication/buy-in may delay the process. √
- Risk of changing parts of the business√ that are working well. √
- Not all negative feedback from employees and customers is going to be accurate, √ which may result in incorrect/unnecessary changes to systems and processes.
- Any other relevant answer related to the disadvantages of continuous improvement to processes and systems.

OR

Skills Development

Positives/advantages

- Large businesses have a human resources department√ dedicated to skills training and development. √
- Human resources experts ensure that training programmes are relevant√ to increase customer satisfaction. √
- Ability to afford√ specialised/skilled employees. √
- Large businesses could conduct skills audits√ to establish the competency/education levels of staff performing work which could affect the quality of products/processes positively. √
- May be able to hire qualified trainers√ to train employees on a regular basis. √
- Any other relevant answer related to skills development.

AND/OR

Negatives/disadvantages

- Poor communication systems in large businesses√ may prevent effective training from taking place. √
- Trained employees may leave for better jobs√ after they gained more skills. √
- Demotivates employees√ if they do not receive recognition for training. √
- Employees who specialises in narrowly defined jobs√ may become frustrated/demotivated. √
- Employees may not be aware of the level of competency√ they should meet to achieve their targets. √
- It may be difficult to monitor/evaluate√ the effectiveness of training. √
- Any other relevant answer related to the disadvantages of skills development.

Max (6)

3.6 Advantages/Benefits of 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√√.
- Business has a competitive advantage over its competitors√√.
- Regular training will continuously improve the quality of employees' skills/ knowledge√√.
- Employers and employees will have a healthy working relationship resulting in happy/productive workers/ improved employee moral/ productivity√√.
- Increased market share/more customers improve profitability/financial sustainability √√
- Improve business image as there are less defects/returns√√.
- Any other relevant answer related to advantages/benefits of good quality management system. **Max (6)**

[40]

QUESTION 4: MISCELLANEOUS TOPICS

BUSINESS ENVIRONMENTS

4.1 Business sectors

- Primary sector√
- Secondary sector√
- Tertiary sector √ **Max (2)**

4.2 Ways in which businesses can comply with NCA

- Offer applicants√ pre-agreement statements. √
- Disclose all costs of loan√/no hidden costs should be charged/added √
- Obtain credit records/checks of clients√ before granting loans√.
- Businesses should be registered with the Nation Credit Regulator√ and submit an annual compliance report to the National Credit Regulator. √
- Conduct affordability assessment√ to ensure the consumer can meet his/her obligation. √
- Conduct credit checks with a registered credit bureau√ and consult with National Credit Register. √
- Businesses must have procedures in place√ to comply with the provision of the Financial Intelligent Centre (FICA) √
- Credit providers must have procedures in place√ to comply with the provision of FICA. √
- Verify the identity of clients√, report suspicious transactions/train staff on their obligations in terms of FICA. √
- Any other relevant answer related to ways in which businesses can comply with the NCA. **Max (4)**

4.3.1 BBBEE pillars

BBBEE PILLAR	MOTIVATIONS
1. Management control√√	They employ more black women in managerial positions to comply with BBBEE. √
2. Ownership √√	They also sell shares to black people to enable them to take part in the economy of the country. √
Submax (4)	Submax (2)

Max (6)

4.3.2 Ways to apply BBBEE pillars

Skills development

- Businesses must engage black employees in skills development initiatives. √√
- Provide learnerships and learning programmes to black employees. √√
- Businesses must contribute 1% of their payroll to fund the skills development programmes. √√
- Business benefits from the increased pool of skilled/trained workers. √√
- Any relevant answer related to ways in which businesses can apply skills development as a BBBEE pillar. **Max (4)**

Enterprise and Supplier Development

- Businesses must create jobs as ESD promotes local manufacturing. √√
- Identify black-owned suppliers that can supply goods and services. √√
- Outsource services to suppliers that are BBBEE compliant. √√
- Businesses are encouraged to invest/support black owned SMMEs√√
- Develop the business skills of small/black-owned suppliers e.g sales techniques, legal advice√√
- Support the cash flow of small suppliers by offering them preferential terms of payment. √√
- Businesses should invest in/support black owned SMMEs. √√
- SMMEs will be encouraged to use their own business initiatives to make them sustainable. √√
- Develop and implement a supplier development a supplier development plan/supply chain. √√
- Invest in/support black owned SMMEs by contributing loans/donations/consulting services/advice/entrepreneurial programme. √√
- Any other relevant answer related to ways in which businesses may apply ESD as a BBBEE pillar. **Max (4)**

BUSINESS OPERATIONS

4.4 Aspects of employment contract

- Personal details of the employee. √
- Details of the business/employer e.g. name/address, etc. √
- Job title/Position√
- Job description e.g. duties/ working conditions√
- Job specification e.g. formal qualifications/willingness to travel. √
- Date of employment/commencement of employment. √
- Place where employee will spend most of his/her working time. √
- Hours of work, e.g. normal time/overtime. √
- Remuneration, e.g. weekly or monthly pay. √
- Benefits/Fringe benefits/Perks/Allowances. √
- Leave, e.g. sick/maternity/annual/adoption leave. √
- Employee deductions (compulsory/non-compulsory). √
- Period of contract/Details of termination. √
- Probation period. √
- Signatures of both the employer and employee. √
- List of documents that form part of the contract, e.g. appointment letter/code of conduct/ethics. √
- Disciplinary policy, e.g. rules and disciplinary procedure for unacceptable behaviour√
- Any other relevant answer related to the aspects that should be included in an employment contract. **Max (4)**

4.5 Importance of training development in human resource management

- The employee who receives the necessary training is more able to perform in their job. √√
- The investment in training that a company makes shows employees that they are valued. √√
- An effective training program allows employees to strengthen their skills. √√
- Productivity usually increases when the human resources function implements training courses. √√
- On-going training and up the skill of the workforce encourage creativity. √√
- Any other relevant answer related to the importance of training development in human resources management. **Max (6)**

4.6.1

- Mpho, the manager monitors and controls stock to prevent theft. √
- She also orders the stock timeously and makes a follow up to ensure goods are delivered on time. √ **(2)**

4.6.2 Other quality indicator of Purchasing Function

- Businesses should buy raw materials/products in bulk√ at lower prices.√
- Select reliable suppliers that render the best quality raw materials/capital goods√ at reasonable prices.√
- Place orders timeously and regular follow-ups√ to ensure that goods are delivered on time.√
- Effective co-ordination between purchasing and production departments√ so that purchasing staff understand the requirements of the production process.√
- Required quantities should be delivered√ at the right time and place.√
- Implement/Maintain stock control systems√ to ensure the security of stock.√
- Maintain optimum stock levels√ to avoid overstocking/reduce out-dated stock.√
- Monitor and report on minimum stock levels√ to avoid stock shortages.√
- Effective use of storage space√ and maintain product quality while in storage.√
- Involve suppliers√ in strategic planning/product design/material selection/quality control process.√
- Ensure that there is no break in production√ due to stock shortages.√
- Establish relationships with suppliers√ so that they are in alignment with the business's vision/mission/values.√
- Have a thorough understanding√ of supply chain management.√
- Any other relevant answer related to the quality indicators for the purchasing function. **Max (4)**

4.7 Ways in which TQM can reduce the cost of quality

- Introduce quality circles to discuss ways of improving the quality of work/ workmanship.√√
- Schedule activities to eliminate duplication of tasks.√√
- Share responsibility for quality output amongst management and workers.√√
- Train employees at all levels, so that everyone understands their roles in quality management.√√
- Develop work systems that empower employees to find new ways of improving quality.√√
- Work closely with suppliers to improve the quality of raw materials/inputs.√√
- Improve communication about quality challenges/deviations, so that everyone can learn from experience.√√
- Reduce investment on expensive, but ineffective inspection procedures in the production process.√√
- Implement pro-active maintenance programmes for equipment/machinery to reduce/eliminate breakdowns.√√ Max (6)

[40]

TOTAL SECTION B: 80

SECTION C

QUESTION 5: BUSINESS ENVIRONMENTS (BUSINESS STRATEGIES)

5.1 Introduction

- The business needs a strategy to achieve its vision and mission statement therefore strategic management must take place. √
- The main aim of Porter's Five Forces model is to analyse the business position in the market. √
- Diversification strategies are used to increase sales and to ensure that there is growth in a business. √
- Evaluation of strategies takes place after the implementation of the strategy and determines whether the implemented strategy resolved the challenge. √
- Any other relevant answer related to strategic management process, Porter's Five Forces, Diversification Strategy and the evaluation of strategies. **Max (2)**

5.2 Strategic management process

- Review/Analyse/Re-examine their vision/mission statement. √√
- Conduct an environmental analysis using models such as PESTLE/PORTER'S FIVE FORCES/SWOT. √√
- Formulate a strategy such as a defensive/retrenchment strategy. √√
- Implement a strategy, using a template such as an action plan. √√
- Control/Evaluate/Monitor the implemented strategy to identify gaps/deviations in implementation. √√
- Take corrective action to ensure goals/objectives are met. √√
- Any other relevant answer related to strategic management process. **Max (12)**

5.3 Application of Porter's Five Forces

Power of competitors/Competitive rivalry

- If competitors have a unique product/service√, then they will have greater power. √
- A business with many competitors in the same market√ has very little power in their market. √
- Draw up a competitor's profile√ so that they can determine their own strength as well as that of competitors. √
- Some businesses have necessary resources to start price wars√ and continue selling at a loss until some/all competitors leave the market. √
- Any other relevant answer related to the power of competitors. **Submax (6)**

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 there are a few suppliers of a product/service but many buyers√, it may be easy to enter the market. √
- 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. √
- Any other relevant answer related to threat of new entrants. **Submax (6)**

Max (12)

5.4 Advantages of diversification strategies

- Increase sales√ and business growth. √
- Improves the business brand and image.
- Reduces the risk of relying only on one product √for sales/revenue/income. √
- More products can be sold to existing customers√ and additional more new markets can be established. √
- Businesses gain more technological capabilities√ through product modification
- Diversification into a number of industries or product line can help create a balance during economic fluctuations. √
- Businesses produce more output using less inputs as one factory may be used to manufacture more products. √
- Any other relevant answer related to the advantages of diversification strategies.

Max (12)

5.5 Steps in evaluating a strategy

- Examine the underlying basis of a business strategy. √√
- Look forward and backwards into the implementation process. √√
- Compare the expected results in order to 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. √√
- Decide on the desired outcome as envisaged when strategies were implemented.
- Any other relevant answer related to steps in evaluating a strategy. **Max (10)**

5.6 Conclusion

- Businesses should always assess their strategic management process to be able to respond effectively to new trends in the market. √√
- The correct application of Porter's Five Forces allows businesses to develop relevant business strategies that may yield fruitful results. √√
- The effective implementation of diversification strategies may result in financial stability and future business prospects. √√
- The evaluation of strategy enables the business to stay ahead and can give the business a competitive advantage over its competitors. √√
- Any other relevant answer related to strategic management process, Porter's Five Forces, Diversification Strategy and the evaluation of strategies. **Max (2)**

QUESTION 6: BUSINESS OPERATIONS (HUMAN RESOURCES)

6.1 Introduction

- The human resources manager is responsible for recruiting and appointing competent and skilled employees. √
- The interviewers should be well-conversant with the interview process to enable them to make necessary planning arrangements before the interview. √
- The focus on induction by the HR department will ensure that the business benefit from its advantages to realise the overall objective of making a profit. √
- Businesses which maintain a link between salary determination and BCEA will never find themselves on the wrong side of the law√.
- Any other relevant answer related to selection procedure, roles of the interviewer, advantages of induction and link between salary determination and BCEA.

Max (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 identify recruitment needs. √√
- HRM should indicate the job specification/description/key performance areas to attract suitable candidates. √√
- Choose the method of recruitment, e.g. internal/external, to reach/target the suitable applicants/candidates. √√
- Vacancies can be internally advertised via internal email/word of mouth/ posters/staff notices. √√
- If the external recruitment is chosen, the relevant recruitment sources should be selected, e.g. recruitment agencies/tertiary institutions/ newspapers, etc√√
- If internal recruitment is unsuccessful, external recruitment should be considered.
- If the external recruitment is done, the relevant recruitment source should be selected, e.g. recruitment agencies, tertiary institutions, newspapers, √√
- The advertisement should be prepared with the relevant information, e.g. the name of the company, contact details, contact person, etc. √√
- Place the advertisement in the appropriate media that will ensure that the best candidates apply. √√
- Any other relevant answer related to recruitment procedure **Max (12)**

6.3 Role of interviewer during the interview

- Allocate the same amount of time√ to each candidate. √
- Introduce members of the interviewing panel√ to each candidate/interviewee.
- Make the interviewee√ feel at ease. √
- Explain the purpose of the interview√ to the panel and the interviewee. √
- Record interviewees' responses√ for future reference. √
- Do not misinform/mislead√ the interviewee. √
- Avoid discriminatory/controversial√ types of questions, e.g. asking a female candidate about family planning/having children. √
- Provide an opportunity for the interviewee√ to ask questions. √
- Close the interview√ by thanking the interviewee for attending the interview. √
- Any relevant answer related to the role of interviewer during the interview.

Max (12)

6.4 The 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 work space. √
- 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 role/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, etc. √
- Any other relevant answer related to the purpose of induction. **Max (6)**

6.5 The link between salary determination and the BCEA

- BCEA outlines legalities, such as the employment contract, which may affect salary determination. √√
- Payment of salaries should be based on whether the employee is permanent or employed on a fixed contract. √√
- The BCEA sets out conditions that ensure fair labour and human resources practices. √√
- According to the BCEA, businesses may use different remuneration methods to pay their employees. √√
- Businesses are supposed to deduct income tax (PAYE) from the employees' taxable salaries. √√
- Any other relevant answer related to the link between salary determination and the BCEA. **Max (8)**

6.6 Conclusion

- The goals and objectives of businesses cannot be achieved without qualified and skilled employees. √√
- Businesses should have suitable/effective recruitment procedures in place. √√
- Employees are the most important resource in any business and its success is strongly influenced by a good selection process which includes a fair and well planned interview. √√
- A well prepared and organised interview process will result in identifying and appointing the most suitable and deserving candidate. √√
- A good link between HR and BCEA enables new employees to have a basic understanding of what is expected in the new job/position. √√
- Any other relevant answer related to selection procedure, roles of the interviewer, advantages of induction and link between salary determination and BCEA.

Max (2)

TOTAL SECTION C: 40

TOTAL: 150