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LIMPOPO
PROVINCIAL GOVERNMENT
REPUBLIC OF SOUTH AFRICA

DEPARTMENT OF
EDUCATION

NATIONAL SENIOR CERTIFICATE

GRADE 12

BUSINESS STUDIES P1

PREPARATORY EXAM 2026

MARKS: 150

TIME: 2 HOURS

This question paper consists of 10 pages

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

3. Number the answers carefully 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	**2**	**40**	**70**
CHOICE: Answer any TWO	**3**	**40**	
	4	**40**	
C: TWO essay-type questions	**5**	**40**	**30**
CHOICE: Answer any ONE.	**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.

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SECTION A: COMPULSARY

QUESTION 1

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

1.1.1 Berry Enterprise complied with the … by promoting the implementation of affirmative action in the business.

A Employment Equity Act (EEA). 1998 [Act 55 of 1998]
B Basic Conditions of Employment Act (BCEA). 1997 [Act 75 of 1997]
C Labour Relations Act (LRA) 1995 [Act 66 of 1995]
D Compensation for Occupational Injuries and Diseases Amendment Act, (COIDA) [ACT 61 of 1997]

1.1.2 Businesses apply the … to analyse their position in the market.

A PESTLE model
B SWOT analysis
C Environmental scanning
D PORTERs Five Forces

1.1.3 The benefit of an induction is to …

A provide new employees with a tour of the building/office.
B minimise the needs for ongoing training and development.
C communicate information about product/services offered by the business.
D introduce new employees to management /colleagues.

1.1.4 The confectionery continuously revises their process to improve the quality of their products. This is known as the … step in the PDCA model.

A plan
B act
C do
D can

1.1.5 The success indicator of the … function is to keep documents orderly and in a safe place

A human resource
B general management
C administration
D production (5 x 2) (10)

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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

learnerships; macro; product development; placement; monitoring and evaluation of quality processes; internship; micro; market development; selection; monitoring and evaluation of defects processes

1.2.1. Marwela Power station provide … to employees through practical training opportunities that lead to recognised qualifications.

1.2.2. Businesses have no control over the … environment

1.2.3. The … strategy aims to introduce new products into existing markets/modifies an existing product.

1.2.4. The employees' qualifications and skills are matched with the requirements of the job during the … procedure.

1.2.5 One of the disadvantages of … is that it often takes longer to detect problems or respond to weaknesses.

(5 x 2) (10)

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1.3 Choose a description from COLUMN B that matches the item 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.

COLUMN A	COLUMN B
1.3.1 Skills development levy 1.3.2 Conglomerate diversification 1.3.3 Adequate financing and capacity 1.3.4 Dismissal 1.3.5 Quality	A adding new products that are unrelated to existing products appealing to new customers B employers and employees contribute 1% of their payroll to SARS to train employees C termination of an employment contract due to restructuring D employers contribute 1% of their payroll to SARS to train employees E adding new products that are related to existing products appealing to new customers F large businesses can afford to put systems in place to prevent defects in products G ability of goods to meet specific needs of customers H large businesses may prevent effective training due to poor communication I number of goods and services that satisfy the needs of customers J termination of an employment contract due to misconduct
	(5 x 2) (10)

TOTAL SECTION A: [30]

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SECTION B

Answer ANY TWO questions in this section

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

QUESTION 2: BUSINESS ENVIRONMENTS

2.1. State any FOUR provisions as stipulated in the Basic Condition of Employment Act (BCEA) 1997 [Act 75 of 1997] (4)

2.2. Describe how Sector Education and Training (SETAs) are funded. (6)

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

MIKE TECHNICIANS (MT)

Mike Technicians specialises in installing laboratory machines. During the past year there had been many injuries on duty. The management prevents employees from reporting the accidents. MT does not pay its annual fees to the Compensation Fund. They also force employees to contribute to this fund.

2.3.1. Quote actions regarded as non-compliance by the Compensation for Occupational Injuries and Diseases Amended Act ,1997 [Act 61 of 1997]. (2)

2.3.2 Explain other actions regarded as non-compliance by COIDA,1997 [Act 61 of 1997]. (4)

2.4. Describe the advantages of intensive strategies. (6)

2.5. Read the scenario below and answer the question that follows.

POLAR BUILDING CONSTRUCTION (PBC)

Polar Building Construction specialises in building properties and buys their raw material from Tau Hardware. They pay high prices as Tau Hardware is the only provider of high-quality cement. PBC also experiences a decline in income as some of their customers prefer that ready-mix concrete be used.

2.5.1 Identify TWO forces of Porter's Five Forces model that are applicable to PBC. Motivate your answer by quoting from the scenario above.

Use the table below as a GUIDE to answer QUESTION 2.5.1 (6)

Porters five forces model	Motivation
1.	
2.	

2.6. Outline the purpose of Consumer Protection Act (CPA), 2008 [Act 68 of 2008] (6)

2.7. Recommend ways in which businesses can deal with the challenges posed by technological factors as a PESTLE element. (6)

[40]

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QUESTION 3: BUSINESS OPERATIONS

3.1 Name any FOUR aspects that should be included in an employment contract. (4)

3.2 Outline the role of the interviewee during the interview. (6)

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

THUSONG LIFESTYLE (TL)

The sales manager of Thusong Lifestyle identified the need to employ an additional customer sales consultant. An advertisement for a vacant post was placed on the company's face book page

3.3.1 Identify the type of recruitment method that TL used. (2)

3.3.2 Discuss the impact of the type of recruitment identified in QUESTION 3.3.1 (4)

3.4. Explain any ONE of the salary determination methods applied in businesses. (4)

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

MARUMOFASE SOLAR PRODUCER (MSP)

Marumofase Solar Producer checks the quality of their solar panels to meet the required standards, during and after the production process. The Managing Director (MD) of MSP uses techniques and tools to improve the quality of their products.

3.5.1 Identify TWO quality concepts that are applicable to MSP. Motivate your answer by quoting from the scenario above.

Use the table below as a GUIDE to answer QUESTION 3.5.1. (6)

QUALITY CONCEPTS	MOTIVATION
1.	
2	

3.6 Discuss the impact of total quality management (TQM) if poorly implemented by the business (4)

3.7 Elaborate on the meaning of quality performance (4)

3.8. Advise businesses on the quality indicators of the financial function. (6)

(40)

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QUESTION 4: MISCELLANEOUS TOPICS

BUSINESS ENVIRONMENTS

4.1. Name any FOUR pillars of the Broad-Based Black Economic Empowerment Act (BBBEE), 2003 [Act 53 of 2003]. (4)

4.2 Outline the steps in strategy evaluation management process (6)

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

MALOTI ESTATE (ME)

Maloti Estate is selling modern houses. The recent increase in interest rate has impacted negatively on the demand for ME properties. ME is losing its clients to Kool Estate who is renting out properties. Employees are demotivated as they are struggling to close deals with customers.

4.3.1. Identify the business sector in which ME is operating. (2)

4.3.2. Quote TWO challenges for ME from the scenario. (2)

4.4. Advise businesses on the positive impact of the Labour Relations Act, (LRA) 1995 [Act 66 of 1995]. (6)

BUSINESS OPERATIONS

4.5. Name any FOUR examples of employee benefits. (4)

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

MATE DESIGNS (MD)

Moon is human resource manager at Mate Designs. She is expected to promote equal opportunities in the workplace and protects the rights of employees as outlined in the constitution. Moon must also ensure that the workplace represents the demographics of the country at all levels.

4.6.1 Quote TWO implications of the Employment Equity Act (EEA), 1998 [Act 55 of 1998] on the human resources function at MD from the above scenario. (2)

4.6.2. Explain other implications of the Employment Equity Act (EEA), 1998 [Act 55 of 1998] on the Human Resource function. (4)

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4.7 Read the scenario below and answer the questions that follow

BASSIE LUXURY WATCHES (BLW)

Bassie Luxury Watches specialise in manufacturing of fashionable watches suitable for everyone. Their watches have constantly improved to smart watches, which has resulted in increased level of customer satisfaction. BLW's image and design has improved a lot as there are less returns / defects

4.7.1 Quote TWO benefits of a good quality management system from the scenario above. (2)

4.7.2 Discuss other benefits of a good quality management system to BLW. (4)

4.8. Evaluate the impact of continuous improvements to processes and systems as a total quality management (TQM) element for large businesses. (4)

[40]

TOTAL SECTION B: [80]

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SECTION C

Answer: ANY ONE question in this section

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

QUESTION 5: BUSINESS ENVIRONMENTS (LEGISLATION)

The National Credit Act (NCA), 2005 (Act 34 of 2005) provides a framework to regulate the credit market. It protects the rights of consumers and provides guidelines on how businesses should comply with this Act. Businesses may face penalties for not complying with the National Credit Act.

Write an essay on the National Credit Act in which you include the following aspects:

- Outline the rights of consumers in terms of the National Credit Act.
- Discuss the impact of the NCA on businesses.
- Explain ways in which businesses could comply with the NCA.
- Advise businesses on the penalties they may face for non-compliance to the Act.

[40]

QUESTION 6: BUSINESS OPERATIONS (TOTAL QUALITY MANAGEMENT)

The business can afford to use the services of quality circles to stay ahead of their competitors and manage the purchasing function so that the product satisfies the customer. A sound knowledge of continuous skills development as a total quality management (TQM) element can reduce the cost of quality.

Write an essay on quality management in which you include the following.

- Outline the importance of quality circles as part of continuous improvement to processes and systems.
- Explain how the quality of performance of the purchasing function can contribute to the success of the business.
- Discuss the impact of the following TQM elements on large business
  - Continuous skills development
  - Total client/ customer satisfaction
- Suggest ways in which total quality management (TQM) can reduce the cost of quality.

[40]

TOTAL SECTION C: [40]

GRAND TOTAL: {150}

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GRADE 12

BUSINESS STUDIES P1

PREPARATORY EXAM

2026

MARKING GUIDELINES

MARKS: 150

TIME: 2 hours

This marking guideline consist of 25 pages

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NOTES TO MARKER:

PREAMABLE

The notes to makers 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 different levels.
(c) Streamline the marking process considering the broad spectrum of markers across the country.
(d) Implement appropriate measures in the teaching, learning and assessment of the subject at schools/institutions of leaning.

1. For making and moderation purposes, the following colours are recommended:
   - Marker: Red
   - School based DH: Green
   - Subject advisor: Orange
   - District Subject Manager: Black/Blue
   - Provincial Moderator: Pink
   - DBE moderator: Turquoise

2. Candidates' responses must be in full sentences for SECTION 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 memorandum
   - comes from another source
   - original
   - A different approach is used

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

4. Take care of other relevant answers provided by candidates and allocate marks accordingly. (In cases where the answer is unclear or indicates some understanding, part-marks should be awarded, for example, one mark instead of the maximum of two marks.)

5. The word 'sub-max' is used to facilitate the allocation of marks within a question or sub-question.

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

7. Subtotals to questions must be written in the right-hand margin. Circle the subtotals as indicated by the allocation of marks. This must be guided by 'max' in the memo. 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.

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9. Correct numbering of response to questions is recommended in SECTION A and B. However, if the numbering is incorrect, follow the sequence of the candidate's responses. Candidates will be penalized if the latter is not clear.

10. No additional credit must be given for repetition of facts. Indicate with a 'R'.

11. The differentiation between 'evaluate' and 'critically evaluate' can be explained as follows:

11.1 When 'evaluate' is used, candidates are expected to respond in either a positive/negative manner or take a neutral (positive and negative) stance, e.g. **positive: COIDA** *eliminates* time *and* costs *spent*√ on *lengthy civil court proceedings*. √

11.2 When 'critically evaluate' is used, candidates are expected to respond in either a positive/negative manner or take a neutral (positive and negative) stance. In this instance candidates are also expected to support their responses with more depth, e.g. *'COIDA eliminates time and costs spent*√ *on lengthy civil court proceedings*√*, because the employer will not be liable for compensation to the employee for injuries sustained during working hours as long as it can be proved that the business was not negligent.'*√

NOTE: 1. The above could apply to 'analyse' as well.
2. Note the placing of the tick (√) in the allocation of marks.

12. The allocation of marks must be informed by the nature of the question, cognitive verb used, mark allocation in the memorandum and the context of each question.

Cognitive verbs, *such as:*

12.1 Advise, name, state, mention, outline, motivate, recommended, suggest, *(list not exhaustive)* do not usually require much depth in candidates' response. Therefore, the mark allocation for each statement/answer appear at the end.

12.2 Define, describe, explain, discuss, elaborate, distinguish, differentiate, compare, tabulate, justify, analyse, evaluate, critically evaluate *(list not exhaustive)* require a greater depth of understanding, application and reasoning. Therefore, the marks must be allocated more objectively to ensure that assessing is conducted according to established norms so that uniformity, consistency and fairness are achieved.

13. Mark only the FIRST answer where candidates offer more than one answer for SECTION B and C questions that require one answer.

14. **SECTION B**

14.1 If, for example, FIVE facts are required, mark the candidate's FIRST FIVE responses and ignore the rest of the responses. Indicate by drawing a line across the unmarked portion or use the word 'MAX'
NOTE: This applies only to questions where the number of facts are specified.

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

14.3 If candidates are required to provide their own examples/views, brainstorm this at the marking center to finalize 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 memorandum)
- Explanation: 1 mark

The 'fact' and 'explanation' are given separately to facilitate mark allocation.

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

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 to SECTION B and C in particular (where applicable).**

15 SECTION C

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

Introduction	**Maximum: 32**
Content	
Conclusion	
LASO	**8**
TOTAL	**40**

15.2 Insight consists of the following components:

Layout/Structure	Is there an introduction, a body, and a conclusion?	2
Analysis and Interpretation	Is the candidate able to break down the question into headings/subheadings/interpret it correctly to show understanding of what is being asked? Marks to be allocated using this guide: All headings addressed: 1 (One 'A') Interpretation (16 to 32 marks): 1 (One 'A')	2
Synthesis	Are there relevant decisions/facts/ responses made based on the questions? Marks to be allocated using this guide Option 1: Only relevant facts: 2 marks (No '-S') Where a candidate answers 50% or more (two to four sub-questions) of the question with only relevant facts; no '-S' appears in the left margin. Award the	2

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	maximum of TWO (2) marks for synthesis. Option 2: Some relevant facts: 1 mark (One '-S') Where a candidate answers less than 50% (only one sub-question) of the question with only OR some relevant facts; one '-S' appears in the left margin. Award a maximum of ONE (1) mark for synthesis. Option 3: Some relevant facts: 1 mark (One '-S') Where a candidate writes four questions but one sub-question of the question with no relevant facts; one '-S' appears in the left margin. Award a maximum of ONE (1) mark for synthesis. Option 4: No relevant facts: 0 marks (Two '-S') Where a candidate answers less than 50% (only one sub-question) of the question 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 of the four sub-topics, not later than two (2) years that are based on recent information, current trends and developments?	2
TOTAL FOR INSIGHT: TOTAL MARKS FOR FACTS: TOTAL MARKS FOR ESSAY (8 + 32):		8 32 40

NOTE:
1. **No marks will be awarded for contents repeated from the introduction and conclusion.**
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.**

15.3 Indicate insight into the left-hand margin with a symbol e.g. (L, A, S and/or O').

15.4 The breakdown of marks is indicated at the end of the suggested answer/marking guideline to each question.

15.5 Mark all relevant facts until the SUBMAX/MAX mark in a subsection has been attained. Write 'SUBMAX'/MAX' after maximum marks have been obtained but continue reading for the originality 'O'.

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

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

15.7 When awarding marks for facts, take note of the sub-maxima indicated, especially if candidates do not make use of the same subheadings. Remember, headings and subheadings are encouraged and contribute to insight (structuring/logical flow/sequencing) and indicate clarity of thought. (See MARK BREAKDOWN at the end of each question.)

15.8 If the candidate identifies/interprets the question INCORRECTLY, then he/she may still obtain marks for layout.

15.9 If a different approach is used by candidates, ensure that the answers are assessed according to the mark allocation/subheadings as indicated in the marking 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. Product development is a growth strategy, √ where businesses aim to introduce new products into existing ones. √ 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 memo, will not necessarily apply to each question. This would also depend on the nature of the question.

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Section A

Question 1

1.1
1.1.1 A √√
1.1.2 D √√
1.1.3 B √√
1.1.4 B √√
1.1.5 C √√

(5x2) (10)

1.2
1.2 .1. Learnership √√
1.2.2. macro √√
1.2.3. product development√√
1.2.4. placement √√
1.2.5 monitoring and evaluation of quality processes √√

(5x2) (10)

1.3
1.3.1 D √√
1.3.2 A √√
1.3.3 F √√
1.3.4 J √√
1.3.5 G √√

(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

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SECTION B

QUESTION 2: BUSINESS ENVIRONMENTS

2.1. **Types of provisions as stipulated in the BCEA**

- Regulation of working time/Ordinary hours of work/overtime/meal intervals and rest periods/Sunday work/public holidays. √
- Leave/annual/sick/family responsibility/maternity/paternity/parental. √
- Particulars of employment and remuneration. √
- Termination of employment. √
- Prohibition of employment of children and forced labour. √
- Any other relevant answer related to the provisions of the BCEA.

NOTE: Mark the first FOUR (4) only. **(4x1) (4)**

2.2. **Funding SETAs**

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

Max (6)

2.3. **Actions regarded as non-compliance by the Compensation for Occupational Injuries and Diseases Amended Act, 1997 (Act 97 of 1998)**

2.3.1 Quotations from the scenario.

- The management prevents employees from reporting accidents. √
- MT does not pay its annual fees to the Compensation Fund. √

(2x1) (2)

NOTE: Only award responses that are quoted from the scenario

2.3.2. **Other actions regarded as non-compliance with COIDA.**

- Providing false information√ about previous serious accidents/occupational diseases.√
- Employers who do not allow claims for injuries √ discriminate against injured employees. √
- Employers that take too long√ to process claims/delay the claiming process. √
- Compensation that is set off against√ any debt of the person entitled to the compensation.√
- Any other relevant answer related to actions regarded as non-compliance with Compensation for Occupational Injuries and Diseases Act.

NOTE: Do not award marks for answers quoted from 2.3.1 **Max (4)**

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2.4. **Advantages of intensive strategies**

- Increase in sales/income /profitability√ due to a variety of advertising campaigns. √
- 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 markets/well researched quality products√ that satisfy the needs of consumers. √
- Increased market share reduces the business's vulnerability√ to actions of competitors. √
- Any other relevant answer related to advantages of intensive strategies

Max (6)

2.5. Porters Five model from the scenario

Porters five model	**Motivation**
1. Power of suppliers √√	They pay high prices as Tau Hardware is the only provider of high-quality cement. √
2. Threat of substitution/substitutes√√	PBC also experiences a decline in income as some of their customers prefer that ready-mix concrete be used. √
Sub-max (4)	**Sub-max (2)**

NOTE:

1. **Mark the first TWO (2) only.**
2. **Award marks for the forces of Porter's Five Forces model even if the quotes are incomplete.**
3. **Do not award marks for motivation if the forces of Porter's Five Forces model were incorrectly identified.**

Max (6)

2.6. **Purpose of Consumer Protection Act (CPA),1998 [Act 55 of 1998]**

- Promotes fair and sustainable places for people to sell their products. √√
- Establishes national standards to protect consumers regardless of economic status. √√
- Provides guidelines for better consumer information and prohibits unfair business practices. √√
- Promotes responsible consumer behaviour. √√
- Promotes consistent laws relating to consumer transactions and agreements. √√
- Establishes a National Consumer Commission (NCC). √√
- Ensures that consumers have access to information they need to make informed choices√√
- Promotes the rights and full participation of historically disadvantaged individuals as consumers. √√
- Ensures that consumers are not misled by suppliers of goods/services. √√
- Promotes consumer safety by protecting them from hazardous products/services. √√
- Strengthens the culture of consumer rights and responsibilities. √√
- Empowers consumers to take legal action if their rights are not upheld. √√
- Protect consumers against contracts that include unfair terms which limit the liability of suppliers. √√

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- Protect consumers against unscrupulous businesses such as fly-by-night franchisors. √√
- Allow consumers and businesses to resolve disputes fairly. √√
- Any other relevant answer related to the Purpose of CPA

Max (6)

2.7. **Ways in which businesses can deal with the challenges posed by technological factors as a PESTLE element.**

- Continuous research on the latest available technology/equipment in the market√√
- Train existing/appoint new employees to maintain/use new equipment. / Provide employees with the necessary knowledge and skills needed to provide services√√
- Compare prices/ Select suitable suppliers for new equipment at reasonable prices√√
- Businesses must be geared for online trading/e-commerce√√
- Any other relevant answer related to ways in which businesses can deal with the Technological factors/challenges as a PESTLE factor

Max (6)

[40]

BREAKDOWN OF MARKS

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

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QUESTION 3: BUSINESS OPERATIONS

3.1 **The aspects that must be included in an 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 employees 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 of an employment contract

  NOTE: Mark the first FOUR (4) only

Max (4)

3.2. **The role of the interviewee during the interview**

- Greet the interviewer by name with a solid handshake and a friendly smile. √√
- Listen carefully to the questions before responding. √√
- Make eye contact and have good posture/body language. √√
- Show confidence and have a positive attitude/be assertive. √√
- Be inquisitive and show interest in the business. √√
- Ask clarity seeking questions. √√
- Show respect and treat the interview with its due importance. √√
- Be honest about mistakes and explain how you dealt with them. √√
- Know your strengths and weaknesses and be prepared to discuss them. √√
- Thank the interviewer for the opportunity given to be part of the interview. √√
- Any other relevant answer related to the role of interviewee during the interview .

Max (6)

3.3. **Recruitment method**

3.3.1 External recruitment√√ **(2)**

3.3.2 The impact of the type of recruitment identified in QUESTION 3.3.1

Positives/ advantages

- New candidates bring new talents/ideas/experiences/skills√ into the business. √
- There is a larger pool of candidates√ to choose from. √
- It may help the business to meet affirmative action√ and BBBEE targets. √

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- Minimises unhappiness/conflict amongst current employees√ who may have applied for the post. √
- There is a better chance of getting a suitable candidate with the required skills/qualifications/competencies √ who do not need much training. √
- Any other relevant answer related to positive / advantages of external recruitment on businesses.

AND/OR

Negatives/Disadvantages

- Information on CV's/references√ may not be reliable. √
- Many unsuitable applications√ can slow down the selection process√.
- New candidates generally take longer to adjust√ to a new work environment√.
- External sources can be expensive, √ e.g. recruitment agencies' fees/advertisements in newspapers/magazines. √
- The selection process may not be effective√ and an incompetent candidate may be chosen. √
- Recruitment process takes longer/is more expensive√ as background checks must be conducted. √
- In-service training may be needed√ which decreases productivity during the time of training. √
- Any other relevant answer related to negative/ disadvantages of external recruitment in businesses

Max (4)

3.4 **SALARY DETERMINATION**

3.4.1 **Piecemeal** √√

- Workers are paid according to the number √ of items/units produced/action performed. √
- Workers are not remunerated for the number of hours worked, √ regardless of how long it takes them to make the items. √
- Mostly used in factories √ particularly in the textile/technology industries. √
- Any other relevant answer related to piecemeal as a salary determination method.

Name (2)
Explain (2)
Sub-max (4)

OR

3.4.2 **Time-related** √√

- Workers are paid according to the amount of time/hours √ they spend at work/on a task. √
- Workers with the same experience/qualifications √ are paid on salary scales regardless of the amount of work done. √
- Many private and public sector businesses √ use this method. √
- Any other relevant answer related to time related as a salary determination method.

Name (2)
Explain (2)
Sub-max (4)
Max (4)

NOTE: Mark the first ONE (1) only.

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3.5.1 Identification and motivation

QUALITY CONCEPTS	MOTIVATION
1. Quality assurance √√	Marumofase Solar Producers check the quality of their solar panels to meet the required standards during and after the production process. ✓
2. Quality management√√	The Managing Director (MD) of MSP uses techniques and tools to improve the quality of their products. ✓
Sub-max (4)	Sub-max (2)

NOTE

1 The answer does not have to be in tabular form

2 Award marks for the quality concepts even if the motivation is not indicated/incorrect

3 The motivation must be linked to the quality concepts **Max (6)**

3.6. The impact of total quality management (TQM) if poorly implemented by the businesses.

- Setting unrealistic deadlines√ that may not be achieved. √
- Employees may not be adequately trained√ resulting in poor quality products. √
- Decline in productivity√ because of stoppages. √
- Businesses may not be able to make the necessary changes to products/services√ in order to satisfy the needs of customers. √
- The reputation/image of the business may suffer√ due to poor quality/defective goods.√
- Customers will have many alternatives to choose from√ and the impact could be devastating to businesses. √
- Investors might withdraw investments√, if there is a decline in profits. √
- Decline in sales√ as more goods are returned by unhappy customers. √
- High staff turnover√ because of poor skills development. √
- Undocumented/Uncontrolled quality control processes/systems √ could result in errors/deviations from pre-set quality standards. √
- Any other relevant answer related to the impact of TQM if poorly implemented by businesses.

Max (4)

3.7. **Quality performance**

- Total performance of each department measured√ against the specified standards. √
- Can be obtained if all departments work together √ towards the same quality standards.√
- Quality is measured through physical product/ statistical output √ of processes/ surveys of the users and/ or buyers of goods/ services. √
- Any other relevant answer related to quality performance.

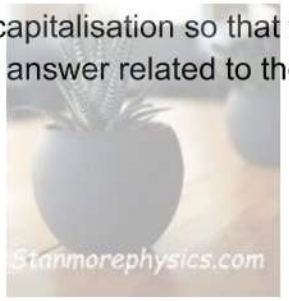
(Max 4)

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3.8 **Quality indicators of financial function.**

- Obtain capital from the most suitable/available/reliable sources. √√
- Negotiate better interest rates in order to keep financial costs down. √√
- Draw up budgets to ensure sufficient application of monetary resources. √√
- Keep financial records up to date to ensure timely/accurate tax payments. √√
- Analyse strategies to increase profitability. √√
- Invest surplus funds to create sources of passive income. √√
- Implement financial control measures/systems to prevent fraud. √√
- Implement credit granting/debt collecting policies to monitor cash flow. √√
- Draw up accurate financial statements timeously/regularly. √√
- Accurately analyse and interpret financial information. √√
- Invest in strategies that will assist the business to remain profitable. √√
- Avoid over/under-capitalisation so that financial resources will be utilised effectively√√
- Any other relevant answer related to the quality indicators of the financial function.

Max. (6)



BREAKDOWN OF MARKS

QUESTION 3	MARKS
3.1	4
3.2	6
3.3.1	2
3.3.2	4
3.4	4
3.5.1	6
3.6.	4
3.7	4
3.8	6
TOTAL	40

[40]

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QUESTION 4: MISCELLANEOUS TOPICS

BUSINESS ENVIRONMENTS

4.1. **Pillars of the Broad-Based Black Economic Empowerment Act (BBBEE)**

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

NOTE: Mark the first FOUR (4) only.

(1x4) (4)

4.2. **Steps in evaluating a strategy**

- Examine the underlying basis of a business strategy. √√
- Look forward and backwards into the implementation process. √√
- Compare the expected performance with the actual performance. √√
- Measure the business performance 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. √√
- Consider the impact of strategic implementation in the internal and external environments of the business. √√
- Any other relevant answer related to steps when evaluating strategies.

NOTE: Accept steps in any order.

Max. (6)

4.3 Scenario

4.3.1. Tertiary sector√√ (2)

4.3.2. Challenges from the scenario

- ME is losing its clients to Kool Estate who is renting out properties √
- Employees are demotivated as they are struggling to close deals with customers. √
- The recent increase in interest rates has impacted negatively on the demand for ME properties√

NOTE: MARK THE First TWO (2) only

(Max 2)

4.4. **Positive impact of Labour Relation Act (LRA)**

Positives /Advantages

- Promotes a healthy relationship between the employer and employees. √√
- Protects the rights of businesses in labour related issues. √√
- Labour disputes are settled quicker and are less expensive. √√
- Protect employers who embark on lawful lockouts when negotiations between parties fail√√
- LRA provides for the principles of collective bargaining and puts structures in place with which disputes in the workplace can be settled. √√
- Provides specific guidelines for employers on correct and fair disciplinary procedures. √√

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- Employers and employees have guidelines regarding correct and fair dismissal procedures. √√
- Provides mechanisms such as statutory councils/collective bargaining/CCMA. √√
- Employers are entitled to compensation from the Labour Court if they suffer damages as a result of unprotected strikes. √√
- Workplace forums can add value to businesses if they function properly. √√
- Any other relevant answer related to the positive/advantages of the Labour Relations Act on businesses.

Max (6)

BUSINESS OPERATIONS

4.5. **Examples of employee's benefits**

- Medical aid fund/health insurance fund√
- Pension fund√
- Funeral benefits√
- Allowance/travel/housing/cellphone/clothing√
- Performance-based incentives√
- Issuing of bonus shares√
- Staff discount/free or low-cost meal/canteen facilities√

NOTE: Mark the first FOUR (4) only **(Max 4)**

4.6.1 **Implications of Employment Equity Act on the Human Resources function**

- She is expected to promote equal opportunities in the workplace. √
- Moon must also ensure that the workplace represents the demographics of the country at all levels. √

NOTE: Mark the first TWO (2) only.

(2 x 1) (2)

4.6.2. **Other implications of the Employment Equity Act on the Human Resources function**

- Ensure that affirmative action promotes √ diversity in the workplace. √
- Compile employment equity plans √ that indicate how they will implement affirmative action. √
- Assign a manager to ensure that the employment equity plan √ will be implemented/regularly monitored. √
- Display a summary of the Act √ where employees can clearly see it/have access to it. √
- Report to the Department of Labour √ on the progress in the implementation of the equity plan. √
- Conduct medical/psychological tests fairly √ to employees when deemed necessary. √
- Equal pay √ for work of equal value. √
- Define the appointment process clearly √ to ensure all parties are well informed. √
- Retrain/Develop/Train designated groups √ through skills development programmes. √
- Any other relevant answer related to the implications of the Employment Equity Act on human resources function.

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

Max (4)

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4.7.1 **TWO benefits of good quality management system from the scenario**

- Their watches have constantly improved to smart watches, which has resulted in increased levels of customer satisfaction√
- BLW's image and design has improved a lot as there are less returns/defects√

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

(Max 2)

4.7.2 **Other benefits of good quality management systems.**

- 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. √
- 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. √
- Increased market share /financial stability√ as more customers improve profitability. √
- Any other relevant answer related to other benefits of good management systems

NOTE: Do not award marks for answers given on 4.7.1

Max (4)

4.8 **The Impact of continuous improvement to processes and systems**

Positive / advantages

- 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 risks on/try new processes and systems √ because they are able to absorb the impact of losing money
- Any other relevant answer related to the positive impact of continuous improvement to processes and systems

AND/OR

Negative impact/ 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 actually 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 negative impact of continuous improvement to processes and systems

Max (4)

[40]

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BREAKDOWN OF MARKS

QUESTION 4	MARKS
4.1.	4
4.2	6
4 3.1	2
4.3.2	2
4.4.	6
4.5.	4
4.6.1	2
4.6.2	4
4.7.1	2
4.7.2	4
4.8	4
TOTAL	40

TOTAL SECTION B: 80

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SECTION C

Mark only the FIRST question in this section.

QUESTION 5: BUSINESS ENVIRONMENTS (LEGISLATION)

5.1 **Introduction**

- The National Credit Act regulates the terms and conditions for all goods and services that are sold/delivered on credit. √
- The Act enables businesses and consumers to enter into transparent credit agreements. √
- Businesses must receive assistance from legal experts to ensure compliance with the NCA. √
- Penalties/Consequences for non-compliance compel businesses to put systems in place that will improve their compliance status. √
- Any other relevant introduction related to the rights of consumers in terms of the NCA/impact of the NCA/ways to comply with NCA/penalties for non-compliance to the NCA.

Any (2 x 1) (2)

5.2 **Rights of consumers in terms of the National Credit Act/NCA**

Consumers have a right to:

- Apply for credit and to be free from discrimination. √√
- Obtain reasons for credit being refused. √√
- Receive pre-agreement documentation/credit quote that is valid for 7 days before concluding any credit transaction. √√
- Fair and responsible marketing. √√
- Surrender/Return goods to the credit provider to settle the outstanding amount/debt. √√
- Apply for debt review/counselling if the consumers cannot afford to repay their debts. √√
- Receive information in plain and understandable language. √√
- Receive documents/statements as required by the Act. √√
- Access and challenge credit records and information. √√
- Receive protection of their personal information. √√
- Receive protection from being held accountable for the use of their credit facility after they reported the loss/theft. √√
- Refuse a credit limit increase. √√
- Any other relevant answer related to the rights of consumers in terms of the NCA.

Max (12)

5.3 **Impact of the National Credit Act/NCA on businesses**

Positives/Advantages

- The whole credit process is transparent√ as both businesses and customers know their responsibilities. √
- Lower bad debts√ resulting in better cash flow. √
- Protects businesses√ against non-paying consumers. √
- Increases cash sales√ as credit can only be granted to qualifying customers/ more customers are buying in cash. √
- Stamps out reckless lending√ and prevents businesses from bankruptcy. √

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- Credit bureau information is made available to businesses√ so that they can check the credit worthiness of consumers before granting credit. √
- Businesses do thorough credit checks√ and receive up-to-date documentation from the consumer as proof that they can afford the repayment. √
- Leads to more customers through credit sales√ as they are now protected from abuse.√
- Any other relevant answer related to the positive impact of the NCA on businesses.

AND/OR

Negatives/Disadvantages

- Businesses can no longer√ carry out credit marketing. √
- Businesses struggle to get credit√ such as bank loans/overdrafts. √
- Businesses that do not comply with the NCA√ may face legal action. √
- Debt collection procedures are more complex√ and expensive. √
- Fewer customers buy on credit√ as it is more difficult to obtain credit. √
- Increases the administration burden√ on credit providers. √
- Leads to loss of sales√ as many consumers may no longer qualify to buy on credit. √
- The paperwork and administrative process√ required by the Act are costly and time-consuming. √
- Businesses need to appoint additional staff√ to deal with the extra administration. √
- Should the credit agreement be declared reckless√ businesses can forfeit the outstanding debt and the goods. √
- Businesses that are official credit providers√ must submit a compliance report every year√
- Businesses must make sure that all attempts have been made to recover the debt√ before blacklisting the customer. √
- Credit providers cannot collect from consumers√ who are under debt review. √
- More working capital is needed√ as businesses cannot sell many goods on credit/due to stricter credit application processes. √
- Any other relevant answer related to the negative impact of the NCA on businesses.

Max (12)

5.4 **Ways in which businesses could comply with the NCA**

- Offer applicants√ pre-agreement statements. √
- Disclose all costs√ of the loan√/ No hidden costs√ should be charged/added. √
- Obtain credit records/checks of clients√ before granting loans. √
- Businesses should be registered√ with the National Credit Regulator. √
- Submit an annual compliance report√ to the National Credit Regulator. √
- Conduct affordability assessment√ to ensure that consumers have the ability to meet their obligations. √
- Conduct credit checks with a registered credit bureau√ and consult the National Credit Register. √
- Businesses must have procedures in place√ to comply with the provision of the Financial Intelligence Centre Act (FICA). √
- Verify the identity of clients, report suspicious transactions/train staff√ on their obligations in terms of FICA. √
- Any other relevant answer related to ways in which businesses could comply with the NCA.

Max (12)

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5.5 **Penalties for non-compliance to the NCA**

- Businesses may not demand payment/sue/attach the consumers salaries/assets√√
- They may not charge any fee/interest/other charges under that specific credit agreement√√
- The court may order consumers not to repay their debts if the business is found guilty of reckless credit granting. √√
- The National Consumer Tribunal may impose a fine on businesses for noncompliance. √√
- Businesses will bear all costs of removing the negative information of clients/ consumers who were blacklisted as a result of reckless credit lending. √√
- The business license may be revoked/deregistered as a credit provider for reckless credit granting and gross violations of the NCA. √√
- Any other relevant answer related to the penalties that businesses may face for non-compliance with the NCA.

Max (10)

5.6 **Conclusion**

- The NCA ensures that consumers are not exploited by providing guidelines on how they can exercise their rights in the credit market. √√
- Businesses benefit through the debt restructuring as they receive part of the outstanding debt. √√
- Businesses that comply with the NCA are more likely to receive good publicity and attract more customers. √√
- Businesses should adhere to the regulations of the NCA to avoid penalties that could lead to financial obligations/constraints. √√
- Any other relevant conclusion related to the rights of consumers in terms of the NCA/ impact of the NCA/ways to comply with NCA/penalties for non-compliance to the NCA.

Any (1 x 2) (2)

[40]

QUESTION 5: BREAKDOWN OF MARK ALLOCATION

DETAILS	MAXIMUM	TOTAL
Introduction	2	Max 32
Rights of consumers in terms of the NCA	12	
Impact of the NCA on businesses	12	
Ways in which businesses could comply with the NCA	12	
Penalties for non-compliance to the NCA	10	
Conclusion	2	
INSIGHT		
Layout	2	
Analysis/Interpretation	2	
Synthesis	2	
Originality/Examples	2	
TOTAL MARKS		40

LASO – for each component
Allocate 2 marks if all requirements are met.
Allocate 1 mark if some requirements are met.
Allocate 0 marks where requirements are not met at all.

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QUESTION 6: BUSINESS OPERATIONS [QUALITY MANAGEMENT]

6.1 **Introduction**

- Quality circles assist in making employees learn new skills and brings out the hidden potential of employees. √
- A sound knowledge of the quality indicators of the purchasing function enables businesses to cut down on unnecessary cost.√
- The effective implementation of TQM elements may give businesses a competitive advantage over other businesses√
- Quality control enables business to reduce defective products and yield a better return on investment or improve their image√
- Any other relevant introduction related to the role of quality circles/ quality indicators of the purchasing function/ impact of continuous skills development/ total client/customer satisfaction and ways in which TQM can reduce the cost of quality

Any (2 x 1) (2)

6.2 **Importance/ Roles of quality circles as part of continuous improvement to processes and systems**

- Solve problems related to quality and implement improvements√√.
- Investigate problems and suggest solutions to management. √√
- Make suggestions for improving processes and systems in the workplace. √√
- Improve the quality of products/services/productivity through regular reviews of quality processes. √√
- Monitor/Reinforce strategies to improve the smooth running of business operations. √√
- Increase employees' morale/motivation to boost the team spirit in achieving organisational goals. √√
- Contribute towards the improvement and development of the organisation. √√
- Reduce costs of redundancy and wasteful efforts in the long run. √√
- Increase the demand for products/services of the business. √√
- Create harmony and high performance in the workplace. √√
- Build a healthy workplace relationship between the employer and employee. √√
- Improve employees' loyalty/commitment to the organisational goals. √√
- Improve employees' communication at all levels of the business. √√
- Develop a positive attitude/sense of involvement in decision making processes of the services offered. √√
- It ensures that there is no duplication of activities/tasks in the workplace√√
- Any other relevant answer related to the role of quality circles as part of continuous improvement to processes and systems

Max (12)

6.3 **Contribution of purchasing function to the success of the business**

- 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-up√ to ensure that goods are delivered on time√

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- 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 (12)

6.4. **The impact of TQM elements**

6.4.1 **Continuous skills development /Education and training on large businesses**

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 conduct skills audits to establish the competency/education levels of staff √ which may positively affect the quality of products. √
- May be able to hire qualified trainers √ to train employees on a regular basis. √
- Any other relevant answer related to the positive impact/advantages of continuous skills development/education and training as a TQM element on large businesses.

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. √
- De-motivates employees, √ if they do not receive recognition for training. √
- Employees who specialise in narrowly defined jobs√ may become frustrated/demotivated√
- Employees may not be aware of the level of competency they should meet √ in order to achieve their targets. √
- It may be difficult to monitor/evaluate√ the effectiveness of training. √
- Any other relevant answer related to the negative impact/disadvantages of continuous skills development/education and training as a TQM element on large businesses.

Sub-max (6)

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6.4.2 **Total client/customer satisfaction on large businesses**

Positives /Advantages

- Large businesses use market research/customer surveys √ to measure/monitor customer satisfaction/analyse customers' needs. √
- Continuously promote √ a positive company image. √
- May achieve a state of total client/customer satisfaction, √ if businesses follow sound business practices that incorporate all stakeholders. √
- Strive to understand and fulfil customer expectations √ by aligning cross functional teams across critical processes. √
- Ensures that cross-functional teams understand their core competencies √ and develop/strengthen it. √
- May lead to higher customer retention/loyalty √ and businesses may be able to charge higher prices. √
- Large businesses may be able to gain access √ to the global market. √
- May lead to increased √ competitiveness/profitability. √
- Any other relevant answer related to the positive impact/advantages of total client/customer satisfaction as a TQM element on large businesses.

AND/OR

Negatives/Disadvantages

- Employees who seldom come into contact with customers √ often do not have a clear idea of what will satisfy their needs. √
- Monopolistic companies have an increased bargaining power √ so they do not necessarily have to please customers. √
- Not all employees may be involved /committed √ to total client/customer satisfaction. √
- Any other relevant answer related to the negative impact/disadvantages of total client/customer satisfaction as a TQM element on large businesses.

Sub-max (6)
Max (12)

6.5. **Ways in which TQM ca 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. √√

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- Implement pro-active maintenance programmes for equipment/machinery to reduce/eliminate breakdowns. √√
- Any other relevant answer related to ways in which TQM can reduce the cost of quality.

Max (10)

6.6 **Conclusion**

- Quality circles enable businesses to put operational systems and guidelines in place aimed at achieving high customer satisfaction. √√
- The quality indicators of the purchasing function must be communicated to all internal stakeholders to enable cost effective methods to produce quality products. √√
- The correct implementation of continuous skills development may enable employees to work effectively and meet targets. √√
- Total client/customer satisfaction helps businesses to effectively implement total quality and ensure they meet all requirements of its customers. √√
- Effective use and implementation of cost of quality enables an organisation to accurately measure the amount of resources being used for cost of good quality and cost of poor quality. √√
- Any other relevant conclusion related to the role of quality circles / quality indicators of the purchasing function /impact of continuous skills development and total client/customer satisfaction/ways in which TQM can reduce the cost of quality.

Any (1 x 2) (2)
[40]

QUESTION 6: BREAKDOWN OF MARK ALLOCATION

DETAILS	MAXIMUM	TOTAL
Introduction	2	Max 32
Importance of quality circle	12	
How purchasing function can contribute to the success of the business	12	
Impact of TQM elements under - Continuous skill development - Total client / customer satisfaction	12	
Ways in which TQM can reduce the cost of quality	10	
Conclusion	2	
INSIGHT		8
Layout	2	
Analysis/Interpretation	2	
Synthesis	2	
TOTAL		40

TOTAL SECTION C: 40

GRAND TOTAL: [150]

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