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LIMPOPO

PROVINCIAL GOVERNMENT

REPUBLIC OF SOUTH AFRICA

DEPARTMENT OF EDUCATION

NATIONAL SENIOR CERTIFICATE

GRADE 12

BUSINESS STUDIES P2

SEPTEMBER 2026

MARKS : 150
TIME : 2 hours

This question paper consists of 10 pages.

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Read the following instructions carefully before answering the questions.

1. This question paper consists of THREE sections and covers TWO main topics.
   SECTION A: COMPULSORY
   SECTION B: Consists of THREE questions.
   Answer any TWO of the three questions in this section.
   SECTION C: Consists of TWO questions.
   Answer any ONE of the two questions in this section.
2. Read the instructions for each question carefully and take note of what is required.

   Note that ONLY the answers to the first TWO questions selected in SECTION B and the answers to the FIRST question selected in SECTION C will be marked.
3. Number the answers correctly according to the numbering system used in this question paper. NO marks will be awarded for answers that are numbered incorrectly.
4. Except where other instructions are given, answers must be written in full sentences.
5. Use the mark allocation and nature of each question to determine the length and depth of an answer.
6. Use the table below as a guide for mark and time allocation when answering each question.

SECTION	QUESTION	MARKS	TIME (minutes)
A: Objective-type questions COMPULSORY	**1**	**30**	**20**
B: THREE direct/indirect-type questions	**2**	**40**	**70**
	3	**40**	
CHOICE: Answer any TWO	**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 (compulsory)

QUESTION 1

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

1.1.1 One of the CSI focus areas of Makwembere Retailers is …

A customers
B rural development
C employment equity
D health and safety

1.1.2 Thabang Themane Hardware considered the advantages and disadvantages of each proposed solution. This problem-solving step is known as …

A defining the problem
B identifying alternative solutions
C implementing the best solution
D evaluating alternative solutions

1.1.3 Thando Mkhatshwa invested R8 000 at GHS Bank at 10% simple interest for three years. Burger Bank will pay out ... after three years when the investment matures.

A R10 400
B R10 648
C R2 400
D R8 800

1.1.4 Gerrie, the manager of Musina Poultry farm, deals with … as a diversity issue by appointing an interpreter so that everyone can fully understand what is being said in a meeting.

A gender
B age
C language
D culture

1.1.5 Prince bought an iPad worth R6500 and insured it for R4000. It accidentally fell and the screen got damaged. The repairs costs R3 500. Prince is going to be compensated … for the damaged iPad.

A R3 000.85
B R3 500.00
C R2 500.00
D R2 153.85

(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

line graph; poverty; corporate governance ; private ; HIV/Aids; shared values; personal liability; bar graph; collaboration; business practice

1.2.1 The directors of a … company are jointly and severally responsible for the debts of the business.

1.2.2 Tiniko Hotel team members implement … as a criterion for successful team performance when all members took part in decision making.

1.2.3 Stefanus used a series of vertical rectangles, known as a …, to display a set of sales figures.

1.2.4 The exercise of ethical and effective leadership by the board of governors of a business towards achieving good performance/ effective control/sustainability and profitability.

1.2.5 Burgersfort mine developed counselling programmes and trained counsellors as a strategy to deal with … as a socio-economic issue.

(5 x 2) (10)

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1.3 Choose a description from COLUMN B that matches a term in COLUMN A. Write only the letter (A–J) next to the question numbers (1.3.1 to 1.3.5) in the ANSWER BOOK, e.g. 1.3.6 K.

COLUMN A	COLUMN B
1.3.1 Cumulative preference shares	A Assist to allocate tasks according to the roles of individual members.
1.3.2 Charismatic leadership Style	B Suitable for a dynamic environment, where change could be drastic.
1.3.3 Team dynamics	C The leader focuses on motivating followers through a system of reward and punishment.
1.3.4 Problem solving	D Various alternatives are considered before deciding on the best one.
1.3.5 Transformational leadership theory	E Shareholders are compensated for past dividends that were not paid out when profits were too low to declare dividends.
	F The task/situation dictates the leadership style that should be applied, so leaders are adaptable/ flexible/ self-assured.
	G The leader uses charm to influence followers.
	H Shares can be converted into a predetermined number of ordinary shares on the date specified when the preference shares were issued.
	I Interactions with team members to achieve a common goal
	J Alternative solutions are generated/identified and critically evaluated

(5 x 2) (10)
TOTAL SECTION A: 30

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SECTION B

Answer any TWO questions in this section. Clearly indicate the QUESTION NUMBER of each question that you choose. The answer to EACH question must start on a NEW page, e.g. QUESTION 2 on a NEW page, QUESTION 3 on a NEW page.

QUESTION 2: BUSINESS VENTURES

2.1 List any THREE factors that should be considered when making an investment decision. (3)

2.2 Outline the differences between *management* and *leadership*. (4)

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

KLEINBOOI MAUTLA INSURANCE BROKERS (KMIB)

Kleibooi, an insurance broker and CEO of KMIB was invited to make a presentation to business owners around the Waterberg District in Limpopo Province. Among others, he included the following insurances:
Money in transit; Trauma insurance and Compensation for Occupational Injuries and Diseases Fund (COIDA).

2.3.1 Identify the type of compulsory insurance that Kleinbooi included in scenario above. (2)

2.3.2 Advise businesses on the advantages/importance of insurance. (6)

2.4 Discuss factors that must be considered by the presenter while presenting. (4)

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

BALOYI KHENSANI COSMETICS (BKC)

Khensani, the general manager of BKC in Giyani, regularly applies different leadership styles depending on the following situations:

- When she is very busy, and delegation of tasks will increase productivity.
- When the business wants to maximise employee performance.
- When her workers have a low morale.
- When her subordinates are experts and know what they want/can take responsibility for their actions.
- When her team members need to improve/develop leadership skills.
- When productivity levels are very low/not according to targets.

2.5.1 Quote THREE situations in which the general manager of BKC has applied the Liassez-faire/Free-reign leadership style in the scenario above. (3)

2.5.2 Discuss the positive impact of the democratic leadership style. (6)

2.6 Explain the role of personal attitude in successful leadership. (6)

2.7 Advise presenters on areas of improvement in the next presentation. (6)
[40]

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QUESTION 3: BUSINESS ROLES

3.1 List any TWO unethical business practices. (2)

3.2 Outline the advantages of corporate social responsibility (CSR) on business. (6)

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

MADUVHA MUNYAI EXCLUSIVE FURNITURE DISTRIBUTORS (MMEFD)

All the production managers of the nine provincial branches of MMEFD were requested to join their leader (the production director) to a meeting at their head office in Thohoyandou to discuss better methods of production. When Maduvha (the company's CEO) visited them he discovered the following: All members were competent, autonomous and able to handle the decision-making process without supervision. When he returned the following day he found them focusing on the completion of the task/ending the project.

Identify TWO stages of team development applicable to the MMEFD scenario above. Motivate your answer by quoting from the scenario.

Use the table below as a GUIDE to answer QUESTION 3.3.

STAGES OF TEAM DEVELOPMENT	MOTIVATION

. (6)

3.4 Explain ways businesses can create an environment that promotes creative thinking in the workplace. (6)

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

LAYLA KHANDOO HUMAN RIGHTS LAW FIRM (LKHRLF)

Layla, a lawyer specialising in human rights law, held a workshop with employers and employees in the Sekhukhune area of Limpopo Province. She emphasised that respect for all sorts of rights is vital for both employers and employees. These rights include among others the following:
The right to education; the right to join/form trade unions; the right to dignity and the right to participate in a legal strike.

3.5.1 Quote TWO economic rights of employees that Layla included in the scenario above. (2)

3.5.2 Explain the benefits of diversity in the workplace. (6)

3.6 Discuss ways in which businesses can contribute time and effort in improving the well-being of employees. (6)

3.7 Advise businesses on how they should handle conflict in the workplace. (6)

[40]

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QUESTION 4: MISCELLANEOUS TOPICS

BUSINESS VENTURES

4.1 With the exception of the private company and the state owned company, mention the other TWO profit companies. (2)

4.2 Outline the differences between *over* and *under insurance*. (4)

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

TETELO BALOYI 'S SMART INVESTMENT DECISIONS (TBSID)

Tetelo, the chief financial advisor of TBSID made a presentation to directors of companies in the Sekgosese area and included the following positives/advantages of some forms of investment:

- Rate of return on investment (ROI) is linked to the performance of the company.
- The period of investment can be over a short/medium/long term.
- It has a low risk as investors are guaranteed of the final payment.
- Can be freely transferred/traded on the JSE.

4.3.1 Quote TWO positives/advantages of fixed deposit as a form of investment that Tetelo included in the TBSID scenario above. (2)

4.3.2 Explain the functions of the Johannesburg Securities Exchange (JSE). (6)

4.4 Evaluate the impact of hand-outs/flyers/brochures a visual aid. (6)

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BUSINESS ROLES

4.5 Outline ways in which professional, responsible, ethical and effective business practice should be conducted. (4)

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

XIAO SUN, ZANDRI SMIT & NATALIE DU PLESSIS ADVERTISING AGENCY (XZNAA)

The managing directors of XZNAA and their subordinates are faced with a challenge of operating in a very small office in Polokwane. They are considering moving to a new and bigger office in Mankweng which is unfortunately far away from their residential area. Natalie, who is in charge of facilitating problem solving processes in the company, secured a meeting with all participants (all directors and employees) so that they can assist in solving this business problem. She requested participants to list all driving/pros and restraining/cons forces that will support and resist change (moving to a new bigger office).

4.6.1 Identify the problem solving technique that Natalie applied in the scenario above. (2)

4.6.2 Explain the other facts on how businesses can apply the problem-solving technique identified in QUESTION 4.6.1 not mentioned in the scenario above. (4)

4.7 Discuss the advantages of creative thinking in the workplace. (6)

4.8 Suggest strategies businesses may use to protect the environment and human health. (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 chosen. The answer to the question must start on a NEW page, e.g. QUESTION 5 on a NEW page OR QUESTION 6 on a NEW page.

QUESTION 5: BUSINESS VENTURES (FORMS OF OWNERSHIP)

Different types of business entities operate with unique characteristics and purposes. Non-profit companies focus on social/community goals while State-owned companies benefit from government support. Partnerships on the other end take advantage of synergy. The success or failure of private companies often depends on factors such as effective management, legislation and capital.

Write an essay on forms of ownership in which you include the following aspects:

- Outline the characteristics of the non-profit company.
- Explain how the following criteria could contribute to the success and/or failure of a private company:
  - Management
  - Legislation/Legal requirements
  - Capital
- Discuss the advantages of a state-owned company.
- Evaluate the impact of the partnership. **[40]**

QUESTION 6: BUSINESS ROLES (ETHICS AND PROFESSIONALISM)

Ethical behaviour promotes honesty and responsibility in business. The King Code principles guide organisations on good governance and ethical leadership. However, some businesses engage in unprofessional practices which pose challenges to businesses. These practices damage trust and reputation of businesses as such, they (businesses) should always ensure that they come up with effective ways to deal with these bad practices.

Write an essay on ethics and professionalism in which you include the following aspects:

- Outline practical examples of ethical behaviour.
- Explain how businesses can apply the THREE King Code principles for good corporate governance to improve ethical business conduct.
- Discuss how the following types of unprofessional business practices pose challenges to businesses.
  - Sexual harassment
  - Unauthorised use of workplace funds and resources
  - Abuse of work time
- Recommend ways in which businesses could deal with the above-mentioned types of unprofessional businesses practices. **[40]**

TOTAL SECTION C: 40
GRAND TOTAL: 150

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GRADE 12

BUSINESS STUDIES P2

SEPTEMBER 2026

MARKING GUIDELINE

MARKS: 150

This marking guideline consists of 36 pages.

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NOTES TO MARKERS

1. PREAMBLE

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

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

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

3. A comprehensive marking guideline has been provided but this is by no means exhaustive. Due consideration should be given to an answer that is correct, but:
   - Uses a different expression from that which appears in the marking guidelines
   - Comes from another credible source
   - Original
   - A different approach is used

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

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

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

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

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

8. In an indirect question, the theory as well as the response must be relevant and related to the question.

9. Correct numbering of responses 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 penalised if the latter is not clear.

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

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

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

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

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

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

    Cognitive verbs, such as:

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

    12.2 Define, describe, explain, discuss, elaborate, distinguish, differentiate, compare, tabulate, analyse, evaluate, critically evaluate (list not exhaustive) require a greater depth of understanding, application and reasoning. Therefore, the marks must be allocated more objectively to ensure that 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 Cancel'.

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NOTE: 1. This applies only to questions where the number of facts is specified.
2. The above also applies to responses in SECTION C (where applicable)

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

14.3 If candidates are required to provide their own examples/views, brainstorm this to come up with alternative answers.

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

14.4.1 If the number of facts is specified, questions that require candidates to 'describe/discuss/explain' may be marked as follows:

- Fact 2 marks (or as indicated in the marking guideline)
- Explanation 1 mark (two marks will be allocated in Section C)

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The 'fact' and 'explanation' are given separately in the marking guidelines to facilitate mark allocation.

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

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

15. **SECTION C**

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

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

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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? Option 1: **Only relevant facts: 2 marks (No '-S')** Where a candidate answers 50% or more (two to four sub-questions) of the question with only relevant facts; no '-S' appears in the left margin. Award the maximum of TWO (2) marks for synthesis. Option 2: **Some relevant facts: 1 mark (One '-S')** Where a candidate answers less than 50% (only one sub-question) of the question with only OR some relevant facts; one '-S' appears in the left margin. Award a maximum of ONE (1) mark for synthesis. Option 3: **Some relevant facts: 1 mark (One '-S')** Where a candidate answers FOUR sub-questions, but one/two/three sub-questions with no relevant facts; one '-S' appears in the left margin. Award a maximum of ONE (1) mark for synthesis. Option 4: **No relevant facts: 0 mark (Two '-S')** Where a candidate answers less than 50% (only one sub-question) of the question with no relevant facts; two '-S' appears in the left margin. Award a ZERO mark for synthesis.	**2**
Originality	Is there evidence of two examples not older than two (2) years that are based on recent information, current trends and developments? **NB**. **New development regarding Originality**: Candidates should provide TWO examples. These examples should be from two different sub-questions. ONE from one sub-question and ONE from another.	**2**
	TOTAL FOR INSIGHT: **TOTAL MARKS FOR FACTS:** **TOTAL MARKS FOR ESSAY (8 + 32):**	**8** **32** **40**

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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 allocated for layout, if the headings 'INTRODUCTION and CONCLUSION are not supported by an explanation.**

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

15.4 The breakdown of marks is indicated at the end of the suggested answer/marking guidelines 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 originality "O".

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

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

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

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

15.9 If a different approach is used by candidates, ensure that the answers are assessed according to the mark allocation/subheadings as indicated in the marking guidelines.

15.10 15.10.1 Award TWO marks for complete sentences. Award ONE mark for phrases, incomplete sentences and vague answers.

15.10.2 With effect from November 2015, the TWO marks will not necessarily appear at the end of each completed sentence. The ticks (✓) will be separated and indicated next to each fact,

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e.g. 'Product development is a growth strategy/✓where business aim to introduce new products✓into existing markets.'✓
This will be informed by the nature and context of the question, as well as the cognitive verb used.

15.11 With effect from November 2017, the maximum of TWO (2) marks for facts shown as headings in the marking guideline, 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 B ✓✓
1.1.2 D✓✓
1.1.3 A ✓✓
1.1.4 C ✓✓
1.1.5 D ✓✓ (5 x 2) (10)

1.2

1.2.1 personal liability ✓✓
1.2.2 collaboration ✓✓
1.2.3 bar graph ✓✓
1.2.4 corporate governance ✓✓
1.2.5 HIV/Aids✓✓ (5 x 2) (10)

1.3

1.3.1 E ✓✓
1.3.2 G ✓✓
1.3.3 A ✓✓
1.3.4 J ✓✓
1.3.5 B ✓✓ (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

Mark the answers to the FIRST TWO questions only.

QUESTION 2: BUSINESS VENTURES

2.1 **Factors that should be considered when making an investment decision**

- Risk ✓
- Investment term/period ✓
- Inflation rate ✓
- Taxation ✓
- Liquidity ✓

NOTE: Mark the first Three (3) only. **(3 x 1) (3)**

2.2 **Difference between management and leadership**

MANAGEMENT	LEADERSHIP
- Guides human behaviour. ✓✓	- Influences human behaviour. ✓✓
- Communicates through management functions, such as line function. ✓✓	- Communicates by means of interaction/behaviour/vision/values/ charisma. ✓✓
- Administers plans/programs/tasks to reach targets. ✓✓	- Innovates/Encourages new ideas to increase productivity. ✓✓
- Controls systems and procedures to get the job done. ✓✓	- Inspires staff to trust and support each another. ✓✓
- Focuses on the bottom line/short/medium/long term. ✓✓	- Focuses on the horizon/long - term. ✓✓
- A person becomes a manager because of the position in which he/she is appointed. ✓✓	- Leaders are born with natural/ instinctive leadership skills. ✓✓
- Manages the process of getting things done by exercising responsibility. ✓✓	- Guides/Leads people to become active participants. ✓✓
- Managers have power because of the position of authority into which they are appointed. ✓✓	- Leaders have power/influence because of his/her knowledge/skills/ intelligence. ✓✓
- Enforce rules on subordinates / Ensure that tasks are completed.✓✓	- Always trying to find more efficient ways of completing tasks. ✓✓
- Management is instructional in their approach by guiding/training/ directing employees. ✓✓	- Leadership is inspirational in their approach by energizing/ motivating/ encouraging employees. ✓✓
- Management is task orientated and focuses on completing goals/deadlines/processes. ✓✓	- Leadership is people orientated and focuses on building relationship/ morale/development. ✓✓
- Manages by planning/organising/ leading/control. ✓✓	- Lead by example/trust/respect. ✓✓
- Management "does things right" by focusing on efficiency and execution of tasks. ✓✓	- Leadership "does the right things" by focusing on the vision and strategies. ✓✓

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- Manages the "how" and "when" regarding processes/timelines of a task. ✓✓	- Leadership asks "what" and "why" to foster a deeper understanding for improvement. ✓✓
Any other relevant answer related to management.	Any other relevant answer related to leadership.

NOTE: 1. Accept the following unelaborated differences for the last time in this 2026 Preparatory Examination.
From November 2026 henceforth they will no longer be allocated TWO marks as per the November 2025 Addendum.

MANAGEMENT	LEADERSHIP
- Instructional in their approach ✓✓	- Motivational/inspirational in their approach ✓✓
- Managers are task orientated ✓✓	- Leaders are people orientated ✓✓
- Management does things right ✓✓	- Leadership does the right things ✓✓
- Managers question how and when ✓✓	- Leaders question what and why✓✓

2. The answer does not have to be in tabular format.
3. The difference does not have to link, but must be clear.
4. Award a maximum of TWO (2) marks if the difference is not clear/Mark either management or leadership only.

Max (4)

2.3 **Compulsory insurance**

2.3.1 Compensation for Occupational Injuries and Diseases Fund/COIDA ✓✓

Max (2)

2.3.2 **Advantages/importance of insurance**

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

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- Replacement costs for damaged machinery/equipment are very high, therefore insurance can reduce/cover such costs. ✓✓
- Protects businesses from claims made by members of the public for damages that businesses are responsible for. ✓✓
- Protects businesses against losses due to death of a debtor. ✓✓

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

Max (6)

2.4 **Factors that must be considered by the presenter while presenting**

- Establish credibility by introducing yourself✓ as the presenter at the start. ✓
- Mention/Show the most important✓ information first. ✓
- Make the purpose/main points✓ of the presentation clear at the start of the presentation. ✓
- Use suitable✓ section titles/headings/sub-headings/bullets. ✓
- Summarise the main points✓ of the presentation to conclude the presentation.✓
- Stand in a good position/upright,✓ where the audience can clearly see the presenter/presentation. ✓
- Avoid/Refrain✓ from hiding behind equipment. ✓
- Do not ramble on at the start✓ to avoid losing the audience/their interest. ✓
- Capture listeners' attention/Involve the audience✓ with a variety of methods such as short video clips/sound effects/humour. ✓
- Maintain eye contact✓ with the audience. ✓
- Be audible/loud and clear✓ to all listeners/audience. ✓
- Vary the tone of voice/tempo✓ within certain sections to prevent monotony. ✓
- Make the presentation interesting✓ with visual aids/anecdotes/examples/ Use visual aids effectively. ✓
- Use appropriate gestures✓ to emphasize certain points. ✓
- Speak with energy ✓ and enthusiasm. ✓
- Pace yourself✓ by not rushing or talking too slowly. ✓
- Keep the presentation✓ short and simple. ✓
- Conclude/End with a strong/striking ending✓ that will be remembered. ✓
- Ensure that the audience✓ will leave with specific information. ✓
- Manage time effectively✓ to allow time for questions. ✓

Any other relevant answer related to the factors to be considered by the presenter while presenting.

Max (4)

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2.5 **Leadership styles**

2.5.1 **Situations in which the general manager of BKC has applied the Liassez-faire/Free-reign leadership style**

- When she is very busy, and delegation of tasks will increase productivity.✓
- When her subordinates are experts and know what they want/can take responsibility for their actions. ✓
- When her team members need to improve/develop leadership skills. ✓

NOTE: 1. Mark the first Three (3) only.
2. Only award marks for responses that are quoted from the scenario

(3 x 1) (3)

2.5.2 **Positive impact of the democratic leadership style**

- Employees participate in the decision-making process, ✓ so they feel empowered/positive. ✓
- Staff gives a variety of ideas/inputs/feedback/viewpoints ✓ that can lead to innovation/improved production methods/increased sales. ✓
- Clear/Two-way communication ✓ ensures group commitment to final decision(s). ✓
- Authority is delegated✓ which can motivate/inspire workers to be more productive. ✓
- Complex decisions can be made ✓ with inputs from specialists/skilled workers. ✓

Any other relevant answer related to the positive impact of the democratic leadership style. **Max (6)**

2.6 **The role of personal attitude in successful leadership**

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

Any other relevant answer related to the role of personal attitude in successful leadership. **Max (6)**

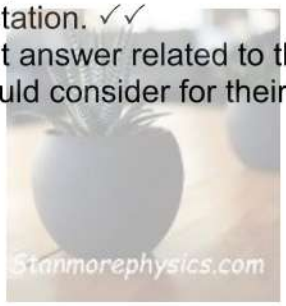
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2.7 **Areas of improvement in the next presentation**

- The presenter should revise objectives that were not achieved. ✓✓
- Use humour appropriately. ✓✓
- Always be prepared to update/keep the information relevant. ✓✓
- Reflect on any problem/criticism and avoid it in future presentations. ✓✓
- Reflect on the time/length of the presentation to add/remove content. ✓✓
- Reflect on the logical flow of the format/slides/application of visual aids. ✓✓
- Increase/Decrease the use of visual aids/replace or remove aids that do not work well. ✓✓
- Information that the presenter receives as feedback from a presentation should be analysed and where relevant incorporated/used to update/amend his/her presentation. ✓✓

Any other relevant answer related to the areas of improvement that the management should consider for their next presentation.

Max (6)
[40]



BREAKDOWN OF MARKS

QUESTION 2	MARKS
2.1	3
2.2	4
2.3.1	2
2.3.2	6
2.4	4
2.5.1	3
2.5.2	6
2.6	6
2.7	6
TOTAL	40

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QUESTION 3: BUSINESS ROLES

3.1 **Unethical business practices**

- Unfair advertising ✓
- Pricing of goods in rural areas ✓
- Taxation/Tax evasion ✓

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

3.2 **Advantages of corporate social responsibility (CSR) on business**

- May attract experienced employees/increase the pool of skilled labour which could increase productivity. ✓✓
- Positive/Improved image as the business looks after employees/conducts itself in a responsible way. ✓✓
- Businesses may have a competitive advantage, resulting in good publicity/an improved reputation. ✓✓
- Promotes customer loyalty resulting in more sales. ✓✓
- CSR projects may be used as a marketing strategy to promote their products. ✓✓
- Businesses enjoy the goodwill/support of communities. ✓✓
- CSR projects promote teamwork within businesses. ✓✓
- CSR helps to attract investors because of increased profits/income/ growth. ✓✓
- Gives businesses tax advantages such as tax reduction/-rebates. ✓✓
- Assists in solving socio-economic issues like poverty/unemployment. ✓✓
- The government is less likely to enforce issues through legislation to businesses that voluntarily participate in CSR projects. ✓✓
- Employees feel as if they are making a difference in working for the business. ✓✓
- It helps to retain staff/lower staff turnover as employees' health and safety are considered. ✓✓
- Improves the health of its employees through focused CSR projects. ✓✓
- Businesses become more community-based by working closely with the community to roll out skills development projects. ✓✓

Any other relevant answer related to the advantages of CSR on businesses.

Max (6)

3.3 **Stages of team development from the scenario**

STAGES OF TEAM DEVELOPMENT	MOTIVATION
Performing stage/ Working as a team towards a goal✓✓	All members were competent, autonomous and able to handle the decision-making process without supervision. ✓
Adjourning/Mourning stage ✓✓	When he returned the following day he found them focusing on the completion of the task/ending the project. ✓
Submax (4)	Submax (2)

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NOTE: **1. Mark the first TWO (2) only.**
2. The answer does not have to be in tabular format.
3. Award marks for the stages of team development even if the quotes were incomplete.
4. Do not award marks for the motivations if the stages of team development were incorrectly identified. **Max (6)**

3.4 **Ways businesses can create an environment that promotes creative thinking in the workplace**

- Encourage alternative ways ✓ of working/doing things. ✓
- Respond enthusiastically to all ideas ✓ and never let anyone feel less important. ✓
- Place suggestion boxes around the workplace ✓ and keep communication channels open for new ideas. ✓
- Emphasise the importance of creative thinking ✓ to ensure that all staff know that management want to hear their ideas. ✓
- Make time for brainstorming sessions to generate new ideas, ✓ e.g., regular workshops/ generate more ideas/build on one another's ideas. ✓
- Train staff ✓ in innovative techniques/creative problem-solving skills/mind-mapping/ lateral thinking. ✓
- Encourage job swops ✓ within the organization ✓ /studying how other businesses ✓ are doing things. ✓
- Reward creativity with reward schemes ✓ for teams/individuals that come up with creative ideas. ✓
- Provide a working environment conducive to creativity, ✓ free from distractions. ✓

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

NOTE: **This unelaborated fact as indicated above will be accepted for the last time in this 2026 Preparatory Examination:**
- Encourage alternative ways ✓ of working/doing things. ✓

From the 2026 Final Examinations hence-forth candidates will only be awarded 2 marks for the following elaborated fact as per the November 2024 Addendum.
- Encourage employees to develop/come up with new/unique ideas/alternative ways ✓ of doing things. ✓

Max (6)

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3.5 **Economic rights of employees**

3.5.1 **Economic rights of employees from the scenario**

- The right to join/form trade unions ✓
- The right to participate in a legal strike ✓

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

(2 x 1) (2)

3.5.2 T**he benefits of diversity in the workplace**

- Diversity in the workforce ✓ improves morale/motivation. ✓
- Businesses with a diverse workforce are more likely to have a good public image ✓ and attract more customers. ✓
- Diversified workforce can give businesses a competitive advantage, ✓ as they can render better services. ✓
- Workforce diversity✓ improves the ability of a business to solve problems/ innovate/cultivate diverse markets. ✓
  A diversified workforce stimulates debate ✓ on new/improved ways of getting things done. ✓
- Employees demonstrate greater loyalty to the business ✓ because they feel respected/accepted/understood. ✓
- Employees value each other's diversity ✓ and learn to connect/communicate across lines of difference. ✓
- Employees from different backgrounds ✓ can bring different perspectives to the business. ✓
- Employees represent various groups ✓ and are therefore better able to recognise customer needs and satisfy consumers. ✓
- Being respectful of differences/Demonstrating diversity ✓ makes good business sense/improves profitability. ✓
- Diverse businesses ensure that its policies/practices empower every employee ✓ to perform at his/her full potential. ✓

Any other relevant answer related to the benefits of diversity in the workplace.

Max (6)

3.6 **Ways in which businesses can contribute time and effort in improving the well-being of employees**

- Pay fair wages/salaries to the workers ✓ based on the nature of their work/the prevailing economic conditions in the market. ✓
- Provide transport for employees ✓ who work unusually long hours. ✓
- Pay fair bonuses based on business earnings, ✓ as acknowledgement for hard work and commitment.✓
- Working conditions should include ✓ safety/medical/canteen facilities/benefits like housing/leave/retirement. ✓
- Provide for employees' participation ✓ in decision making that affects them.✓
- Provide employees with recreational facilities✓ to socialise and strengthen work relations. ✓
- Offer annual physical/medical assessments to workers ✓ to promote health awareness. ✓

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- Encourage employees to stay fit and healthy ✓ by getting them involved in health activities to minimize stress/substance abuse/obesity. ✓
- Make trauma debriefing/counselling/therapy available ✓ to any employee who requires these services. ✓
- Offer financial assistance ✓ in the case of any hardship caused by unexpected medical costs. ✓
- Allow flexible working hours ✓ to enhance productivity. ✓
- Offer support programmes for employees ✓ infected and affected by HIV/Aids.✓
- Make childcare facilities available on the premises ✓ for working mothers in the business. ✓
- Start a nutritional programme ✓ so that employees can enjoy one meal per day to keep them in a healthy condition. ✓
- Give time to the staff ✓ to get involved in projects they choose✓ /Allow staff to use some of the working hours ✓ to participate in the projects of their choice ✓
- Establish coaching and mentoring programmes ✓ for junior employees. ✓
- Conduct team-building sessions ✓ to improve employees' morale. ✓
- Encourage employees to attend ✓capacity-building workshops/training programmes/staff-development programmes/team-development
- programmes. ✓

Any other relevant answer related to ways in which businesses can contribute time and effort in improving the well-being of employees.

NOTE: **This unelaborated fact will be accepted for the last time in this 2026 Preparatory Examination:**

- Provide employees with ✓ recreational facilities. ✓
  OR
- Provide employees with recreational facilities ✓ to improve work relations. ✓

From the 2026 Final Examinations hence-forth candidates will above as per the November 2023 Addendum.

- **only be awarded 2 marks for this elaborated fact as indicated**
- Provide employees with recreational facilities✓ to socialise and strengthen work relations. ✓

Max (6)

3.7 **How to handle conflict in the workplace**

- Acknowledge that there is conflict between employers/ employees/parties in the workplace. ✓✓
- Identify the cause of the conflict to get clarity on its nature. ✓✓
- Arrange time and place for negotiations where all employees involved are present. ✓✓
- Arrange a meeting between conflicting employers/ employees. ✓✓
- Make intentions for intervention clear so that parties involved may feel at ease. ✓✓
- Arrange a pre-negotiation meeting where workers/ complainants will be allowed to state their case/views separately. ✓✓

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- Each party has the opportunity to express his/her own opinions/feelings. ✓✓
- Conflicting parties may recognise that their views are different during the meeting. ✓✓
- Analyse/Evaluate the cause(s) of conflict by breaking it down into different parts. ✓✓
- Blame shifting should be avoided and a joint effort should be made. ✓✓
- Direct conflicting parties towards finding/focusing on solutions.✓✓
- Devise/Brainstorm possible ways of resolving the conflict. ✓✓
- Conflicting parties agree on criteria to evaluate the alternatives. ✓✓
- Select/Implement the best solution that will deal with the conflict. ✓✓
- Provide opportunities for parties to agree on the best solution. ✓✓
- Evaluate/Follow up on the implementation of the solution(s). ✓✓
- Monitor progress to ensure that the conflict has been resolved. ✓✓
- Source experts on handling conflict from outside the business. ✓✓

Any other relevant answer related to how businesses should handle conflict in the workplace.

NOTE: **These unelaborated facts will be accepted for the last time in this 2026 Preparatory Examination.**

- Identify the cause of the conflict. ✓✓
- Select/Implement the best solution. ✓✓

From the 2026 Final Examinations hence-forth candidates will only be awarded 2 marks for the following elaborated facts as indicate above as per the November 2024 Addendum.

- Identify the cause of the conflict to get clarity on its nature. ✓✓
- Select/Implement the best solution that will deal with the conflict. ✓✓

Max (6)
[40]

BREAKDOWN OF MARKS

QUESTION 3	MARKS
3.2	2
3.2	6
3.3	6
3.4	6
3.5.1	2
3.5.2	6
3.6	6
3.7	6
TOTAL	40

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QUESTION 4: MISCELLANEOUS TOPICS

BUSINESS VENTURES

4.1 **Other profit companies**

- Personal Liability Company ✓
- Public Company ✓

NOTE: 1. Mark the first Two (2) only.
2. The question did not specify that candidates should describe/explain/discuss/elaborate on the name of the companies. As such, do not allocate marks for words/ abbreviations that should be put at the end of the name of the business. Candidates should give the names of the other profit companies in full.

(2 x 1) (2)

4.2 **Differences between over and under insurance**

OVER-INSURANCE	UNDER-INSURANCE
- Property/Assets are insured for more than their actual/market value. ✓✓	- Property/Assets are not insured for their full market value. ✓✓
- The insurer can choose to reinstate the insured instead of making a payment. ✓✓	- The insurer will apply the average clause to determine the amount that will be paid. ✓✓
- The insured will not receive a payout larger than the value of the loss at market value. ✓✓	- The insured will only be paid out for the amount that the goods/assets are insured for. ✓✓
- Any other relevant answer related to over-insurance	- Any other relevant answer related to under-insurance

NOTE: 1. The answer does not have to be in tabular format.
2. The difference does not have to link, but must be clear.
3. Award a maximum of TWO (2) marks if the difference is not clear/Mark either over-insurance or under-insurance only. **Max (4)**

4.3 **Fixed deposit**

4.3.1 **Positives/advantages of fixed deposit from the scenario**

- The period of investment can be over a short/medium/long term. ✓
- It has a low risk as investors are guaranteed of the final payment. ✓

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

(2 x 1) (2)

4.3.2 **The functions of the Johannesburg Security Exchange/JSE**

- Gives opportunities to financial institutions ✓ such as insurance companies investing their surplus funds in shares. ✓
- Serves as a barometer/indicator ✓ of economic conditions in South Africa. ✓
- Keeps investors informed ✓ by publishing share prices daily. ✓
- Acts as a link ✓ between investors and public companies. ✓

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

Any other relevant answer related to the functions of the JSE.

NOTE: This unelaborated fact will be accepted for the last time in this 2026 Preparatory Examination.

- Channels financial resources ✓ and facilitates trading. ✓

From the 2026 Final Examinations hence-forth candidates will only be awarded 2 marks for this elaborated fact as indicated above as per the November 2023 Addendum.

- Channels financial resources ✓ into productive economic activities.✓

Max (6)

4.4 **The impact of hand-outs/flyers/brochures a visual aid**

Positives/Advantages

- Meaningful hand-outs may be handed out at the start of the presentation ✓ to attract attention/encourage participation. ✓
- Notes/Hard copies of the slide presentation can be distributed at the end of the presentation ✓ as a reminder of the key facts of the presentation. ✓
- It is easy to update handouts ✓ with recent information/developments. ✓
- Notes may be compared with electronic slides /PowerPoint ✓ to validate/compare the accuracy of the information. ✓
- Extra information such as contact details/price lists ✓ may be handed out to promote the services of the business. ✓
- Useful information for improving the next presentation may be obtained ✓ when the audience completes feedback questionnaires after the presentation. ✓

Any other relevant answer related to the positive impact/advantages of hand-outs/flyers/brochures a visual aid.

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AND/OR

Negatives/Disadvantages

- Handing out material at the start of the presentation ✓ may distract/lose audience attention.✓
- As it only summarises key information, ✓ some details might be lost/omitted. ✓
- Printed material is expensive, ✓ and it is easy to lose hard copies. ✓
- Increases the risk of unauthorised duplication ✓ and the use of confidential
- information. ✓
- Handouts cannot be combined with audio material; ✓ it only focuses on the visual aspects of the support material. ✓

Any other relevant answer related to the negative impact/disadvantages of hand-outs/flyers/brochures a visual aid.

Max (6)

BUSINESS ROLES

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

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

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- Orders/Tasks should be given respectfully and allow the recipient/ employee to have a say in the way that task should be performed. ✓✓
- Draw up a code of ethics/conduct. ✓✓
- On-going development and training for all employees. ✓✓
- Performance management systems/Appraisals should be in place. ✓✓
- Adequate internal controls/monitoring/evaluation. ✓✓

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

Max (4)

4.6 **Problem solving technique**

4.6.1 **Problem solving technique from the scenario**

Force-field analysis ✓✓ **Max (2)**

4.6.2 **How businesses can apply the force-field analysis**

- Describe the current situation/problem ✓ and the desired situation. ✓
- Allocate a score to each force ✓ using a numerical scale, where 1 is weak and 5 is strong. ✓
- Weigh up the positives and negatives ✓ then decide if the project is viable. ✓
- Choose the force with the highest score ✓ as the solution. ✓
- If the project is viable, ✓ find ways to increase the forces for change. ✓
- Identify priorities ✓ and develop an action plan. ✓

Any other relevant answer related to how businesses can apply the force-field analysis

NOTE: Do not award marks for responses that were quoted from the scenario in QUESTION 4.6.1 **Max (4)**

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4.7 **Advantages of creative thinking in the workplace**

- Better/Unique/Unconventional ideas/solutions ✓ are generated. ✓
- May give the business a competitive advantage ✓ if unusual/unique solutions/ideas/strategies are implemented. ✓
- Broadens the range of possible solutions ✓ when solving complex business problems. ✓
- Productivity increases ✓ as management/employees may quickly generate multiple ideas which utilises time/money more effectively. ✓
- Managers/Employees have more confidence ✓ as they can live up to their full potential. ✓
- Managers will be better leaders ✓ as they will be able to handle/manage change(s) positively/creatively. ✓
- Managers/Employees can develop a completely new outlook, ✓ which may be applied to any task(s) they may do. ✓
- Leads to more positive attitudes ✓ as managers/employees feel that they have contributed towards problem-solving. ✓
- Improves motivation amongst staff members ✓ which leads to high job satisfaction. ✓
- Managers/Employees have a feeling of great accomplishment, ✓ and they may not resist/obstruct the process once they solved a problem/contributed towards the success of the business. ✓
- Management/Employees may keep up with fast changing technology ✓ which may lead to an increased market share. ✓
- Stimulates initiative from managers/employees, ✓ as they are continuously pushed out of their comfort zone. ✓
- Creativity may lead to new inventions, ✓ which improves the general standard of living. ✓
- Businesses can continuously improve on the product development ✓ by exploring ways to enhance growth. ✓

Any other relevant answer related to advantages of creative thinking in the workplace.

NOTE: **This unelaborated fact will be accepted for the last time in this 2026 Preparatory Examination:**

- Management/Employees may keep up ✓ with fast changing technology ✓

From the 2026 Final Examinations hence-forth candidates will only be awarded 2 marks for this elaborated fact as indicated above as per the November 2023 Addendum.

- Management/Employees may keep up with fast changing technology✓ which may lead to an increased market share. ✓

Max (6)

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4.8 **Strategies businesses may use to protect the environment and human health**

- Businesses must take steps to become involved in environmental awareness programmes. ✓✓
- Businesses must alter its production techniques in favour of cleaner and greener technologies to protect the environment. ✓✓
- According to the social rights of workers, businesses must test the water in the workplace to ensure that it is safe for human consumption. ✓✓
- Businesses must look after natural resources and promote nature conservation. ✓✓
- Businesses must have a policy to minimise pollution and actively reuse, recycle and reduce waste. ✓✓
- Businesses can reduce consumption of goods and services which are environmentally unfriendly, such as by investing in appropriate technology like clean solar or wind power. ✓✓
- They must register or engage with recognised institutions or bodies that promote green peace and green energy. ✓✓
- The physical working conditions in the workplace should always be worker friendly, safe and promote occupational health. ✓✓
- Businesses must evaluate the physical working conditions, to improve human health, such as by providing adequate lighting and ventilation to ensure optimal and functional working conditions. ✓✓
- Servicing and maintaining all machines regularly in order to reduce accidents in the workplace. ✓✓
- Businesses must educate workers about hygiene issues, such as washing of hands. ✓✓
- To improve the health of workers, businesses must encourage employees to do regular health check-ups, such as checking their blood pressure and temperature checks /Encourage employees to do regular health checks. ✓✓
- Laws and regulations should be adhered to so that profits are not generated at the expense of the environment. ✓✓
- Pollution and other environmental issues should always be considered in all business activities, such as safe disposal of waste/dumping of toxic waste✓✓

Any other relevant answer related to strategies businesses may use to protect the environment and human health.

NOTE: **These unelaborated facts will be accepted for the last time in this 2026 Preparatory Examination:**

- Businesses must test the water in the workplace to ensure that it is safe for human consumption. ✓✓
- Minimise pollution and actively reuse, recycle and reduce waste. ✓✓
- Businesses can reduce consumption of goods and services which are environmentally unfriendly ✓✓

From the 2026 Final Examinations hence-forth candidates will only be awarded 2 marks for the following elaborated facts as indicated above as per the November 2023 Addendum:

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- According to the social rights of workers, businesses must test the water in the workplace to ensure that it is safe for human consumption. ✓✓
- Businesses must have a policy to minimise pollution and actively reuse, recycle and reduce waste. ✓✓
- Businesses can reduce consumption of goods and services which are environmentally unfriendly, such as by investing in appropriate technology like clean solar or wind power. ✓✓

Max (4)
[40]



BREAKDOWN OF MARKS

QUESTION 4	MARKS
4.1	2
4.2	4
4.3.1	2
4.3.2	6
4.4	6
4.5	4
4.6.1	2
4.6.2	4
4.7	6
4.8	4
TOTAL	40

TOTAL SECTION B: 80

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SECTION C

Mark the answers to the FIRST question only.

QUESTION 5: BUSINESS VENTURES (FORMS OF OWNERSHIP)

5.1 Introduction

- Non-profit companies are created to support causes like charity, religion, education, or environmental protection. ✓
- They are particularly suitable for larger operations and are often preferred by donors and funding agencies due to their robust governance structures. ✓
- Two-thirds of private companies failures are attributed to a lack of experience or incompetence of the directors. ✓
- Non-compliance to legislation/legal requirements by the private company may lead to criminal charges, hefty fines, loss of opportunities, and reputational damage. ✓
- A State-Owned Company (SOC) in South Africa is a government-owned entity. √
- State owned-Owned Companies are established in order to advance economic transformation. ✓
- Unlike companies regulated by the Companies Act of 1926 or 1973, general partnerships in South Africa operate under common law, which does not recognise partnerships as separate legal entities, meaning partners are personally liable for business debts. ✓

Any other relevant introduction related to the characteristics of the non-profit company; how management, legislation/legal requirements and capital could contribute to the success and/or failure of a private company; advantages of a state-owned company and the impact of the partnership.

Any (2 x 1) (2)

5.2 Characteristics of the non-profit company

- The main aim is to provide service and not to make a profit. ✓✓
- They are funded by donations and foreign funding. ✓✓
- The name of the company must end in NPC. ✓✓
- All profits must be used for the primary objective of the non-profit company. ✓✓
- It must prepare the Memorandum of Incorporation. ✓✓
- Qualifying NPCs are granted tax-exempt status. ✓✓

Any other relevant answer related to characteristics of the non-profit company.

Max (6)

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5.3 **Criteria contributing to the success and/or failure of a private company**

5.3.1	**Success**	**AND/OR**	**Failure**
Management	- Managed at least by one ✓ competent/highly skilled director. ✓ - The management of the company can improve ✓ since directors are accountable to shareholders. ✓ - Shareholders can vote for/appoint the most capable directors ✓ to manage their company. ✓ Any other relevant answer related to the contribution of management to the success of a private company.		- Directors may not have a direct interest in the company, ✓ which can hamper growth and profit maximisation. ✓ - Directors' fees increase the company's expenses ✓ which reduces net profit. ✓ - Some shareholders may not exercise their voting rights ✓ resulting in choosing the wrong person as a director. ✓ - Large management structures ✓ can result in decision-making taking time. ✓ - Directors may not be motivated to work very hard ✓ because shareholders decide on the directors' remuneration. ✓ Any other relevant answer related to the contribution of management to the failure of a private company.

Submax (6)

5.3.2	**Success**	**AND/OR**	**Failure**
Legislation	- Procedures to form a private company have been simplified ✓ by the new Companies Act 71 of 2008. ✓ - Limited liability allows for greater risk taking, ✓ which may lead to growth of the business. ✓ - Auditing of financial statements (if required), ✓ gives shareholders the assurance that the business is being properly managed/supports raising additional finance. ✓ - There is no longer a limit ✓ on the number of shareholders in a private company. ✓		- Formation procedures are time consuming/complicated/ expensive, ✓ as many legal documents need to be prepared/submitted. ✓ - High formation/establishment expenses ✓ require large start-up capital. ✓ - Annual audit of financial statements (if required) ✓ is costly. ✓ - If a private company does not comply with legislation, ✓ its license maybe withdrawn by the Companies and Intellectual Property Commission (CIPC). ✓ Any other relevant answer related to the contribution of legislation/legal requirements to the failure of a private company.

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5.3.2	Success AND/OR Failure	
	- A private company can benefit from government programmes ✓ if they comply with the relevant legislation. ✓ - Personal liability of shareholders ✓ does not affect the company's assets. ✓ Any other related answer related to the contribution of legislation/ legal requirements to the success of a private company	

Submax (6)

5.3.3	Success AND/OR	Failure
Capital	- Large amount of capital can be raised ✓ since there is no limit on the number of shareholders. ✓ - The company can access long term capital ✓ and therefore has good long term growth opportunities. ✓ - Even though shares are not freely transferable, ✓ large private companies can raise considerable amount of capital. ✓ - More capital can be raised ✓ by issuing shares to shareholders. ✓ Any other relevant answer related to the contribution of capital to the success of a private company.	- It cannot grow into a very large business ✓ since it cannot invite the public to buy shares. ✓ - Restrictions on transferability ✓ of shares may not attract financially strong investors. ✓ - Large amount of capital cannot be obtained ✓ as capital contribution is only limited to private shareholders. ✓ Any other relevant answer related to the contribution of capital to the failure of a private company.

Submax (6)

NOTE: **1. The answer does not have to be in tabular format.**
2. Mark either success AND/OR failure.

Max (16)

5.4 **Advantages of a state-owned company**

- Profits may be used to finance ✓ other state departments. ✓
- Offer essential services ✓ which may not be offered by the private sector. ✓
- Prices are kept reasonable/Create sound competition ✓ to make services affordable to more citizens. ✓

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- Wasteful duplication of services ✓ is eliminated. ✓
- Planning can be coordinated ✓ through central control. ✓
- Generates income/Receive government funds ✓ to finance social programmes. ✓
- Jobs are created ✓ for all skills levels.✓

Any other relevant answer related to the advantages of a state-owned company.

Max (12)

5.5 **The impact of the partnership**

Advantages/positive impact

- The partners able to put their knowledge and skills together ✓ to collectively make the best decisions. ✓
- The workload and responsibility is shared ✓ between partners. ✓
- Partners are able to share ✓ resources. ✓
- Partners are only required to pay tax ✓ in their personal/individual capacity. ✓
- The partners have a personal interest ✓ in the management of the business. ✓
- Can bring in extra partners ✓ at any time. ✓
- Attract prospective employees ✓ with the option or incentives of becoming a partner. ✓

Any other relevant answer related to the advantages/positive impact of the partnership.

AND/OR

Disadvantages/negative impact of the partnership

- A partnership has unlimited ✓ liability. ✓
- Each business partner is legally responsible ✓ for the joint liability of the partnership. ✓
- Different personalities and options of partners ✓ can lead to conflict /disagreements. ✓
- Partners might not all contribute ✓ equally. ✓
- Loss in profits and stability of the business can occur ✓ if a partner resigns/ dies/loses interest in the business or is declared bankrupt.✓
- There can be lack of capital ✓ and cash flow. ✓

Any other relevant answer related to the disadvantages/negative impact of the partnership.

Max (12)

5.6 **Conclusion**

- If a non-profit company closes, assets must be transferred to another non-profit with similar objectives, rather than to the owners. ✓✓
- Non-profit companies need to register with SARS as well as the Department of Social Development and then apply for tax exemptions. ✓✓
- Private company failure in South Africa is largely driven by severe cash flow constraints. ✓✓
- 70–80% of small businesses, including private companies, fail within five years, often due to inadequate capital and poor management. ✓✓
- State-owned Companies are regulated by the Companies Act and the Public Finance Management Act (PFMA). ✓✓

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- They (SOCs) operate like public companies with their own boards but are subject to government oversight. ✓✓
- Modern partnerships are characterised by a formal agreement, common goal of profit, and contributions of capital, labour, or skill. ✓✓

Any other relevant conclusion related to the characteristics of the non-profit company; how management, legislation/legal requirements and capital could contribute to the success and/or failure of a private company; advantages of a state-owned company and the impact of the partnership.

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

QUESTION 5: BREAKDOWN OF MARK ALLOCATION		
DETAILS:	**MAXIMUM**	**TOTAL**
Introduction	**2**	**32**
Characteristics of the non-profit company	**6**	
Contribution of management, legislation/legal requirements and capital as a criteria to the success and/or failure of a private company	**16**	
Advantages of a state-owned company	**12**	
The impact of the partnership	**12**	
Conclusion	**2**	
INSIGHT: (LASO)		
Layout		**2**
Analysis		**2**
Synthesis		**2**
Originality		**2**
TOTAL MARKS		**40**

LASO – For each component:
Allocate 2 marks if all requirements are met.
Allocate 1 mark if only some of the requirements are met.
Allocate 0 marks where requirements are not met at all.

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QUESTION 6: BUSINESS ROLES (ETHICS AND PROFESSIONALISM)

6.1 **Introduction**

- Practical examples of ethical behaviour are crucial because they translate abstract moral principles into actionable, daily habits, fostering trust and consistency within organisations. ✓
- Rather than relying solely on written codes of conduct, real-world examples help employees navigate complex dilemmas, ultimately leading to improved employee retention, higher productivity, and stronger, long-term brand reputation. ✓
- The King Code is South Africa's premier voluntary framework for corporate governance, defining it as ethical and effective leadership. ✓
- Its (the King Code) primary importance lies in fostering trust, improving performance, ensuring sustainability, and promoting transparency, making it crucial for investor confidence, corporate reputation, and long-term organisational success. ✓
- Unprofessional business practices pose severe, long-term challenges to businesses. ✓
- These challenges range from loss of customer trust, reputation damage, legal penalties and reduced financial performance. ✓
- It is crucial for businesses to address unprofessional and unethical practices.
- Failing to do so will severely damage the reputation of the business. ✓

Any other relevant introduction related to the practical examples of ethical behaviour, application of transparency, accountability and responsibility as the King Code principles for good corporate governance to improve ethical business conduct, how sexual harassment, unauthorised use of workplace funds and resources, and abuse of work time as unprofessional business practices pose challenges to businesses and ways in which businesses could deal with sexual harassment, unauthorised use of workplace funds and resources, and abuse of work time as unprofessional business practices

Any (2x1) (2)

6.2 **Practical examples of ethical behaviour**

- Using fair advertising. ✓✓
- Not using child labour. ✓✓
- Treating all employees equally. ✓✓
- Paying fair wages. ✓✓
- Operating within the law. ✓✓
- Business deals are conducted openly. ✓✓
- Not engaging in illegal business practices. ✓✓
- Ensuring that the environment is not polluted. ✓✓
- Adopting codes of good ethical practice. ✓✓
- Establishing corporative social responsibility initiatives. ✓✓
- Encouraging employees to adopt ethical behaviour. ✓✓
- Clients and employee's information is not disclosed/used for the benefit of the business. ✓✓
- Shareholders and employees' personal interest and business interest do not conflict with one another. ✓✓

Any other relevant answer related to the practical examples of ethical behaviour.

Max (6)

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6.3 **Application of the THREE King Code principles for good corporate governance to improve ethical business conduct**

Transparency ✓✓

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

Any other relevant answer related to transparency as a King Code principle.

Principle (2)
Discussion (4)
Submax (6)

Accountability ✓✓

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

Principle (2)
Discussion (4)
Submax (6)

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Responsibility✓✓
- The business/board should develop and implement programmes ✓ that should be aimed at protecting the communities in which they operate. ✓
- The business/ board should develop remedial programmes ✓ to protect the environment for example, reduce air and water pollution. ✓

Any other relevant answer related to responsibility as a King Code principle

Principle (2)
Discussion (4)
Submax (6)
Max (12)

6.4 **How unprofessional business practices pose challenges to businesses**

Sexual harassment
- The affected party may stay away ✓ regularly from work. ✓
- Businesses could lose female employees ✓ and attract/retain less female applicants. ✓
- Sexual harassment causes discomfort/humiliation ✓ and negatively affects work relations in the workplace. ✓
- A victim may be severely traumatised, ✓ and this may affect other employees' emotionally. ✓
- The affected party is normally reluctant to report the incident ✓ due to fear of victimisation which can reduce productivity. ✓

Any other relevant answer related to how sexual harassment pose challenges to businesses.

Submax (6)

Unauthorised use of workplace funds and resources
- Fraud increases the cost ✓ of doing business. ✓
- It may affect the competitiveness ✓ of the business. ✓
- It could discourage customers ✓ when prices are increased to absorb the losses. ✓
- It could discourage investors ✓ when the business receives bad publicity from lawsuits. ✓
- Discourages investors ✓ as fraud and corruption increases the risk of investment. ✓
- The business can experience substantial loss ✓ if it goes unchecked. ✓

Any other relevant answer related to how unauthorised use of workplace funds and resources pose challenges to businesses.

Submax (6)

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

Any other relevant answer related to how abuse of work time pose challenges to businesses Submax (6)

Max (14)

6.5 **Ways in which businesses could deal with the above-mentioned types of unprofessional businesses practices**

Sexual harassment
- Provide a framework for corrective action. ✓✓
- Educate employees on sexual harassment matters. ✓✓
- Formulate a policy regarding sexual harassment. ✓✓
- Implement internal complaints and disciplinary procedures. ✓✓
- Ensure compliance with the law/business code of conduct. ✓✓
- Ensure that all employees are familiar with the code of ethics of sexual abuse. ✓✓
- Create a good working environment where all employees' rights and dignity are respected. ✓✓
- Internal investigation should be done in order to determine the seriousness of the harassment. ✓✓
- Serious cases/matters on sexual harassment should be reported to the appropriate institutions such as the South African Police Services (SAPS).✓✓

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

Submax (6)

Unauthorised use of workplace funds and resources
- Conduct regular audits to prevent unauthorised use of funds at an early stage. ✓✓
- Identify risk areas/vulnerable areas to prevent financial losses/maintain ethical operations. ✓✓
- Limit the number of employees having access to business funds/assets. ✓✓
- Implement/Introduce fraud prevention strategies. ✓✓
- Educate employees about the impact of fraud. ✓✓
- Fraud prevention should be a collective responsibility of business and workers. ✓✓
- Clear policies should be in place so that employees are aware of what is considered to be fraud. ✓✓

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

Submax (6)

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Abuse of work time

- Speak directly to those employees who abuse work time. ✓✓
- Monitor employees to ensure that tasks are completed on time. ✓✓
- Remind employees that profit will decrease resulting to less incentives/bonus pay-outs. ✓✓
- Code of conduct/ethics should contain clear rules about abuse of work time. ✓✓
- Conduct training on the contents of the code of conduct/ ethics. ✓✓
- Code of conduct/ethics should be signed by all employees so that they are aware of its contents. ✓✓
- Structure working hours in such a way that employees have free/flexible time for personal matters. ✓✓
- Create a culture of responsibility/strengthen team spirit in order for all employees to feel responsible for what has to be achieved. ✓✓

Any other relevant answer related to ways in which businesses could deal with abuse of work time as an unprofessional businesses practice.

Submax (6)
Max (14)

6.6 **Conclusion**

- Concrete examples of ethical behaviour move ethics from a compliance checklist to a "lived reality" in the workplace. ✓✓
- When employees see ethical behavior modeled, they can better apply these principles to their own decisions, especially in difficult situation. ✓✓
- Organisations that adhere to the King code are seen as more credible, reducing risk and helping them access capital at better rates. ✓✓
- King code principles compel businesses to set the "tone at the top," promoting ethics, accountability, fairness, and transparency rather than mere compliance. ✓✓
- Unprofessional business practices can erode trust among employees and stakeholders, leading to decreased morale and a negative work environment. ✓✓
- When unprofessional behavior occurs in a business setting, there is a high chance it will be publicised. This in turn can cause your company to lose its credibility resulting in customers abandoning sales with you, bad-mouthing your business, and not holding respect for you anymore. ✓✓
- To prevent and fix issues from unprofessional behavior, companies rely on managers and employees to report misconduct. ✓✓
- Tackling misconduct ensures a sustainable, productive, and reputable organisation. ✓✓

Any other relevant conculsion related to the practical examples of ethical behaviour, application of transparency, accountability and responsibility as the King Code principles for good corporate governance to improve ethical business conduct, how sexual harassment, unauthorised use of workplace funds and resources, and abuse of work time as unprofessional business practices pose challenges to businesses and ways in which businesses could deal with sexual harassment, unauthorised use of workplace funds and resources, and abuse of work time as unprofessional business practices.

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

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QUESTION 6: BREAKDOWN OF MARK ALLOCATION		
DETAILS:	**MAXIMUM**	**TOTAL**
Introduction	**2**	**32**
Practical examples of ethical behaviour	**6**	
Application of transparency, accountability and responsibility as the King Code principles for good corporate governance to improve ethical business conduct	**12**	
How Sexual harassment, unauthorised use of workplace funds and resources, and abuse of work time as unprofessional business practices pose challenges to businesses	**14**	
Ways in which businesses could deal with sexual harassment, unauthorised use of workplace funds and resources, and abuse of work time as unprofessional business practices.	**14**	
Conclusion	**2**	
INSIGT : (LASO)		
Layout		**2**
Analysis		**2**
Synthesis		**2**
Originality		**2**
TOTAL MARKS		**40**

LASO – For each component:
Allocate 2 marks if all requirements are met.
Allocate 1 mark if only some of the requirements are met.
Allocate 0 marks where requirements are not met at all.

TOTAL SECTION C: 40
GRANDTOTAL: 150

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