GAUTENG PROVINCE
EDUCATION
REPUBLIC OF SOUTH AFRICA

REMOTE LEARNING ACTIVITY BOOKLET

(RELAB)

SUBJECT: BUSINESS STUDIES

GRADE: 11

TERM ONE to FOUR

TEACHER GUIDE



GGT2030
GROWING GAUTENG TOGETHER

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WEEK 1

TOPIC: INFLUENCES ON BUSINESS ENVIROMENT

1.1 Components of micro, market and macro environment

Micro-environment	Market environment	Macro environment
• The business mission and objectives√ • its management structure√ • its resources and its culture are primarily controlled by the enterprise's management√	• Customers√ • Suppliers√ • Intermediaries/Agents√ • Competitors√ • Regulators√ • Strategic allies√ • Unions√	• Physical/Natural environment √ • Economic environment √ • Social/Cultural/Demographic environment √ • Technological environment √ • Legal/Political √ • Environmental/Global environment √ • Institutional environment √
Sub max (3)	Sub max (3)	Sub max (3)

Max (9)

1.2 Challenges of the business environments and extent of control

CHALLENGES 1.2.1	BUSINESS ENVIRONMENTS 1.2.2	EXTENT OF CONTROL 1.2.3
1. VC has hired ten stylists who are always late for work√	Micro-environment √	Full control √
2. VC is situated in a location that has a high rate of unemployment and crime√	Macro environment √	No control √
3. The management of VC purchases their material at Ditsepe Clothing Manufacturers who charge high prices for their material. √	Market environment√	Partial/Some/Limited/ Less/Little control√
Sub max (3)	Sub max (3)	Sub max (3)

NOTE:
1. **Mark the first challenge for each environment only.**
2. **If the business environment is not linked to the challenge, mark the challenge only.**
3. **Award full marks for the business environment even if the challenge is not quoted in full.**
4. **The extent of control must be linked to the business environment.**
5. **Do not award marks for the extent of control if the business environment is not mentioned.**
6. **Accept responses in any order.**

Max (9)

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1.2.4 **Reasons for the extent of control over the THREE business environments**

Reasons why businesses have full control over the micro-environment

- They choose the suppliers they purchase/which employees they hire/the products they sell√, and where they sell those products. √
- They use their skills and resources to create goods√ and services that will satisfy existing and prospective customers. √
- Any other relevant answer related to the reasons why businesses have full control over the micro-environment. Submax (4)

Reasons why businesses have limited control over the market environment.

- Businesses can influence their competitors√ by increasing the quality of their products in relation with competitor prices. √
- The opposite can also be that suppliers' raw materials can influence the quality of business products. √
- Any other relevant answer related to the reasons why businesses have limited control over the market-environment. Submax (4)

Reasons why businesses have no control over the macro environment

- The macro environment factors include economic/ Demographic/legal/political/social conditions/technological changes and natural forces √ which affect business performance and strategies. √
- The external environmental conditions that affect a business are generally beyond the control of management√ and change constantly√
- Any other relevant answer related to the reasons why businesses have no full control over the macro-environment. Submax (4)

Max (12

1.3 **Ways in which the business can be involved in the macro environment**

- Knowing government regulations and operating within them. √√
- Keeping up with new technologies to improve production and marketing.
- Lowering its impact on the environment. √√
- Entering the global market by using the internet to source suppliers and customers. √√
- Working within the law to set up contracts. √√
- Taking advantage of economic changes such as exchange rate, tax breaks. √√
- Any other relevant answer related to ways in which businesses can be involved in the macro environment. **Max (6)**

1.4 **Benefits that the business may enjoy by being involved in the macro environment**

- The business can be more accurately predict√ future events, threats and opportunities that may arise√
- The business can contribute√ to a healthier, more skilled and productive workforce√
- It can protect natural resources and meet consumer needs√ in a sustainable way√
- The business can contribute√ to wealthier consumers√
- The business can reduce industrial conflict√ and increase productivity. √

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- The business can accurately promote√ a cause that is a concern to the society. √
- The business can contribute its expertise√ and resources that can influence the public opinion. √ This is called advocacy. √
- Any other relevant answer related to the benefits that the business may enjoy by being involved in the macro environment. **Max (6)**

1.5 Essay question on week 1 sub-topics

1.5.1 Introduction

- The business operations depend on the influence it has over the micro, market and macro environments. √
- Businesses have full, limited or no control over the challenges from the business environments. √
- Businesses need to be innovative and find ways to get involved in the macro-environment. √
- Many businesses benefit enjoy the direct benefits of getting involved in the macro environment. √
- Any other relevant introduction related to the business environment.

Any (2x1) (2)

1.5.2 Meaning of the micro, market and macro environments

Meaning of the micro-environment

- It is the environment within which a business operates √ and consists of the business itself. √
- It is the decision-making environment √because management make decisions that help the business achieve its goals. √
- It can also be referred to as the immediate environment in which a business operates √ and includes all the internal factors of the business. √
- Any other relevant answer related to the meaning of the micro-environment

Submax (4)

Meaning of the market Environment

- Challenges and influences √ outside the business. √
- Businesses have little or no control√ over the environment. √
- All elements that determine the reasons√ for the existence of a business. √
- Includes all forces/stakeholders that have a direct effect √ on the functioning of the business. √
- Any other relevant answer related to the meaning of the market-environment

Submax (4)

Meaning of the macro environment/External environment

- The micro-environment includes all the forces/events√ and circumstances that affects the business and its market environment. √
- This is the environment that is located √outside the business. √
- The business cannot control this environment√, but it can influence it. √
- The macro environment is always developing√ and changing√

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- Businesses have no control over this environment as it poses √ challenges to businesses. √
- Any other relevant answer related to the meaning of the macro-environment

Submax (4)
Max (12)

1.5.3 Reasons why businesses have more control over the micro environment/less control over market environment and less control over macro environment

REFER TO Q1.2.4 above **Max (12)**

1.5.4 Benefits that the business may enjoy by being involved in the macro environment

Max (12)

REFER TO Q1.4 above

1.5.5 Ways in which the business can be involved in the macro environment

REFER TO Q1.5 above **Max (10)**

1.5.6 Conclusion

- Businesses can influence the business environments in one way or the other, and need to take into consideration the components of the market environment. √√
- Businesses must pay careful attention to challenges that are posed by business environment and devise strategies to overcome those challenges. √√
- Businesses that get involved in macro environment may win the public and gain more support that will lead to good business reputation. √√
- Any other relevant conclusion related to the business environments.

Any (1x2) (2)
[40]

WEEK 2
TOPIC: CHALLENGES OF THE BUSINESS ENVIRONMENT

1.2 Challenges of the micro-environment from the scenario

1.1.1 Lack of vision and mission statement√√

1.1.2 Difficult employees√√

1.1.3 Impact of unions√√

1.1.4 Go slows√√

1.1.5 High employee turnover√√ **(10)**

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1.2 **Other challenges of the micro-environment**

1.2.1 **Lack of adequate managerial skills**√√

- Lack of adequate managerial skills will result in the business not achieving its objectives. √
- Managers may not be able to provide meaningful guidance and leadership to employees. √
- Managers have different styles of managing and leading and this can be the source of enormous conflict with other managers and with staff. √
- Ineffective management can affect the productivity and profitability of a business. √
- Any other relevant answer related to lack of adequate managerial skills as a challenge of the micro-environment. Submax (3)

1.2.2 **Skills shortages among employees**√√

- Businesses sometimes find it difficult to find suitable employees with skills and experience. √
- Some businesses end up employing workers who are not qualified to do the job. √
- Unqualified employees may contribute to bad decision making. √
- Any other relevant answer related to lack of skills shortage among employees as a challenge of the micro-environment. Submax (3)

1.2.3 **Employee absenteeism**√√

Employees' absenteeism reduces productivity and affects profitability√

- Any other relevant answer related to employees' absenteeism as a challenge of the micro-environment. Submax (3)

NOTE: Mark the first THREE (3) only. Max (9)

1.3. **Challenges of the challenges of the market environment**

1.3.1 **Challenges of the challenges of the market environment from the scenario**

CHALLENGES OF THE MARKET ENVIRONMENT	MOTIVATIONS
1. . Competition√√	Jerry Cosmetics has lost many customers to Soso Cosmetics who sells their products at lower prices√
2. Changes in consumer behaviour√√	Some of their customers prefer to spend their money on health products rather than on cosmetics√
3. Shortage of supply√√	JC buys their stock at KB providers who closed their business due to a lack of demand for their products√
Submax (6)	Submax (3)

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NOTE:
1. **The answer does not have to be in tabular format.**
2. **Award marks for challenges of the market environment even if the quotes were incomplete.**
3. **Do not award marks for the motivations if the challenges of the market environment were incorrectly identified.**

Max (9)

1.3.2 **Other challenges of the market environment**

Demographics and psychographics√√

- Consumers' attitudes, interests, opinions and lifestyles determine the characteristics of the consumer. √
- It is difficult to determine the demographics/psychographics of the target market because they change frequently. √
- The consumer market is diverse in the cultural and social background which has a direct influence on the choices they make. √
- The challenges include collecting/interpreting information about the target market and to use the data to develop a marketing strategy. √
- The demographics and psychographics can change quickly, and businesses need to change just as quickly if they want to retain their customers. √
- Any other relevant answer related to demographics and psychographics as a demographics and psychographics.

Submax (3)

Socio-cultural factors√√

- Social-cultural factors describe the common behaviour and attitudes of a particular society. √
- As society changes so will the cultural values and practices of individuals. √
- Businesses must be aware of change and that they can avoid threats and take advantage of the new opportunities that the change may present. √
- Businesses should be aware of social trends and influential campaigns that promote buying. √
- The challenge is to gather information about changes and to respond to them by adapting practices to maintain and increase its customer base. √
- Any other relevant answer related to socio-economic factors as a challenge of the market environment

Submax (3)

NOTE: Mark the first TWO (2) only **Max (6)**

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1.6 Essay question on week 2 sub-topics

1.6.1 Introduction

- Businesses operate in dynamic business environments that pose many challenges on their operations. √
- The profitability and success of businesses depend on how they respond to challenges posed by the market and external business environments. √
- Businesses operate within the political context of the country, therefore changes in governance of the country can have a negative impact on businesses. √
- There is an increasing trend for people to move freely between countries and for businesses to trade across international borders. √
- Any other relevant introduction related to the challenges of the macro-environment.

Any (2x1) (2)

1.4.2 Ways in which businesses can overcome competition in the market

- Management must ensure that the business differentiates itself from the competitors by tapping into what the customer wants. √√
- Offering more personal services by being responsive to the customer's needs/ expectations. √√
- Offering low-cost extras such as improved credit terms/discounts/loyalty schemes etc. √√
- Charging the lower prices than that of the other businesses. √√
- Selling products of a superior quality/new products/services that the customers might be interested in. √√
- By being the best employer that has well trained/knowledgeable staff members that create a better working atmosphere. √√
- Stepping up the marketing of the business by using promotional ideas such as posters or campaigns on social media. √√
- Updating the image of the business such as painting the front of the premises/ making the business looking modern/ inviting. √√
- Keeping up with developments in the sector of the business sector, following consumer trends/investing in new technology. √√
- Improving on customer services and keeping them happy. √√
- Any other relevant answer related to ways in which businesses can overcome competition in the market.

Max (12)

1.4.3 Challenges of the macro-environment

Changes in income levels√√

- Factors such as unemployment/high interest rate√ can leave consumers with less disposable income. √
- Reduced in consumer spending √ will results in lower profit for businesses. √
- Any other relevant answer related to changes in income levels as a challenge of the macro-environment.

Submax (4)

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Political changes√√

- A change in government can result in political instability√ and scare away potential investors. √
- A business that relies on imported/exported goods may be challenged √ by government's attitude on duties and tariffs to be imposed. √
- Any other relevant answer related to political changes as a challenge of the macro-environment. Submax (4)

Labour restrictions√√

- The government has passed a number of laws√ which impose restrictions on businesses labour practices. √
- These restrictions pose a challenge to businesses√ that have to find the right candidate for the job. √
- These restrictions make it a challenge for business to employ√ suitable people locally and internationally. √
- Any other relevant answer related to labour restrictions as a challenge of the macro-environment. Submax (4)

Micro lending√√

- Micro lending is granting of small loans to people √ who cannot obtain credit from banks. √
- Micro-lending puts pressure on businesses since they want to support micro businesses√, but they are a big risk as many fail and cannot repay debt. √
- Micro-lending puts pressure on businesses since they want to support micro businesses√, but they are a big risk as many fail and cannot repay debt. √
- Any other relevant answer related to micro lending s as a challenge of the macro-environment. Submax (4)

Globalisation/international challenges√√

- Globalisation refers to the exchange of products/services/capital√ and labour across boundaries/countries. √
- Local businesses are competing with international businesses √ for local consumers√
- Businesses should be aware of global networks√ and their effects. √
- The overseas migration of skilled labour √ can results in local skills shortage. √
- This means more competition for businesses that are already√ under pressure to compete locally. √
- Some international businesses dump their product lines in South Africa √ at the price lower than those at which local businesses can afford to sell them. √
- Any other relevant answer related to globalisation/international challenges as a challenge of the macro-environment. Submax (4)

Social values and demographics√√

- People's values influence some of their buying behaviour habits√ as they buy products that they identify with. √
- Attitudes towards saving and brand loyalty can impact on consumers' habits. √
- Any other relevant answer related to social values and demographics as a challenge of the macro-environment. Submax (4)

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Socio economic issues√√

- Businesses are faced with many challenges of poverty/unemployment/inadequate education/skills shortages/crime√ and HIV and Aids. √
- The above-mentioned socio-economic issues √ makes running a successful business very difficult. √
- Any other relevant answer related to social values and demographics as a challenge of the macro-environment. Submax (4)

NOTE: Mark the first FOUR (4) only **Max (16)**

1.4.4 Meaning of the National Credit Act and Consumer Protection Act as some of the contemporary legislation

National Credit Act

- This Act was established to protect both businesses√ and consumers from negligent lending practices that results in over indebtedness for consumers. √
- Any other relevant answer related to the meaning of National Credit Act.

Submax (2)

Consumer Protection Act

- This Act promotes and advances the social √ and economic welfare of consumers in South Africa. √
- Any other relevant answer related to the meaning of National Credit Act.

Submax (2)

Max (4)

1.4.5 Contemporary legislation that pose a challenge to business.

Employment Equity Act√√

- This act is there to eliminate unfair discrimination in the business√ against race, colour, age, gender, religion or disability. √
- It ensures that the demographics make-up of the country is reflected at all levels in the business
- Any other relevant answer related to the employment Equity Act

Submax (4)

Broad Based Black Economic Empowerment Act√√

- This Act ensures that the previously disadvantaged people fully participate√ in the economy. √
- Any other relevant answer related to the Broad Based Black Economic Empowerment Act. Submax (4)

Basic Conditions of Employment Act√√

- It deals with the constitutional rights in the workplace by addressing issues such as working hours/leave/employment contracts pay slips √ and other working conditions in the business. √
- Any other relevant answer related to the Basic Conditions of Employment Act

Submax (4)

Labour Relations Act√√

- It deals with labor justice√ and to bring healthy industrial relations in the business between the employers and the employees√
- Any other relevant answer related to the Labour Relations Act

Submax (4)

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Skills Development Act√√

- The main aim of this Act is to improve the skills of all people in South Africa and those employed by business.
- Any other relevant answer related to the Skills Development Act Submax (4)

Compensation for Occupational Injuries and Diseases Act/COIDA√√

- It provides compensation for disablement or death caused by injuries or diseases contracted by employees in the course of their employment
- Any other relevant answer related to Compensation for Occupational Injuries and Diseases Act Submax (4)

NOTE: Mark the first THREE (3) only Max (12)

1.4.6 Conclusion

- Businesses can influence the business environments in one way or the other, and need to take into consideration the components of the market environment. √√
- Businesses must pay careful attention to challenges that are posed by business environment and devise strategies to overcome those challenges. √√
- Any other relevant conclusion related to the challenges of the macro-environment

Any (1x2) (2)

WEEK 3

TOPIC: ADAPTING TO THE CHALLENGES OF THE BUSINESS ENVIRONMENTS

1.3 Ways to adapt to the challenges of the business environments

Concepts used to adapt to challenges of the business environments	MOTIVATIONS
1 Takeovers√√	Immaculate Ltd bought some shares of Ted Creations Limited against their will √
2. Mergers√√	ML and Ted Creations Limited later agreed to unite into one company named Immitted Limited. √
3.Acquisitions√√	Immitted decided to buy Thuto Pty Ltd at an agreed price. √
Submax (6)	Submax (2)

1.1.1 Ways to adapt to the challenges of the business environments from the scenario

NOTE:1 The answer does not have to be in tabular format
2 Award marks for the concepts even if the motivation is incomplete.
3 Do not award marks for the motivations if the concepts were incorrectly identified Max (9)

1.2 Ways in which businesses can have a direct influence on the environment

- Businesses need to be flexible by getting involved in research/development√ so that they can continue to operate.√
- Influence its suppliers√ by signing long term contracts. √
- Create new uses for a product√ by finding new customers.√
- Influence regulators√ through lobbying and bargaining.√

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- Initiate bargaining sessions√ between management and unions.√
- Influence its owners√ using information contained in annual reports.√
- Negotiate strategic alliance agreement√ through contractual processes. √
- Any other relevant answer related to ways in which businesses can have an influence on the environment. **Max (6)**

1.3 Ways in which businesses can adapt to the challenges of the business environments

1.3.1 Information management

- Information must be found/recorded/stored/easily retrieved√ and effectively used.√
- Businesses need to implement an effective information management system√ which is accessible and useful to all staff.√
- They should invest large capital into information technology (IT) system√ to update business operations.√
- Modern IT solutions enable businesses to satisfy customer needs√ faster and better. √
- Business may benefit from an increase in market share√ and profitability.√
- Any other relevant answer related to information management as a strategy to adapt to the challenges of the business environments. **Max (4)**

1.3.2 Strategic responses

- Management needs to design strategic responses to various challenges√ by analysing all information, identifying stakeholders' involved.√
- Get a clear picture of each stakeholder's viewpoints√ and requirements.√
- Businesses need to be aware of new competitors in the market√ and they must be able to strategically respond to threats.√
- They must make strategic plans to remain sustainable√ in a competitive market.√
- Correct strategic responses assist businesses to identify the most important features√ of their products.√
- Any other relevant answer related to strategic responses as a strategy to adapt to challenges of the business environments. **Max (4)**

1.3.3 Organisation design and flexibility

- Organisational design describes how a business structured√ and how it communicates its culture.√
- It is a process to integrate people/information/technology of an organisation√ so that improves the profitability of the business.√
- Businesses need to be flexible in their organisational design and strategies√ so that they can compete in a changing market.√
- They need to change the organisational design√ to adapt to a specific challenge.√
- Any other relevant answer related to organisation design and flexibility as a strategy to adapt to challenges of the business environments. **Max (4)**

1.4 Projects that can be undertaken by businesses as part of social responsibility

- Businesses must allow employees to get involved in social development.√√
- Managers must protect the environment and participate in community upliftment programs.√√
- Environmental friendly campaigns √√
- Making donations to charity organisations √√
- Engaging in economic development √√
- Charity community projects√√

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- Benefits for the business Increased sales due to customer loyalty.√√
- HIV and Aids awareness programs.√√
- Any other relevant answer related to projects that can be undertaken by businesses as part of social responsibility. **Max (8)**

1.5 Essay question on week 1 sub-topics

1.5.1 Introduction

- Businesses must engage in lobbying and networking to keep good relations with their stakeholders √
- This enables businesses to have a say in government policy √
- There are ways businesses can use to influence government decisions. √
- Power relationships enable businesses also strive to keep good relationships with other businesses√
- Any other relevant introduction related to lobbying/networking/power relationships.

Any (2x1) (2)

1.5.2 Meaning of lobbying and networking

Meaning of lobbying

- Lobbying refers to the process of trying to influence legislation√ or parliamentary decision making. √
- It involves acquiring public support for an issue such as children√ or animal rights.√
- It is an organised process where individuals, business and organisations use their influence√ to change government policy.√
- Lobbying specifically applies to law-makers and government officials√ and it is a participatory approach to government.√
- It is done by various people with similar motives,√ beliefs or commercial positions. √
- Any other relevant answer related to the meaning of lobbying

Submax (6)

Meaning of networking

- It refers to a coordinated activity where people who have a similar objective meet√ and exchange information and ideas.√
- The goal of networking is to reach as many people as possible√ and to make every connection count.√
- It is a tool that is used by businesses√ to increase sales.√
- Businesses can become a member of chambers of commerce and industry√professional business clubs/ informal social groupings to meet new-contacts.√
- Any other relevant answer related to the meaning of the market-environment

Submax (6)

Max (12)

1.5.3 Reasons why businesses lobby

- Businesses lobby their regulator or supervisory body in order to try influence prices, policies, regulations√ and other decisions made by the regulator or the supervisory body√
- Businesses or people lobby or change laws√ like, child labour laws, clean air and water laws, municipal regulations, etc.√

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- Their views are important and heard, √ thus making a difference and giving solutions to business challenges.√
- Lobbying advances business men's cause√ and builds public trust.√
- Any other relevant answer related to the reasons why businesses lobby.

Max (8)

1.5.4 Types of lobbying

Hedging against inflation√√

- Businesses use hedging to protect their financial investments√ by spreading the risk.√
- Businesses invest surplus fund √so that its value grows at a faster rate than inflation.√
- They can hedge against inflation by investing their surplus assets/money√ in investments with intrinsic value e.g. gold/oil/property etc. √
- The business use hedging by buying bonds, shares, property or buying precious metals like gold√ to protect capital from the effects of inflation.√
- It is a method that businesses try to reduce the risk√ when unsure about possible price fluctuations.√
- Any other relevant answer related to hedging against inflation as a type lobbying.

Submax (4)

Bargaining sessions between management and unions√√

- These sessions enable employees to negotiate with employers√ as a group to protect employees' rights.√
- Bargaining sessions prevent labour strikes√ and provide critical information to people in power.√
- Businesses make sure that their representatives are trained/skilled√ to negotiate own their behalf.√
- The purpose of bargaining sessions is to find a win-win situation for all parties.√
- Management will try to convince the union to accept its proposal√ and the union will try to persuade management to accept their demands.√
- The outcome of a successful bargaining session can protect the business from the negative impact of strikes√ caused by loos in productivity.√
- Businesses need to be fair/transparent√ to establish trust and good communication with unions.√
- Any other relevant answer related to bargaining sessions between management and unions as a type lobbying. Submax (4)

Influencing supervisory body/regulators√√

- There are large number of supervisory bodies and regulators√ who operate in the business environment. √
- Businesses take an active role√ in professional bodies.√
- Through their membership/advocacy/submissions they may be able to influence√ changes to existing regulations.√
- Business managers are involved in debates and discussions that shape public policies√
- Businesses influence and negotiate with these regulators to protect their own sustainability. √

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- It is in the best of interest of businesses to adhere to the guidelines and restrictions√ of these bodies in order to stay in businesses√
- Any other relevant answer related to influencing supervisory body/regulators as a type lobbying.

Submax (4)

NOTE: Mark the first THREE (3) only. **Max (12)**

1.5.5 Ways in which the businesses can form power relationships

Strategic alliance/Partnership agreements

- Businesses form partnership agreements in order to benefit each in each other's involvement. √√
- These partnership alliances help parties involved to benefit in infrastructure development and scarce skills. √√
- These alliances are designed to build on the expertise of each partner and on the way and on the way in which they complement each other. √√
- Any other relevant answer related to strategic alliance/partnership agreements as a way in which businesses can form power relations. Submax (4)

Persuasion of large investors

- Businesses gain credit more easily and better deals from suppliers. √√
- Businesses invite powerful influential people to sit on their board of directors in order to get advice from those people. √√
- Having such powerful as part of the business may have a positive influence on the reputation and image of the business. √√
- If a business has a large/powerful investor, the business can gain credit more easy/get better deals from suppliers. √√
- Any other relevant answer related to persuasion of large investors as a way in which businesses can form power relations. Submax (4)

Company representatives' influence

- The representatives fulfils an important function in trying to persuade investors to invest in a particular business practice. √√
- People will make decisions based on the company's image/personality, communication style and power of persuasion. √√
- Businesses must invest time and energy to recruit the right person for this job. √√
- Any other relevant answer related to company representatives' influence as a way in which businesses can form power relations. Submax (4)

Max (12)

1.5.6 Conclusion

- Businesses can benefit from strong relationships with government √√
- Businesses also benefit from good relationships with other businesses to keep abreast on recent legislation and government policies √√
- Any other relevant conclusion related to lobbying/networking/power relationships.

Any (1x2) (2)

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WEEK 4

TOPIC: CONTEMPORARY SOCIO-ECONOMIC ISSUES

3.1 The meaning of contemporary socio-economic issues

- Socio-economic issues are societal issues√ that may have a negative impact on businesses.√
- They are issues that affect people √and the economy in a negative way.√
- Socio-economic issues have the potential to influence the efficiency of a business,√ the way products are marketed and distributes.√
- Any other related answer related to the meaning of contemporary socio-economic issues. **Max (4)**

3.2 Types of ethical misconduct

- Sexual harassment√
- Corruption√
- Mismanagement of funds√

NOTE: Mark the first THREE only (3x1) (3)

3.3 Negative impact of ethical misconduct on businesses

- Employees who have been victims of sexual harassment√ may experience a lack of concentration/anxiousness/productivity.√
- Corruption and mismanagement of funds√ will lead to a loss of income.√
- Corruption undermines businesses√ and negatively influences investment.√
- Mismanagement of funds can cost a business √to lose a large amount of money through direct fraud and theft.√
- Business owners involved will face criminal charges.√
- There is a high staff turnover due to people leaving√ because they were sexually harassed.√
- It may result to bad publicity√ and loss of customers/potential investors.√
- Any other relevant answer related to the negative impact of ethical misconduct as a socio-economic issue. **Max (6)**

1.4.1 **Socio-economic issues from the scenario**

SOCIO-ECONOMIC ISSUE	MOTIVATIONS
1. Inflation√√	The general increase in the prices of all products in the country has affected LC 's profitability. √
2. Low income levels√√	Some customers can no longer afford buying their products due to an increase in prices.√
3. Lack of skills√√	LC is struggling to find an engineer with the necessary expertise to approve building plans.√
Sub max (6)	Sub max (3)

NOTE:1 Award marks for the socio-economic issues even if the motivations are incomplete.

2 Do not award marks for the motivations if the socio-economic issues were incorrectly identified Max (9)

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1.4.2 **The negative impact of socio-economic issues from the scenario**

The negative impact of Inflation on businesses

- Inflation increases the costs of raw materials√ and other inputs.√
- This leads to optimum productivity√ whereby businesses has to produce the maximum possible output using the least possible input.√
- It decreases consumer spending√ resulting to decreased sales and profitability.√
- Employees may be retrenched√ which increases unemployment and decreases buying power even further√
- Any other relevant answer related to the negative impact of inflation as a socio-economic issue. Submax (4)

The negative impact of low-income levels on businesses

- Leads to a decrease in the demand for goods and services√ resulting to a fall in turnover and lower profits for businesses.√
- People who earn low salaries and wages may become disheartened√ this will influence productivity in a negative way.√
- Consumers shift to cheaper brands√ of certain products.√
- Poverty can lead to crimes√ such as shoplifting and robberies√
- Businesses will have fewer profits√ and will not have money to expand.√
- Income level affects the morale of the workforce√ and could lead to lower productivity which impacts on the business turnover.√
- Any other relevant answer related to the negative impact of low income levels as a socio-economic issue. Submax (4

The impact of lack of skills on businesses

- Businesses cannot find candidates with adequate skills√ and experience.√
- Businesses end up appointing a candidate who lacks certain skills√resulting in poor products and services.√
- Training employees is expensive√ and productivity will be affected as it takes time for newly trained employees to learn his/her new jobs.√
- The cost of labour becomes expensive√ as some businesses recruit candidates from abroad.√
- Any other relevant answer related to the negative impact lack of skills as a socio-economic issue. Submax (4)

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

2 Do not award marks for socio-economic issues that were not identified from the scenario in QUESTION 1.4.1

Max (8)

1.5 **Socio-economic issues from given statements**

1.5.1 Illiteracy√√

1.5.2 Unavailability of natural resources√√ **(4)**

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1.6 **The negative impact of socio-economic issues from given statements**

The negative impact of illiteracy on businesses

- Business sometimes needs to employ people√ even though they do not have the correct skills.√
- Training of these employees can be very costly√ and the business suffers a financial loss. √
- Employees without the correct skills can also be the cause of accidents in the workplace√ and this could impact on the image of the business.√
- Difficult to market products√ to people who cannot read or write.√
- Any other relevant answer related to the negative impact illiteracy as a socio-economic issue. Submax (4)

The negative impact of unavailability of natural resources on businesses

- The unavailability of coal has led in part to a shortage√ of electricity in South Africa.√
- Many businesses lose millions of rands√ because of load shading and power failure.√
- The lack of transport due to the scarcity of oil√ which is used to manufacture fuel may affect businesses.√
- When the supply of natural resources is threatened it may have negative impact on the operation of businesses√ and hampers the production processes.√
- Any other relevant answer related to the negative impact unavailability of natural resources as a socio-economic issue. Submax (4)

NOTE: Do not award marks for socio-economic issues that were not identified from the scenario in QUESTION 1.5. Max (8)

WEEK 5

TOPIC: CONTEMPORARY SOCIO-ECONOMIC ISSUES CONTINUED

QUESTION 1

1.1 **Examples of industrial actions**

- Strikes√
- Go-slows√
- Lockouts√
- Any other relevant example of an industrial action

NOTE: Mark the first THREE only (3x1) (3)

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1.2 **Solutions to piracy**

1.2.1 **Solutions to piracy from the scenario**

SOLUTIONS TO PIRACY	MOTIVATIONS
1 Patent√√	ME applied for a licence to prevent other businesses from producing and selling their products.√
2 Trademark√√	They also created a logo that identifies their products.√
Sub max (4)	Sub max (2)

NOTE:1 Award marks for solutions to piracy issues even if the motivation is incomplete.

2 Do not award marks for the motivations if solutions to piracy issues were incorrectly identified Max (6)

1.2.2 **Other solution for piracy**

Copyright√√

- Businesses can sue someone who infringes the copyright. √
- They can also sue someone who sells or distributes works that he/she knew were infringements of copyright. √
- They can take legal action against people who copy their products.√
- Any other relevant answer related to copyright as a solution for piracy.

Max (3)

1.3 **The negative impact of piracy on businesses**

- It can undermine the music/movie industry√ as they lose money.√
- Drives up the prices of products√ in order to compensate for the loss in sales.√
- Leads to job losses√ in the industry√
- The music industry feel reluctant to develop new talents√ as the element of risk is too high.√
- May cause damage√ to the value of the businesses.√
- The businesses lose out on sales and income√ which in turn threatens industry√
- The business loses out on productivity√ and profits.√
- Any other relevant answer related to the negative impact of piracy on businesses

Max (8)

QUESTION 2

2.1 **Introduction**

- Socio-economic issues affect people and the economy in a negative way. √
- Socio economic issues can influence the efficiency of the business/ the way products are marketed /distributed and the level of revenue collected√
- Socio-economic issues forces the entrepreneur and the business to make strategic management decisions that require the ability to understand the nature of these factors.√
- Businesses will succeed in their operations if they comply with certain legislation like the LRA.√

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- Employees have a right to strike, however the strikes need to be legal√
- Any other relevant introduction related to trade unions/Labour Relations Act/socio-economic issue. **Any (2x1) (2)**

2.2 **The meaning of trade unions and industrial relations**

2.2.1 **The meaning of trade unions**

- A trade union is an organisation that protects and lobbies for the rights of workers √and represent their interest in negotiations with employers.√
- It is a group of employees who associate together in a particular industry such as mining/steelworks/etc. √ with the purpose of protecting the rights of their members. √
- Any other relevant answer related to the meaning of trade unions.

Submax (4)

2.2.2 **The meaning of industrial relation**

- Industrial relations refer to the relationship between the employer and employees.
- It influences the way in which businesses are guided by the Labour Relations Act.
- Any other relevant answer related to the meaning of industrial relations.

Submax (4)
Max (8)

2.3 **Purpose of the Labour Relations Act (LRA)**

- Provides a framework where the employees, trade unions and employers work together to discuss matters relating to employment, e.g. wages, conditions of employment.√√
- Promotes orderly negotiations and employee participation decision making in the workplace.√√
- Promotes resolution of labour disputes.√√
- Promotes fair employment practices.√√
- Outlines the relationship between employees and employers.√√
- Provides simple procedures for the registration of trade unions and employers' organizations.√√
- Regulates the rights of trade unions and facilitates collective bargaining.√√
- Regulates the effectiveness of bargaining councils and statutory councils.√√
- Establishes workplace forums to promote the interest of all employees in the workplace whether they belong to the trade union or not.√√
- Allows workplace forums where employees may participate in decision making.√√
- Establishes the Commission for Conciliation, Mediation and Arbitration (CCMA) to resolve labour disputes through statutory conciliation, mediation and arbitration.√√
- Endorses the right to strike against retrenchments, and facilitates labour disputes.√√
- Clarifies the transfer of contracts of employment procedures.√√
- Establishes Labour Courts and Labour Appeal Courts to deal with labour issues.√√
- Any other relevant answer related to the purpose of the Labour Relations Act (LRA)

Max (12)

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2.4 **Functions of trade unions**

- Improves conditions √ of employment.√
- Ensures that all employees are treated equally√ in the workplace√
- Representing the interest of general society and minority groups√ through media and negotiations.√
- Influencing government decisions.√
- Representing employees corporately√ and individually.√
- Improving material benefits√ of their members.√
- Establishing minimum economic and legal conditions/influencing economic policy and law.√
- Playing a role as moral institutions that will uplift the weak and oppressed√ and give them the dignity and justice they deserve.
- Protecting workers from unfair labour practices and unfair dismissal.√
- Take legal action on behalf of members√ when necessary.√
- Any other relevant answer related to the functions of trade unions.

Max (12)

2.5 **Negative impact of strikes and dumping on businesses**

2.5.1 **Negative impact of strikes on businesses**

- Strikes scares off potential investors. √√
- Businesses may be forced to close down especially those located in townships. √√
- May results in losses of production as employees stay absent from work during strikes. √√
- Many businesses suffer losses as a result of damage to property. √√
- They can lead to violence/assaults/looting/destruction of property and intimidation of workers who do not strike. √√
- Employees can lose their pay for all the days that they strike.
- Economy can be jeopardised since production is lost. √√
- Expense of increased salaries and wages is often passed on to the consumer, which causes inflation. √√
- Businesses loose income because productivity is low. √√
- Any other relevant answer related to the negative impact of strikes on businesses.

Submax (6)

2.5.1 **Negative impact of dumping on businesses**

- Loss of profits as some local producers cannot compete with cheaper prices. √√
- Businesses may lose revenue and be forced to shut down their operations. √√
- Can lead to a decrease in local production and loss of jobs. √√
- Local businesses are unable to produce the same products at an equal or lower price. √√
- Any other relevant answer related to the negative impact of dumping on businesses

Submax (6)
Max (12)

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2.6 **Conclusion**

- Businesses need to be aware of the socio-economic issues and be able to deal with them. √√
- Piracy is a form of stealing and a legal infringement.√√
- Businesses will succeed in their operations if they constantly scan the risk of having their products duplicated.√√
- Businesses will only succeed if they know all the laws that can protect them from all risks in the environment they operate in√√.
- Any other relevant conclusion related to trade unions/Labour Relations Act/socio-economic issue. **Any (2x1) (2)**

WEEK: 6

TOPIC: BUSINESS SECTORS AND FORMS OF OWNERSHIP

1.1 **Meaning of a tertiary sector**

- Provides services and bring√ finished products to the final consumer. √
- It includes services from transport/ banking/legall√ and health. √
- Examples of the tertiary sector industries√ distribution/ banking/insurance/tourism/ transportation/entertainment/retail/ legal services. √
- Any other relevant answer to the meaning of a tertiary sector. **Max (2)**

1.2 **Business sectors from the scenario**

BUSINESS SECTOR	MOTIVATIONS
1. Primary √√	Zwane Mines extracts gold from nature and sells it to different customers d. √
2. Secondary √√	Karin Manufactures buys gold from Zwane Mines to manufacturer wedding rings. √
Submax (4)	Submax (2)

NOTE: ..1 Award marks for the business sector even if the motivation is incorrectly
2 Do not award marks for the motivations, if business sectors were incorrectly identified Max (6)

1.3 **The relationship between the primary and secondary sectors**

- The secondary sector processes the raw materials√ obtained from the primary sector into more useful products. √
- The secondary sector depends on the primary sector√ for raw materials and products. √
- The secondary sector depends on other secondary industries √e.g., Karin manufactures needs from polished diamond from another secondary sector player√
- Secondary sector needs the tertiary sector to sell their processed or manufactured goods √and also for services such as banks, insurance, transport and communication. √
- The tertiary sector depends on the primary sector for raw materials√ that do not need processing by the secondary sector. √
- The sector depends on the secondary sector for manufactured goods√ such as office machines/office furniture/stationery etc. √
- Any other relevant answer related to the relationship between the primary and secondary

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sectors. **Max (6)**

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QUESTION 2

2.1 **Characteristics of a sole trader**

- One person can form a sole trader and is easy to start. √√
- It is inexpensive to start and the owner does not have to pay tax. √√
- There are no legal and administrative formalities in the formation of a sole trader. √√
- The profit of the business belongs to the owner as there is no distinction between the owner and the business. √√
- A sole proprietor is not a legal entity and agreements are entered into by the owner in his\her personal capacity. √√
- Business has unlimited liability and the private possessions of the owner can be used to pay the debts of the business. √√
- Any other relevant answer related the characteristics of a Sole trader.

Max (8)

2.2 **Differences between limited and unlimited liability**

LIMITED LIABILITY	UNLIMITED LIABILITY
- Losses are limited√ to the amount that the owner invested in the business.√	- The liability of the owner to pay debts/claims√ is not limited to the business only.√
- The owner's personal assets are protected√ against the debts of the business.√	- The owner's personal assets may be seized√ to pay for the debts of the business.√
- Applicable to forms of ownership/companies√ that have a separate legal entity/ personality√.	- Applicable to a sole proprietorship and partnership√ as they do not have a separate legal entity/personality. √
Any other relevant answer related to limited liability.	Any other relevant answer related to unlimited liability.
Submax (2)	Submax (2)

NOTE: 1. The answer does not have to be in a 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 limited or unlimited liability only. Max (4)

2.3 **Forms of ownership from the scenario**

2.3.1 Private company √√ (2)

2.3.2 Public company √√ (2)

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2.3.3 **Differences between the private and public company**

PRIVATE COMPANY	PUBLIC COMPANY
- May no offer shares√ to the general public. √	- Trades its shares publicly √on the Johannesburg Securities Exchange. √
- Shares are not√ freely transferable√	- Shares are freely√ transferable. √
- Minimum of one director. √	- Minimum of three directors. √
- Name must end√ with Proprietary Limited/(Pty) Ltd. √	- Name must end √with Limited/Ltd. √
- Annual financial statements need not be audited √and published. √	- Annual financial statements need to be audited√ and published. √
- Does not need to publish a prospectus √as it cannot trade its shares publicly. √	- Have to register and publish √a prospectus with the Companies and Intellectual Property Commission/CIPC. √
- The company is not required to raise √the minimum subscription/ issue minimum shares. √	- Must raise a minimum subscription prior√ to commencement of the company. √
Any other relevant answer related to a public company	Any other relevant answer related to a public company
Submax (4)	Submax (4)

NOTE: **1. The answer does not have to be in a tabular format**
2. The difference does not have to link, but must be clear.
3. Award a maximum of FOUR (4) marks if the difference is not clear/Mark either private company or public company only. Max (8)

QUESTION 3

3.1 **Introduction**

- A personal liability company enables entrepreneurs to establish a legal business that has continuity of existence. √
- A partnership has two or more partners that share the responsibilities and management of the business. √
- The establishment of a public company and cooperatives require entrepreneurs to comply the Intellectual Property Commission/CIPC √
- Entrepreneurs should conduct research on the advantages and disadvantages of each form of ownership so that they can select a suitable form of ownership. √
- Any other relevant answer related to a personal lability company/partnership/public company/cooperatives. **(2x1) (2)**

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3.2 **Meaning of a personal liability company**

- The name of the personal liability company ends in INC√ and the name of the private company ends in (PTY) Ltd. √
- Directors have unlimited liability √ and they are jointly liable for the debts of the business even if they are long out of office. √
- The memorandum of Incorporation should state√ that it is a personal liability company. √
- A personal liability company must at least have one director√ on their board of directors√
- Any other relevant answer related to the meaning of a personal liability company.

Max (6)

3.3 **Advantages and disadvantages of a partnership**

3.3.1 **Advantages of a partnership**

- The partners able to put their knowledge √ and skills together to collectively make the best decisions√
- The workload and responsibility√ are shared between partners. √
- Partners are able to share resources√ and expertise√
- Partners are only required to pay tax √ in their personal and individual capacity. √
- The partners have a personal interest√ in the business. √
- Partners can bring in√ extra partners at any time. √
- Attract prospective employees √ with the option/incentives of becoming a partner. √
- Partnerships are relatively easy to establish√ as only a partnership article is required. √
- Partners contribute new skills√ and ideas into a business√
- Partners share responsibilities for decision making √ and managing the business√
- Partners share any profits√ and are therefore motivated to work hard. √
- Raising additional capital to finance further business expansion√ is easy as there is no limit on the number of partners. √
- Partners are taxed in their own capacities√, which could lead to lower taxation. √
- Any other relevant answer related to the advantage of a partnership.

Submax (10)

3.3.2 **Disadvantages of a partnership**

- A partnership has unlimited liability√ as partners' personal belongings can be sold to pay off debts.√
- Each partner is legally responsible√ for the joint liability of the partnership.√√
- Different personalities and opinions of partners can lead√ to conflict or 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 partnership or is declared bankrupt.√
- There can be lack of capital√ and cash flow.√
- The partnership has limited/lack of continuity√, as a new partnership must be formed when a partner dies/leaves.√
- The wrongful actions of one partner√ will affect all other partners√/ Partners serve as agents for a partnership √ and bind all other partners through their actions√
- If the profits of the partnership are too big√, the partners may end up paying high income tax in their personal capacity. √
- Decision making can be delayed√ as all parties should be consulted/In a larger partnership, partners may struggle to agree on business issues. √
- Profits are divided between partners according to their partnership agreement √ and not according to income generated√
- Any other relevant answer related to the disadvantage of a partnership.

Submax (10)

Max (20)

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3.4 **Disadvantages of cooperatives**

- Decisions are often difficult to reach√ and time consuming. √
- Very few promotion √ positions for staff. √
- It can be difficult to get a loan√ because their main objective is not always to make a profit. √
- The success of cooperatives depends √ on the support of the members. √
- Shares are not freely transferable√ making it difficult to sufficient raise capital. √
- All members have one vote√ regardless of the number of shares held. √
- Any other relevant answer related to the disadvantage of cooperatives

Max (10)

3.5 **Advantages of a public company**

- The business has its own legal identity √√
- Easy to raise funds for growth through the sale of shares. √√
- Shareholder is only liable for the amount which is invested/Shareholders have limited liability. √√
- Can appoint a knowledgeable board of directors. √√
- Buy and sell shares freely. √√
- Shareholders can sell/transfer their shares freely. √√
- The public has access to the information and this could motivate them to buy shares from a company. √√
- Additional shares can be raised by issuing more shares or debentures √√
- Strict regulatory requirements protect shareholders. √√
- Any other relevant answer related to the advantage of cooperatives

Max (10)

3.6 Conclusion

- The partners should make the correct decisions in running the partnership in order to protect their personal possessions.√√
- The directors of a private company should keep abreast of the latest legislation on the management of companies.√√
- Any other relevant conclusion related to the forms of ownership. **(1x2) (2)**

(40)

WEEK 7

TOPIC: BENEFITS OF A COMPANY VERSUS OTHER FORMS OF OWNERSHIP

QUESTION 1

1.1 **Aspect that must be included in the memorandum of incorporation**

- Incorporators
- Nature of the company √
- Securities of the company √
- Shareholders and meetings √
- Directors and officers √
- Name of the company √
- Main objectives of the company √
- Number of shares each incorporator will purchase √
- Amount of share capital registered √
- Rules and regulations of the company √

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- Name of the auditor √
- Any other relevant again answer related to the aspects that must be included in the memorandum of incorporation

NOTE: Mark the first FOUR (4) only. (4X1) (4)

1.2 **Differences between initial order offer and secondary offering**

INITIAL ORDER OFFER	SECONDARY OFFERING
-The company issues shares√ to the public for the first time√	-The sale of new shares by a company that has already √ made an initial public offering (IPO) √
-The company must produce a prospectus√ before undertaking the initial offering√	-Offering of securities by a shareholder of the company √ as opposed to the company itself, which is a primary offering√
-Any other relevant answer related to initial order offer	-Any other relevant answer related to secondary offering
Submax (2)	Submax (2)

NOTE: 1. The answer does not have to be in a 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 initial order offer or secondary offering only.

Max (4)

1.3 **Benefits of establishing a company versus other forms of ownership**

1.3.1 **Benefits of establishing a company versus other forms of ownership from the scenario**

BENEFITS OF ESTABLISHING A COMPANY	MOTIVATIONS
1 Legal status and liability √√	They know that shareholders' private assets will be protected as they have limited liability. √
2 Capital and cash flow√√	Directors do not have to take out personal loans to grow the business√
Sub max (4)	Sub max (2)

NOTE: 1. Award marks for benefits of establishing a company even if the quote is incomplete.
2. Do not award marks for the motivation benefits of establishing a company were incorrectly identified. Max (6)

1.3.2 **Other benefits of establishing a company versus other forms of ownership**

Profit sharing √√
- Shareholders share in the profits of the company through dividends√
- Any other relevant answer related to profit sharing as a benefit of establishing a company

Submax (3)

Ownership and management√√
- Shareholders are able to buy and sell shares freely in a public company.
- The company is managed by qualified and competent board of directors
- A company is less likely to use consultants as it has a larger pool of skills and expertise
- Directors are more likely to take risks and allow growth opportunities for the business.

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- Directors do not have to take out personal loans to grow the business
- Any other relevant answer related to ownership and management as a benefit of establishing a company Submax (3)

Life span and continuity√√

- A company has continuity of existence.
- Company shares can be transferred/bought/sold.
- Any other relevant answer related to life span and continuity as a benefit of establishing a company Submax (3)

Taxation√√

- Companies have tax benefits other enterprises do not have
- They may obtain tax rebates if they are involved is social responsibility projects.
- Any other relevant answer related to taxation as a benefit of establishing a company.

Submax (3)

NOTE: 1 Mark the first THREE (3) only.
2 Do not award marks for responses that were quoted in QUESTION 1.3.1.

Max (9)

1.3.3 **Challenges of establishing a company versus other forms of ownership**

- Directors may not have a personal interest in the business and this could prevent the business from gaining maximum growth and profits. √√
- Directors who do not have a personal interest in the business may not attract investors. √√
- There may be conflict between the owners of the company and management in control. √√
- The more shares there are the less profit per share. √√
- A company is required to submit a full report to all stakeholders each financial year. √√
- The limited liability aspect of the company generates more paper work in the registration process. √√
- The owners of the company have more liability. √√
- When directors change there could be a lack of continuity in management. √√
- Companies have more taxation requirements and other taxes are high. √√
- They are required to disclose all financial information which could provide their competitors with an unfair advantage. √√
- Politics can get in the way and managers are appointed for the wrong reasons. √√
- State owned companies often deliver non-profitable services that lead to government losing money through the business. √√
- A company can stop existing if deregistered by the Registrar of Companies. √√
- A large amount of money of funds is spent on financial audits and accounting fees due to government regulations. √√
- Any other relevant answer related to challenges of establishing a company versus other forms of ownership. **Max (8)**

QUESTION 2

2.1 **Aspects that must be included in the notice of incorporation**

- Type of company √
- Financial year-end√
- Numbers of directors √
- Incorporation date √
- Registered address√
- Company name√

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

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2.2 **The legal requirements of the name of the company**

- The name of a company must be original and must not be misleading. √√
- A company's name must appear on all company documents, e.g. on letterheads. √√
- Names can be reserved for a period of 6 months by the CIPC. √√
- The name must not be similar/same as any other company unless it is part of the group. √√
- The name must not imply/suggest/mislead a person to believe that the company is part of another person/business/the state. √√
- The name must not be offensive/promote violence/hatred and cause any harm. √√
- The name must not be shortened and translated. √√
- The name of a company must indicate the type of company as follows: The name of a public company must end with LTD. √√
- Any other relevant answer related to the legal requirements of the name of the company.

Max (8)

2.3 **Establishment**

2.3.1 Prospectus√√ **(2)**

2.3.2 **Aspects that must be included in the prospectus**

- Company overview, including the vision, mission and goals of a business √
- Product or service portfolio √
- Market analysis and strategy√
- Management team √
- The risk and potential of the business √
- Available financial and share information √
- Company's assets and liabilities √
- Financial position √
- Profits and losses √
- Cash flow √
- Prospects for growth √
- Pre-incorporation contracts that have been signed √
- Date of registration of the prospectus √
- The minimum subscription√
- Any other relevant answer related to aspects that must be included in the prospectus

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

2.3.3 **Meaning of memorandum of incorporation/MOI**

- MOI serves as the constitution√ of a company. √
- Companies are governed according to the rules√ stated in the MOI. √
- Each company must provide a copy of its MOI to√ the Companies and Intellectual Property Commission (CIPC). √
- MOI describes the relationship between the business√ and its stakeholders. √
- MOI describes the rights/responsibilities/duties of the shareholders√ and directors. √
- Provides details about incorporation/the number of directors √ and the share capital. √
- Includes information about a company's name/registration office√ and records. √
- Any other relevant answer related to the meaning of memorandum of incorporation/MOI

Max (4)

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2.3.4 **The procedure for the formation of companies**

- Determine the people establishing the company√√
- Reserve a company name with the Registrar of Companies √√
- Prepare a memorandum of incorporation √√
- File a notice of incorporation√√
- Obtain a unique registration number √√
- All companies must be registered with the Registrar of Companies. √√
- Open a bank account and register for taxation. √√
- Draw up a prospectus for potential investors. √√
- Any other relevant answer related to the procedure for the formation of companies.

Max (8)

WEEK 8

TOPIC: AVENUES OF ACQUIRING A BUSINESS

1.1 **Reasons why entrepreneurs may decide to purchase an existing business**

- Easier to raise finance if the business has a good history/image. √√
- Immediate cash flow as there are already established customers. √√
- Market research has already been done and there is an established customer base. √√
- Distribution/Supply links/Staff/Network is/are already established. √√
- A market for business products or services has already been established.
- Existing employees and managers may have experience they can share. √√
- Many business problems have already been solved. √√
- Any other relevant answer related to the reasons why entrepreneurs may decide to purchase an existing business. **Max (8)**

1.2 **Franchisor and franchisee**

1.2.1 **Franchisor and franchisee from the scenario**

Franchisor	Tasty Fish & Chips√√
Franchisee	Johnny √√

Max (4)

1.2.2 **Aspects that must be included in the franchising contract**

- Confidentiality clause. √√
- Tax requirements. √√
- Disclosure documents√√
- Settlement of disputes√√
- How to sell or transfer the franchise √√
- Total investment√√
- How to deal with trademarks, patents and logos. √√
- Advertising policies √√
- The initial duration of the franchise and any renewal rights. √√
- The policies that govern the product or service. √√
- Royalties and service fees payable. √√
- Termination clause and its consequences√√
- Training and operational support provided by the franchiser√√
- The obligations of the franchiser and franchisee√√
- The nature and extent of the rights granted to the franchisee. √√
- The form of ownership that the franchise will operate under√√

NOTE: Mark the first FOUR (4) only. **(4x2) (8)**

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1.2.3 **Advantages of franchising**

- It allows businesses to buy a well-known brand√ which guarantees sales and good return. √
- Purchasing a franchise is cheaper √ than starting a new business. √
- Franchising reduces long-term√ financial risk. √
- A business is based on a proven idea√ and the product and service are tried and tested. √
- A franchisee can get support from the franchisor√, which often includes training, advice, and marketing. √
- Forms of financing that are not available to the public√ are often available to franchisees. √
- Businesses are able to use a recognised brand name√ and registered trademark, which helps with advertising and marketing. √
- The systems/operations/goods and services √ are well established. √
- There is often access to group support from other franchisees √ and a network of communication and legal advice. √
- Established suppliers give bulk discounts√ as they form part of a larger group. √
- The marketing and advertising costs are shared√ so they are often lower than for a non-franchised business. √
- Management advice is often provided√, so it is not necessary to be a business expert. √
- Any other relevant answer related to the advantages of franchising. **Max (8)**

1.3 **Avenue of acquiring a business from the scenario**

1.3.1 Outsourcing √√ (2)

Motivation
The management of JC requested Leemer Attorneys to handle some of their complicated business cases. √ (1)

Max (3)

1.3.2 **Disadvantages of outsourcing**

- Risk of losing sensitive data√ and the loss of confidentiality√
- Risks such as bankruptcy√ and financial loss cannot be controlled√
- Lack of Organizational Learning and innovative capacity. √
- Managing the outsource provider could be more difficult √ than managing employees. √
- Confidential issues could be at risk if the information is given to another company √ who performs the function that is outsourced. √
- Outsourcing can create a crisis for the business √ if the outsource provider suddenly terminates its contract. √
- There may be a lack of personal care/quality√ as the business is not personally involved in the execution of the function√
- Hidden costs/legal problems may arise √ if the outsourcing terms and conditions are not clearly defined. √
- Losing management control of business functions mean√ that the business may no longer be able to control operations√
- Not understanding the culture of the outsourcing provider √ and the location where you outsource to may lead to poor communication /lower productivity. √
- Problems with quality can arise √ if the outsourcing provider doesn't have proper processes√
- Any other relevant answer related to the disadvantages of outsourcing.

Max (6)

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1.4. **Examples of leasing**

- Office equipment√
- Vehicles √
- Trailer√
- Machines√
- Clothing rental businesses √
- Any other relevant answer related to the examples of leasing

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

1.5 **Leasing**

1.5.1 **Advantages of leasing**

- Leasing improves the cash flow of the business. √√
- Leasing is regarded as an expense for the lessee and is therefore not regarded as debt. √√
- The lessor receives a continual rental income. √√
- The lessor can get quantity discount by buying goods in bulk to supply various lessees. √√
- The lessor receives a continual rental income. √√
- The asset can be returned to the lessor when it is no longer needed. √√
- Makes budgeting and planning easier and it provides better control over cash flow. √√
- Retains ownership of the asset, which can be sold to recover money at the end of the lease √√
- There is no large financial outlay as the cost is spread over a number of months/years. √√
- The lessor normally covers the maintenance/ replaces any damaged parts or equipment. √√
- There are tax advantages as rental payment are calculated as operating costs and therefor tax deductible. √√
- It is easy to lease a better/ newer version of the product without the capital outlay. √√
- Any other relevant answer related to the advantages of leasing. **Max (6)**

1.5.2 **Disadvantages of leasing**

- The lessee does not own the asset. √√
- The lessor has control over the financial obligation of the lessee. √√
- Some leases require the lessee to maintain and repair the asset. √√
- A large amount of money is spent on an asset every month, the total of which is a lot more than what the asset is worth. √√
- Maintenance agreements are usually expensive and non-negotiable. √√
- The agreement cannot be ended without a penalty. √√
- The lessee is responsible for maintenance even though they do not own the item.
- The total monthly cost can be increased. √√
- The lessor may not be able to sell the asset after the lease if it has not been kept in good condition. √√
- The lessor is committed to the contract and may not reclaim the asset before the lease expires. √√
- The lessee is committed to the contract and may have to pay for the lease even if they have no further use for the item. √√
- Any other relevant answer related to the disadvantages of leasing.

Max (6)

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1.5.3 **Contractual implications of leasing**

- Names of the parties entering the lease agreement/contract. √√
- Duration/Period of the lease√√
- Detailed description of what is being leased. √√
- Conditions of renewal√√
- The monthly amount payable √√
- Any conditions such as deposits, insurance and security√√
- Details of how the instalment will be calculated. √√
- Any specific conditions for renewing the lease at the end of the contract period. √√
- The procedure and liability for legal costs if a dispute arises. √√
- The procedure if the lessor or lessee become insolvent√√
- Detail of insurance, maintenance and restrictive use, up-front payment and instalments√√
- Any other relevant answer related to the contractual implications of leasing.

Max (8)

TOPIC: INFORMAL TEST

WEEK 9 & 10

SECTION A

1.1 **Multiple choice questions**

1.1.1 B√√
1.1.2 D√√
1.1.3 D√√
1.1.4 C√√
1.1.5 A√√
(2x5) (10)

1.2 **Missing words**
1.2.1 Go slow √√
1.2.1 Partnership √√
1.2.3 Patent √√
1.2.4 Networking √√
1.2.5 Franchisee √√ **(2X5) (10**

SECTION B
Mark the first TWO questions in section

QUESTION 2

2.1 **Examples of contemporary legislation that may affect businesses**

- National Credit Act √
- Skills Development Act √
- Employment Equity Act √
- Broad Based Black Economic Empowerment Act√
- Basic Conditions of Employment Act√
- Consumer Protection Act √
- Labour Relations Act √
- Any other relevant answer related to contemporary legislation that may affect businesses.

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

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2.2 **Advantages of businesses that are involved in the macro environment**

- The business can more accurately predict future events, threats and opportunities that may arise. √√
- The business can contribute to a healthier/more skilled/productive workforce. √√
- It can protect natural resources and meet consumer needs in a sustainable way. √√
- The business can contribute to wealthier consumers. √√
- Reduced industrial conflict and increase productivity. √√
- The business can accurately promote a cause that is a concern to the society. √√
- The business can contribute its expertise and resources that can influence the public opinion. This is called advocacy. √√
- Any other relevant answer related to the advantages of businesses that are involved in macro environments. **Max (6)**

2.3 **Challenges of the micro-environment**

2.3.1 **Challenges of the micro-environment from the scenario**

CHALLLENGES OF THE MICROENVIRONMENT	**MOTIVATIONS**
Lack of vision and mission statement. √√	Mayibuye Incoporation lacks direction and providing meaningful guidance to employees.√
Difficult employees √√	Some employees have a negative attitude towards their colleagues. √
Sub max (4)	Sub max (2)

2.4

1 Mark the first TWO (2) challenges only
2 Do not award marks for the motivations if the challenges of the micro-environment were incorrectly identified. Max (6)

Aspects that must be included in the prospectus

- Company overview, including the vision, mission and goals of a business √√
- Product or service portfolio √√
- Market analysis and strategy Management team √√
- The risk and potential of the business √√
- Available financial and share information √√
- Company's assets and liabilities √√
- Financial position √√
- Profits and losses √√
- Cash flow √√
- Prospects for growth √√
- Pre-incorporation contracts that have been signed √√
- Date of registration of the prospectus √√
- The minimum subscription√√
- Any other relevant answer related to aspects that must be included in the prospectus

NOTE: Mark the first TWO (2) only (2x2) (4)

[20]

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QUESTION 3

3.1 **Avenues of acquiring a business from given statements**

3.1.1 Franchising√√ **(2)**

3.1.2 Outsourcing√√ **(2)**

3.2 **Contractual Implication of franchising and outsourcing**

3.2.1 **Contractual Implication of franchising**

- Confidentiality clause. √√
- Tax requirements. √√
- Disclosure documents√√
- Settlement of disputes√√
- How to sell or transfer the franchise √√
- Total investment√√
- How to deal with trademarks, patents and logos. √√
- Advertising policies √√
- The initial duration of the franchise and any renewal rights. √√
- The policies that govern the product or service. √√
- Royalties and service fees payable. √√
- Termination clause and its consequences√√
- Training and operational support provided by the franchiser√√
- The obligations of the franchiser and franchisee√√
- The nature and extent of the rights granted to the franchisee. √√
- The form of ownership that the franchise will operate under√√
- Any other relevant answer related to the contractual implications of franchising

OR

3.2.2 **Contractual implications of outsourcing**

- An exact description of the service/product. √√
- Duration of the contract √√
- A detailed description of the duties and the responsibilities of both parties. √√
- Confidentiality √√
- Payment terms and conditions. √√
- Penalties for not delivering the agreed services √√
- Any other relevant answer related to the contractual implications of outsourcing.

NOTE : Mark the FIRST type of acquiring a business avenue only **Max (4)**

3.3 **Ethical misconduct**

3.3.1 **Ethical misconduct from the scenario**

ETHICAL MISCONDUCT	**MOTIVATIONS**
1 Economic crime/Mismanagement of funds √√	Sofia, the financial manager at Shukuma Enterprises, is using the business's petty cash to buy items that the business does not need√
2 Sexual harassment√√	Frank, the CEO, promised Jane, one of his employees, a promotion in return for an intimate relationship√
Submax (4)	Submax (2)

NOTE:
1. **The answer does not have to be in tabular format.**
2. **Award marks for ethical misconduct even if the quotes were incomplete.**
3. **Do not award marks for the motivations if the ethical misconduct were incorrectly identified.** **Max (6)**

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3.4 **Reasons why entrepreneurs may decide to purchase an existing business**

- Easier to raise finance if the business has a good history/image. √√
- Immediate cash flow as there are already established customers. √√
- Market research has already been done and there is an established customer base. √√
- Distribution/Supply links/Staff/Network is/are already established. √√
- A market for business products or services has already been established.
- Existing employees and managers may have experience they can share. √√
- Many business problems have already been solved. √√
- Any other relevant answer related to the reasons why entrepreneurs may decide to purchase an existing business. **Max (6)**

[20]

QUESTION 4: **MISCELLANEOUS TOPICS**

4.1 **Functions of trade unions**

- Improves conditions of employment. √√
- Ensures that all employees are treated equally in the workplace. √√
- Representing the interest of general society and minority groups through media and negotiations. √√
- Influencing government decisions. √√
- Representing employees corporately and individually. √√
- Improving material benefits of their members. √√
- Establishing minimum economic and legal conditions/influencing economic policy and law. √√
- Playing a role as moral institutions that will uplift the weak and oppressed and give them the dignity and justice they deserve. √√
- Protecting workers from unfair labour practices and unfair dismissal. √√
- Take legal action on behalf of members when necessary. √√
- Any other relevant answer related to the functions of trade unions
  NOTE: Mark the first TWO (2) only. **(2x2) (4)**

4.2 **Business sectors from the scenario**

BUSINESS SECTORS	**MOTIVATIONS**
1 Secondary sector √√	Gerald Manufactures is well known for producing quality products√
2 Primary sector √√	GM buys their raw material from Jimmy Suppliers√
3 Tertiary sector √√	KJY Retailers always buy their stock at Gerald Manufacturers. √
Sub max (4)	Sub max (2)

NOTE:
1. **The answer does not have to be in tabular format.**
2. **Award marks for business sectors even if the quotes were incomplete.**
3. **Do not award marks for the motivations if the business sectors were incorrectly identified.** **Max (6)**

4.3 **Benefits of establishing a company over other forms of ownership**

4.3.1 **Legal status and liability**√√

- A company has its own legal status, trading name and owns its assets.√
- Shareholders' private assets are protected as they have limited liability.√
- The shareholders have no direct legal responsibility.√
- Companies have their own names and these are protected.√

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- Any other relevant related to legal status and liability as a benefit of establishing a company over other forms of ownership. Submax (3)

4.4.2 **Profit sharing** √√
- Shareholders share in the profits of the company through dividends√
- Any other relevant related to profit sharing as a benefit of establishing a company over other forms of ownership. Submax (3)

4.4.3 **Ownership and management**√√
- Shareholders are able to buy and sell shares freely in a public company. √
- The company is managed by qualified and competent board of directors√
- A company is less likely to use consultants as it has a larger pool of skills and expertise√
- Directors are more likely to take risks and allow growth opportunities for the business. √
- Any other relevant related to ownership and management as a benefit of establishing a company over other forms of ownership Submax (3)

4.4.4 **Capital and cash flow**√√
- A company may has more investor's to fund the setting up of the business. √
- Companies have a better cash flow than sole traders. √
- A company is not limited to the individual contribution of the members' capital. √
- The long term growth opportunities for companies are really good as there are always possibilities of getting in more investors. √
- Directors do not have to take out personal loans to grow the business√
- Any other relevant related to capital and cash flow as a benefit of establishing a company over other forms of ownership. Submax (3)

4.4.5 **Life span and continuity**√√
- A company has continuity of existence. √
- Company shares can be transferred/bought/sold. √
- Any other relevant related to life span and continuity as a benefit of establishing a company over other forms of ownership. Sub max (3)

4.4.6 **Taxation**√√
- Companies have tax benefits other enterprises do not have√
- They may obtain tax rebates if they are involved is social responsibility projects.√
- Any other relevant related to taxation as a benefit of establishing a company over other forms of ownership Submax (3)

NOTE: Mark the FIRST TWO (2) only Max (6)

4.5 **Purpose of the Labour Relations Act**
- Provides a framework where the employees, trade unions and employers work together to discuss matters relating to employment. √√
- Promotes orderly negotiations and employee participation in decision making in the workplace. √√
- Promotes resolution of labour disputes. √√
- Promotes fair employment practices. √√
- Outlines the relationship between employees and employers. √√
- Provides simple procedures for the registration of trade unions and employers' organisations. √√

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- Regulates the rights of trade unions and facilitates collective bargaining. √√
- Regulates the effectiveness of bargaining councils and statutory councils. √√
- Establishes workplace forums to promote the interest of all employees in the workplace.√√
- Allows workplace forums where employees may participate in decision making. √√
- Establishes the Commission for Conciliation, Mediation and Arbitration (CCMA) to resolve labour disputes through statutory conciliation, mediation and arbitration. √√
- Endorses the right to strike against retrenchments, and facilitates labour disputes. √√
- Clarifies the transfer of contracts of employment procedures. √√
- Establishes Labour Courts and Labour Appeal Courts √ to deal with labour issues. √
- Offers codes of good practice. √√
- Deals with strikes/lockouts and workplace forums. √√
- Any other relevant answer related to the purpose of the Labour Relations Act.

Max (4)
[40]

SECTION C
Mark ONE answer in this section
QUESTION 5

5.1 **Introduction**

- Businesses need to influence their stakeholders on critical decisions that have to be taken for or against them. √
- Isolated businesses cannot gain the skills and expertise of other businesses that operate in the same industry. √.
- Businesses can use different types of lobbying in order to influence the government and other businesses to their advantage.
- Social responsibility projects increase the business target market and promotes a good public image. √
- Any other relevant introduction related to lobbying/networking/social responsibility**.**

Any (2 x 1) (2)

5.2 **Meaning of lobbying**

- Lobbying refers to the process of trying to influence legislation/parliamentary√ decision making. √
- It involves acquiring public support √ for an issue such as children or animal rights. √
- It is an organised process where individuals/business√ and organisations use their influence to change government policy. √
- Lobbying specifically applies to lawmakers√ and government officials and it is a participatory approach to government. √
- It is done by various people with similar motives/beliefs√ and commercial positions. √
- Any other relevant answer related to the meaning of lobbying. **Max (6)**

5.3 **Types of lobbying**

5.3.2 **Hedging against inflation** √√

- Businesses use hedging to protect their financial investments √ by spreading the risk.√
- Businesses invest surplus fund √ so that its value grows at a faster rate than inflation.√
- They can hedge against inflation by investing their surplus assets/money in investments √ with intrinsic value e.g. gold/oil/property etc.√

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- The business use hedging by buying bonds, shares, property √ or buying precious metals like gold √ to protect capital from the effects of inflation. √
- It is a method that businesses try to reduce the risk √ when unsure about possible price fluctuations.√
- Any other relevant answer related to hedging against inflation as a type of lobbying.

Submax (6

5.3.2 **Bargaining sessions between management and unions**√√

- These sessions enable employees to negotiate with employers √ as a group to protect employees' rights.√
- Bargaining sessions prevent labour strikes √ and provide critical information to people in power.√
- Businesses make sure that their representatives are trained/skilled √ to negotiate on their behalf.√
- The purpose of bargaining sessions is to find a win-win situation √ for all parties.√
- Management will try to convince the union to accept its proposal √ and the union will try to persuade management to accept their demands.√
- The outcome of a successful bargaining session can protect the business√ from the negative impact of strikes caused by loos in productivity.√
- Businesses need to be fair/transparent √ to establish trust and good communication with unions.√
- Any other relevant answer related to bargaining sessions between management and unions.

Submax (6)

5.3.3 **Influencing supervisory body/regulators**√√

- Businesses take an active role √ in professional bodies. √
- Through their membership/advocacy/submissions they may be able to influence changes √ to existing regulations. √
- Business managers are involved in debates and discussions √ that shape public policies. √
- Businesses influence and negotiate with these regulators √ to protect their own sustainability. √
- It is in the best of interest of businesses to adhere to the guidelines and restrictions of these bodies √ in order to stay in businesses. √\
- Any other relevant answer related to influencing supervisory/regulators. Submax (6)

NOTE: Mark the first THREE only. **Max (18)**

5.4 **Advantages of networking**

- Businesses can attract to new customers√ resulting to increased market share and profitability. √
- Networking can be an excellent source of new perspectives √ and business ideas. √
- Allows managers to build new businesses relationships √ and generate new business opportunities. √
- Plays a role in the marketing√ and expansion of a business. √
- Assists businesses in making future business decisions √ and can exchange advices with the other businesses. √
- Businesses can gain support √ when representation to various authorities is planned.√
- Any other relevant answer related to the advantages of networking. **Max (12)**

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5.5 **Projects that can be undertaken by businesses as part of social responsibility**

- Businesses must allow employees to get involved in social development. √√
- Managers must protect the environment and participate in community upliftment programs. √√
- Environmental friendly campaigns √√
- Making donations to charity organisations √√
- Engaging in economic development √√
- Charity community projects √√
- Benefits for the business Increased sales due to customer loyalty. √√
- HIV and Aids awareness programs √√
- Any other relevant answer related to the projects that can be undertaken by businesses as part of social responsibility. **Max (10)**

5.6 **Conclusion**

- Businesses that cannot adapt to the challenges of their environments are more likely to collapse and lose all invested capital and assets. √√
- Many business networking groups exist and meet on a regular basis to share good practices. √√
- Social responsibility projects help businesses to attract investors and experienced employees, resulting in increased profits and income √√
- Any other relevant conclusion related to lobbying/networking/social responsibility

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

QUESTION 6

6.1 **Introduction**

- A prospectus gives information about the business and opportunity for the public to invest in large companies.√
- The prospectus can only be issued by a public company which must be written three months after the date of its registration. √
- A private company is suitable for entrepreneurs who want to start a family business and do not want to raise large amount of capital. √
- The name of the company must be registered before it can be incorporated. √
- Any other relevant introduction related to prospectus/private company /establishment procedure/legal name of the company. **Any (2x1) (2)**

6.2 **Meaning of a prospectus**

- A prospectus is a written invitation to the public√ to buy the securities offered by a public company. √
- It is a formal legal document giving details√ about investment offerings to the public. √
- A prospectus can only be issued by a company√ and it must be within three months after√ the date of its registration. √
- It gives information√ about the business. √
- Any other relevant answer related to the meaning of a prospectus. **Max (6)**

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6.3 **Differences between the private and public company**

PRIVATE COMPANY	PUBLIC COMPANY
- May no offer shares√ to the general public. √	- Trades its shares publicly√ on the Johannesburg Securities Exchange. √
- Shares are not freely√ transferable√	- Shares are freely√ transferable. √
- Minimum of one√ director. √	- Minimum of three√ directors. √
- Name must end with√ Proprietary Limited/(Pty) Ltd. √	- Name must end with√ Limited/Ltd. √
- Annual financial statements√ need not be audited and published. √	- Annual financial statements√ need to be audited and published. √
- Does not need to publish a prospectus√ as it cannot trade its shares publicly. √	- Have to register and publish a prospectus√ with the Companies and Intellectual Property Commission/CIPC. √
Any other relevant answer related to the private company	Any other relevant answer related to public company
Submax (6)	Submax, (6)

NOTE: **1. The answers does not have to be on a tubular format but the differences must be clear**
2. Allocate a maximum of SIX (6) marks if the differences are not clear/mark either the private or public company. **Max (12)**

6.4 **Procedure for the formation of companies**

- Determine the people√ establishing the company√
- Reserve a company name √with the Registrar of Companies√
- Prepare a√ memorandum of incorporation √
- File a √notice of incorporation√
- Obtain a unique √registration number √
- All companies must be registered√ with the Registrar of Companies. √
- Open a bank account √and register for taxation. √
- Draw up a prospectus√ for potential investors√
- Any other relevant answer related to the procedure for the formation of companies

Max (12)

6.5 **Legal requirements of the name of the company**

- The name of a company must be original and must not be misleading. √√
- A company's name must appear on all company documents, e.g. on letterheads√√.
- Reserving a name for a company is the first step to register a company but it is not compulsory. √√
- Names can be reserved for a period of 6 months by the CIPC. √√
- The name must not be similar/same as any other company unless it is part of the group. √√
- The name must not imply/suggest/mislead a person to believe that the company is part of another person/business/the state. √√
- The name must not be offensive/promote violence/hatred and cause any harm. √√
- The name must not be shortened and translated. √√

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- The name of a company must indicate the type of company as follows: The name of a company must end with. √√
- Any other relevant answer related to legal requirements of the name of the company.

Max (16)

6.6 **Conclusion**

- Existing public companies can issue a secondary offer to sell new or closely held shares. √√
- Entrepreneurs should register the private and public company at tne Companies and Intellectual Property/CIPC. √√
- Company becomes a legal person once registration has taken place. √√
- Reserving a name for a company is the first step to register a company but it is not compulsory. √√
- Any other relevant conclusion related to prospectus/private/public company /establishment procedure/legal name of the company.

Any (2x1) (2)
[40]

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TERM 2: TOPICS

TERM	WEEK	SUBTOPIC/SECTION
TWO	1	Creative thinking and problem solving
	2	Stress, crisis and change management
	3	Marketing function, product policy & distribution policy
	4	Communication and pricing policy
	5 & 6	Production aspects and production planning
	7	Production control
	8	Professionalism and ethics

WEEK ONE

TOPIC: CREATIVE THINKING AND PROBLEM SOLVING

1.1 **Meaning of routine thinking and creative thinking**

1.1.1 **Meaning of routine thinking**

- It refers to ordinary√ and every day conventional thinking√
- Suitable for work that requires logic/consistency√ and attention to detail. √
- It does not lead to new ideas/pattern√ of thought. √
- Requires businesses to apply old thinking patterns√ to new situations. √
- Any other relevant answer related to the meaning of routine thinking. Submax (4)

1.1.2 **Meaning of creative thinking**

- Creative thinking refers to thinking differently √ and looking at something in a new way. √
- Creative thinking is about approaching a thought/idea/problem/situation √ in a new and interesting way. √
- It is a process of putting facts/concepts/principles together √ in new and original ways. √
- Businesses need to solve their problems efficiently √ to find creative solutions to problems. √
- Any other relevant answer related to the meaning of creative thinking. Submax (4)

Max (8)

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1.2 **Conventional and non-conventional solutions**

1.2.1 **Difference between conventional and non-conventional solution from the scenario**

CONVENTIONAL	NON-CONVENTIONAL
FC used ordinary and unimaginative solutions to solve their business problems√	They eventually decided to use more than one solution to solve a problem√

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

Max (2)

1.2.2 **Other differences between conventional and non-conventional solutions**

CONVENTIONAL SOLUTIONS	NON-CONVENTIONAL SOLUTIONS
• There is often one solution to a problem√√	• Different and creative solutions √√
• They are solutions obtained through logical, analytical problem-solving methods. √√	• They are solutions that are obtained from creative thinking. √√
• Chooses and looks for what is right √√	• Changes and looks for what is √√
• Concentrates on relevance√√	• Does not mind chance interruptions √√
• Moves in the most likely directions√√	• Explores the least likely directions √√
• Any other relevant answer related to conventional solutions	• Any other relevant answer related to non-conventional solutions
Sub max (4)	Sub max (4)

NOTE: …1. The answer does not have to be in a tabular format
2. Do not award marks for responses quoted in QUESTION 1.2.1
3. The difference does not have to link but must be clear.
4. Award a maximum of FOUR (4) marks if the difference is not clear/Mark either conventional or non-conventional solutions only. Max (8)

1.2.3 **Ways in which businesses can create an environment that stimulate creative thinking in the workplace**

- Businesses must emphasise the importance of creative thinking to ensure that all staff know that their ideas will be heard. √√
- Encourage staff to come up with new ideas/opinions/solutions. √√
- Encourage job swops within the organisation/studying how other businesses are doing things.
- Encourage alternative ways of working/doing things. √√
- Respond enthusiastically to all ideas and never let anyone feel less important. √√
- Reward creativity with reward schemes for teams/individuals that come up with creative ideas.
- Provide a working environment conducive to creativity, free from distractions. √√
- Make time for brainstorming sessions to generate new ideas, e.g. regular workshops/generate more ideas/build on one another's ideas. √√
- Place suggestion boxes around the workplace and keep communication channels open for new ideas. √√

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- Train staff in innovative techniques/creative problem-solving skills/mind-mapping/lateral thinking. √√
- Any other relevant answer related to the advantages/of creative thinking in the workplace. **Max (6)**

1.3 **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. √
- Complex business problems √ may be solved. √
- Productivity increases √ as management/employees may quickly generate multiple ideas which utilises time and money more effectively. √
- Managers/Employees have more confidence √ as they can live up to their full potential. √
- Managers will be better leaders √ as they will be able to handle/manage change(s) positively and 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. √
- Managers/Employees have a feeling of great accomplishment √ and they will 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. √ Stimulates initiative from employees/managers, √ as they are continuously pushed out of their comfort zone. √
- Creativity may lead to new inventions √ which could improve the general standard of living. √
- Any other relevant answer related to the advantages of creative thinking in the workplace. **Max (6)**

1.4 **Essay question on creative thinking and problem solving**

1.4.1 **Introduction**

- Solving problems requires businesses to apply creative thinking skills. √
- Businesses have to solve many problems as they confront the challenges of dynamic and complex business environments. √
- Businesses could apply problem solving techniques such as the Delphi technique and a force-field analysis to solve business problems. √
- Businesses need to use conventional and non-conventional solutions ways to solve problems. √
- Employees must be encouraged to work with others to solve problems
- Any other relevant introduction related to meaning of problem-solving/ conventional and non-conventional solutions / advantages of working with others to solve problems /Delphi and force-field problem-solving techniques.
  Any (2 x 1) (2)

1.4.2 **Meaning of problem solving**

- Process of analysing a situation √ to identify strategies to bring about change. √
- It is a process √ that requires creative/critical thinking. √
- Alternative solutions are generated/identified √ and critically evaluated. √
- Effective problem solving √ results in good decision making. √

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- Problems can be solved by a group/team √ or an individual. √
- Various techniques may be used √, e.g. brainstorming, etc. √
- Any other relevant answer related to the meaning of problem-solving. **Max (6)**

1.4.3 **Differences between conventional and non-conventional solutions**

CONVENTIONAL SOLUTIONS	NON-CONVENTIONAL SOLUTIONS
•Ordinary and unimaginative √ solutions. √	•Different and creative √ solutions. √
•They are solutions obtained through logical, analytical problem-solving methods. √	•They are solutions that are obtained from creative thinking. √
•There is often one solution √ to a problem. √	•There is often more than one solution √ to a problem. √
•Chooses and looks √ for what is right. √	•Changes and looks √ for what is different. √
•Concentrates √ on relevance. √	•Does not mind √ chance interruptions. √
•Moves in the most likely √ directions. √	•Explores the least likely √ directions. √
•Any other relevant answer related to conventional solutions	•Any other relevant answer related to non-conventional solutions
Sub max. (4)	Sub max. (4)

NOTE: Refer to Q2.2 note above. **Max (8)**

1.4.4 **Advantages of working with others to solve problems**

- The problem can be solved √ faster and easier. √
- Workload decreases √ if everyone does their share. √
- More ideas can be generated √ increasing the chances of finding the best possible solutions. √
- Exposure to other people's thinking patterns √ and to the way other people approach problems. √
- Enables team members to learn from others √ and accept their points of views. √
- Greater results √ can be achieved. √
- Team members have access to a broader base √ of knowledge, skills and expertise. √
- The problem is viewed √ from different perspectives. √
- Problems are analysed in greater detail √ which lead to better understanding of the problem. √
- Promotes creative thinking and idea generation √ by thinking of as many ideas as possible to solve problems. √
- Any other relevant answer related to the advantages of working with others to solve problems.

Max (12)

1.4.5 **Application of the Delphi technique and force field analysis**

Application of Delphi technique

- Businesses must invite a panel of experts to research the complaints from customers. √√
- Experts do not have to be in one place and will be contacted individually. √√
- Design a questionnaire consisting of questions on how to improve the quality of their products and distribute them to the panel members/ experts. √√
- Request the panel to individually respond to the questionnaire/suggest improvements to the products and return it to the business. √√
- Summarise the responses from the experts in a feedback report. √√
- Send the feedback report and a 2nd set of questions/questionnaire based on the feedback report to the panel members. √√

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- Request panel members to provide further input/ideas on how to improve the quality of products after they have studied the results/documentation. √√
- Distribute a 3rd questionnaire based on previous feedback from the second round. √√
- Prepare a final summary/feedback report with all the methods to improve the quality of products. √√
- Businesses should choose the best solution/proposal after reaching consensus. √√
- Any other relevant answer related to the application of the Delphi technique to solve business problems.

Application of force-field analysis

- Describe the current situation and the desired situation. √√
- Write a plan/proposal for change in the middle. √√
- List all the forces driving (positive) and resisting (negative) change. √√
- List all forces in support of the change in one column. √√\
- Assign a score for each, from 1 (weak) to 5 (strong). √√
- Determine if change is viable. If not, check which resisting forces can be influenced/mitigated/avoided to make the change possible. √√
- If so, find ways to increase the forces for change and diminish the forces against change. √√
- Based on this outcome, come up with a strategy to help reduce the resisting forces and ensure that the changes can be done. √√
- Any other relevant answer related to the application of the force-field analysis technique to solve business problems. Sub max (10)

Max (20)

1.4.6. **Conclusion**

- Constant changes in the market impact on business operations and so they need to adapt to them quickly and make quick/creative decisions. √√
- Creative thinking can help to solve business problems successfully. √√
- Businesses save time or costs, when using a group of experts without bringing them together. √√
- Informed decision can be made as forces for and against are critically evaluated √√
- Businesses must apply the Delphi technique and force-field technique in order to find solutions for complex business problems. √√
- Any other relevant conclusion related to the meaning of problem-solving/ conventional and non-conventional solutions / advantages of working with others to solve problems /Delphi and force-field problem-solving techniques.

(1x2) (2)

[40]

WEEK TWO
TOPIC: STRESS, CRISIS AND CHANGE MANAGEMENT

1.1 **Causes of stress in the business environment**

- Heavy workload/Unrealistic targets √
- Long working hours √
- Time pressures and deadlines √
- Inadequately trained subordinates √
- The necessity of attending meetings √
- Work demands intruding on family and personal life √
- Keeping up to date with new technology √

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- Conflict with those in the business with different beliefs and values √
- Taking work home √
- Interpersonal relationships with colleagues √
- The amount of travel required by work √
- Incompetent bosses √
- Bullying or harassment √
- Job insecurity √
- Lack of accountability √
- Lack of participation in decision-making √
- Lack of finances, human resources or physical resources √
- Poor working conditions √
- A lack of power and influence √
- Badly designed shift systems √
- Changes in job description, management, in technology or in the economy √
- Confrontations and conflicts √
- Inadequate training √

Any other relevant answer related to the causes of stress in the business environment
NOTE: Mark the first FIVE (5) only. (5x1) (5)

1.2 Stress management

1.2.1 Ways in which SBS managed stress from the scenario

- SBS advised their employees to exercise regularly and keep fit. √
- Employees were also encouraged to set personal realistic goals and targets. √
- They were also trained on how apply good time-management skills. √

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

1.2.2 Other ways employees can manage stress in the workplace

- Develop self-awareness to recognise the signs of stress and its causes. √√
- Create a balanced lifestyle and minimise extreme emotions. √√
- Follow a balanced diet. √√
- Get enough sleep and relaxation. √√
- Replace negative self-talk with positive thoughts. √√
- Accept things one cannot change and focus on things one can control. √√
- Any other relevant answer related to other ways employees can manage stress in the workplace.

NOTE: Do not allocate marks for responses that were quoted in QUESTION 1.2.1
Max (6)

1.2.3 Importance of stress management in the workplace

- If stress is not managed effectively, it can get out of control and cause staff health issues. √√
- Stressed employees are more likely to miss work, both as a way to cope and due to health-related problems. √√
- Managing stress will curb absenteeism in order to maintain productivity at workplace. √√

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- Workers who suffer from stress often display poor judgement in crisis or emergency situations and this can be avoided through managing stress. √√
- Grievances or complaints that lead to staff turnover can be addressed if stress is well-managed. √√
- Conflict and interpersonal problems can be avoided if stress is managed at the workplace. √√
- Having stressed and tired employees serving the public may lead to poor service and unhappy customers and this can be corrected through management of stress. √√
- Stressed employees are more likely to cling to the old ways of doing things by resisting change and this can be controlled through proper management of stress. √√
- Constant stress can cause many problems for a business since it can become an unhealthy environment. √√
- Too much stress can become a barrier to success and lowers the performance of workers. √√
- Any other relevant answer related to the importance of stress management in the workplace. **Max (8)**

1.3 **Meaning of crisis**

- Crises is an unforeseen event that can cause major changes in an organisation.
- It refers to the sudden and potentially disastrous events.
- It is time of intense difficulty/ trouble/ danger.
- An event that can harm the business's stakeholders/ its property, finances / its reputation.
- Any situation that threatens people at home or work.
- Unforeseen event that can cause major changes in the organisation.
- Any other relevant answer related to the meaning of crisis. **Max (4)**

1.4 **Ways businesses can deal with crisis in the workplace**

- Businesses should respond appropriately √ and quickly to lessen the effects of the crisis situation. √
- Intervene swiftly and with urgency√, but without panicking or overreacting. √
- Identify the real nature of the crisis by making a thorough assessment of the situation √ and seeking expert opinions. √
- Assess/If the crisis happens, face up to it√ and quickly find out what has happened without over-reacting. √
- Deal with crisis directly/timeously√ without trying to avoid/minimise the seriousness of the situation. √
- Plan/Identify/prioritise√ the actions required. √
- Inform/Provide accurate and correct information. √
- Support/Guide others through the situation √ by providing training and support. √
- Attempt to contain the situation√ to minimise further damage. √
- Communicate with all stakeholders so that they are properly informed about what has happened/ impact √ and how it is being dealt with. √
- Appoint a spokesperson from the management team√ who will deal with all questions and provide information. √
- Regain control/Manage the situation in a calm manner √ until the crisis is over. √

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- Obtain expert advice√ if the crisis falls outside the business' scope of expertise. √
- Call for help/seek assistance/advice √ and support from the appropriate agencies and professional. √
- Arrange debriefing sessions√ for all those directly involved in the crisis/who have been traumatised by the event. √
- Evaluate how effective the emergency plan was√ throughout the crisis. √
- Amend the emergency plan after evaluating what worked√ and what did not work. √
- Any other relevant answer related to the ways businesses can deal with crisis in the workplace. **Max (8)**

1.5 **Essay question on stress, crisis and change management**

1.5.1 **Introduction**

- Businesses operate in changing markets that pose many challenges on their operations. √
- The success of businesses depends on how they respond to major changes they are faced with on an ongoing basis. √
- John P Kotter's theory of change can be used by businesses to show transparency in the process of change and build trust with employees. √
- Businesses must acknowledge differences from within and apply affirmative action to be competitive in the global markets. √
- Any other relevant introduction related to the concept change/ major causes of change/ dealing with change/ John P Kotter's 8 steps of leading change in the workplace.

Any (2x1) (2)

1.5.2 **Meaning of change**

- Change is a process that takes people/employees/organisation√ from the present to a future desired change. √
- It requires businesses to find√ new to get things done. √
- Businesses need to develop strategies to deal with change in order to meet changing needs of customers/improved technology/ international competition. √ etc
- Any other relevant answer related to the meaning of change. **Max (4)**

1.5.3 **Major changes that people and businesses must deal with**

Unemployment √√

- It is when employees lose jobs√ because they are either fired or quit their jobs. √
- Change can lead to unemployment√ due to retrenchment. √
- A business may close down/sold/merge resulting to unemployment. √
- Copying with unemployment is traumatic √ and can lead to depression. √
- Any other relevant answer related to unemployment as a major cause of change

Sub max (4)

Retrenchment √√

- Retrenchment is when a business cuts the number of workers√ to reduce their wages and salary bill. √
- A process whereby the employer reviews its business needs√ to increase profits/limit losses which leads to reducing its employees. √

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- Economic changes may result in many people being retrenched √ from their jobs. √
- Any other relevant answer related to retrenchment as a major cause of change

Sub max (4)

Globalisation √√

- It is a trend where businesses are able to trade√ in different countries. √
- Businesses must deal with√ and adapt to changes that globalisation brings. √
- Globalisation means that many local businesses struggle to compete√ with bigger/stronger/experienced markets abroad. √
- Any other relevant answer related to globalisation as a major cause of change

Sub max (4)

Affirmative action √√

- Affirmative action is a policy that ensures that qualified people from designated groups√ have equal opportunities in the workplace. √
- The policy aims to ensure that Black South Africans/women/people with disabilities√ are well represented in businesses. √
- Workers can resent affirmative action appointments√ and people who have been appointed in affirmative action positions. √
- Any other relevant answer related to affirmative action as a major cause of change

Sub max (4)

NOTE: Mark the first FOUR (4) only **Max (16)**

1.5.4 **Ways in which businesses can deal with globalisation and affirmative action**

Dealing with globalisation

- Adapt your approach to new √ operational complexities. √
- Businesses should be aware of changes√ in the related industry. √
- Keep abreast of new technology/processes√ and developments that could give your business a competitive edge. √
- Investigate overseas markets √ for their products. √
- Source overseas√ manufactures/materials/suppliers etc. √
- Build a strategy for connecting√ with governments. √
- Comply with international standards √ of quality. √
- Comply with international√ trade laws. √
- Upgrade the enterprise's information technology (IT) network√ to enable online purchasing. √
- Be creative in making products desirable and unique. √
- Any other relevant strategy to deal with globalisation in the workplace.

Sub max (6)

Affirmative action

- Inform employees on how affirmative action will√ be implemented in the business. √
- Businesses must have acceptable affirmative action programmes. √
- Businesses must indicate in all their job adverts√ that they are affirmative action employers. √
- They should open themselves to new ideas√ and opportunities instead of sticking to the past. √

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- Employees need to focus on the job rather than √the differences of the people in the team/how they were appointed. √
- Any other relevant strategy to deal with affirmative action in the workplace.

Sub max (6)

Max (12)

1.5.5 **Application of John P Kotter's 8 steps of leading change in the workplace**

- Establish a sense of urgency by motivating their employees. √√
- Create a guiding coalition, they can bring together a team of influential people who will convince everyone else that change is needed. √√
- Develop a vision and a strategy, decide what values are central to the change. √√
- Communicate the vision frequently and demonstrate the kind of behaviour that they want from their employees. √√
- Empower broad based action by identifying employees who are resisting change and help them see the need for change. √√
- Generate/ Create short term wins and make sure their businesses taste success early in the change process. √√
- Consolidate gains/Build on change by analysing what went right and what needs to be improved after each win. √√
- Anchor the changes in corporate culture and this must become part of the core of their business. √√
- Any other relevant answer related to how businesses can apply John Kotter's theory of change management.

NOTE: Steps maybe in any order **Max (14)**

1.5.6 **Conclusion**

- Businesses have to pay careful attention to changes which may affect them and devise strategies to deal with those changes. √√
- They need to acknowledge that change is stressful and empower employees to cope with stresses of change. √√
- Management need to ensure that it communicates with employees and keeps all informed of decisions and anticipated changes. √√
- Any other relevant conclusion related to the concept change/ major causes of change/ dealing with change/ John P Kotter's 8 steps of leading change in the workplace**.**

(1x2) (2)

[40]

WEEK THREE

TOPIC: MARKETING FUNCTION, PRODUCT POLICY & DISTRIBUTION POLICY

QUESTION 1

1.1 **Marketing activities from given statements**

1.1.1 Transportation√√

1.1.2 Financing √√

1.1.3 Risk bearing√√

1.1.4 Storage √√ **Max (8)**

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1.2 **Distinction between standardisation and grading**

STANDARDISATION	GRADING
• A process of developing a uniform set of criteria√ to ensure the production of quality goods. √	• A process of sorting individual units of a product √ into specified classes /grades of quality. √
• Standardisation also refers to taking steps to ensure that goods produced√ meet the required standards. √	• Grading is the process of classifying agricultural products into categories√ according to their quality. √
• Any other relevant answer related to standardisation	• Any other relevant answer related to grading
Sub max (4)	Sub max (4)

NOTE:
1. **The answer does not have to be in tabular format.**
2. **The distinction does not have to link but must be clear.**
3. **Award a maximum of FOUR (4) marks if the distinction is not clear/Mark either standardisation or grading only.**

Max (8)

1.3 **The role of the marketing function**

1.3.1 **The marketing function from the scenario**

Marketing function√√ (2)

Motivation
SH wants to establish a target market of their products and appointed Tammy to achieve this goal. √ (1)
NOTE: Do not award marks for the motivation if the business function was not correctly identified. **Max (3)**

1.3.1 **The role of the marketing function**

- Support the overall objectives of a business, √ which is to maximise profits√
- The marketing team needs to work closely with staff members√ from other business functions. √
- Gather information about customer needs, √ preferences and buying behaviour and share information with other departments. √
- Assist the development of the marketing strategy√ in collaboration with senior management from other business functions. √
- Develop a marketing plan√ using elements of the marketing mix. √
- Develop sales forecasts and projections√ and provide this information to other business functions. √
- Decide which products or services the business will sell√ and how the products will be distributed. √
- Determine what prices (cash or credit) √ they are going to sell. √
- Any other relevant answer related to the role of the marketing function. **Max (6)**

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1.4 **Consumer goods from the scenario**

1.4.1 Speciality goods √√ (2)

Motivation

There is a high demand for a new jewellery brand that is not manufactured in South Africa. (1)

NOTE: Do not award marks for the motivation if the type of consumer good was incorrectly identified. Max (3)

1.4.2 **Other THREE types of consumer goods**

Convenience goods √√

- These are low priced goods purchased by consumers without much thought. √
- Consumers are not willing to spend much effort on buying convenience goods because they differ very little in terms of price/quality and the satisfaction it provides to consumers. √
- Example of convenience goods: bread/milk/soft drink, etc. √
- Any other relevant answer related to convenience goods as a type of consumer goods. Sub max (3)

Shopping goods √√

- These goods are more expensive than convenience goods. √
- Consumers do not buy them very regularly. √
- They are prepared to spend a considerable amount of time and energy going to various shops until they are sure that they are getting the best value for their money. √
- Examples of shopping good: television/motor vehicles/clothing√, etc.
- Any other relevant answer related to shopping goods as a type of consumer goods. Sub max (3)

Services √√

- Services are not tangible. √
- Services are rendered by service providers to consumers. √
- Example of services: garden service√, etc.
- Any other relevant answer related to services as a type of consumer goods. Submax (3)

Unsought goods √√

- Goods that consumers do not know think of until the need of such products appear. √
- Any other relevant answer related to unsought goods as a type of consumer goods. Sub max (3)

NOTE: 1. Mark the first THREE (3) only
2. Do not award marks for consumer good identified in QUESTION 1.4.2
Max (9)

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1.5 **Meaning of channel of distribution**

- Distribution channel is the path which the product is moved √ from the producer to the consumer. √
- It is important that the channel is the most effective and cost efficient for the product √ and reaches the target market. √
- A distribution channel is made up of many businesses that help move the product √ from the producer to the final user/consumer. √
- It starts with the producer √ and ends with the final consumer. √
- The main aim of the distribution function is to ensure that the right product is available √ at the right time. √
- Any other relevant answer related to the meaning of channel of distribution.

Max (4)

1.6 **Meaning and examples of intermediaries**

1.6.1 **Meaning of intermediaries**

- All the people that fall into the distribution process between the producer and the consumer. √√
- They are middlemen and act as negotiators and mediators between the producer and the consumer. √√
- They are responsible for the transportation, storage and delivery of the goods and services. √√
- The organisations involved in the distribution channel are known as intermediaries √√
- Any other relevant answer related to the meaning of intermediaries. Sub max (2)

1.6.2 **Examples of intermediaries**

- Wholesalers √
- Retailers √
- Agents √
- brokers. √

NOTE: Mark the first TWO (2) only. (2x1) (2)

Max (4)

1.7 **Role of intermediaries in the distribution process.**

- Finding and locating buyers √ on behalf of the producer. √
- Help in promoting √ the product. √
- Intermediaries are specialists in selling √, so the producer may be able to reach a wider audience. √
- They can achieve greater sales √ by using intermediaries. √
- The producer may not have the expertise or resources √ necessary to sell directly to the public. √
- The intermediary may be able to provide more efficient distribution logistics √, for e.g. transporting the product to various points of sale. √
- Overall distribution costs may be lower using an intermediary √ than if the business undertook distribution itself, even when the intermediary's commission is taken into account. √
- Any other relevant answer related to the role of intermediaries in the distribution process.

Max (8)

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1.8 **Channels of distribution**

1.8.1 **Channels of distribution from the scenario**

CHANNEL OF DISTRIBUTION	MOTIVATIONS
1 Manufacturer/Producer→wholesaler→ retailer→consumer √√	VWF makes use wholesalers and retailer to sell their products to their customers. √
2. Manufacturer/Producer-consumer√√	VWF decided to sell directly to their customers. √
Sub max (4)	Sub max (2)

NOTE:
1. **Award marks for the channel of distribution even if the quotes are incomplete.**
2. **Do not award marks for the motivations if the channel of distribution were incorrectly identified.**

Max (6)

1.8.2 **Other channels of distribution that can be used by VWF to distribute their products to consumers**

Manufacturer/Producer→retailer→consumer √√
- The producer sells goods to the consumer using the retailer. √
- This is a single distribution channel and it is aimed at selling to large scale retailers. √

Sub max (3)

Manufacturer/Producer→wholesaler→retailer √√
- This is where the wholesaler buys from the producer and sells directly to retailers. √
- The cash and carry wholesaler sell directly to retailers for consumption. √

Sub max (3)

Manufacturer/Producer→agent→wholesaler→ retailer→ consumer √√
- Agents often connect the manufacturer to the wholesaler or retailer. √
- The more intermediaries there are in a distribution channel the more consumers can be reached. √
- Especially consumers in the rural areas who will also have access to goods. √

Sub max (3)

NOTE:
1. **Mark the first THREE (3) only**
2. **Do not award marks for the channels of distribution identified in QUESTION 1.8.1**

Max (9)

1.9 **Importance of intermediaries in the distribution process**
- Intermediaries are specialists in selling, so the producer may be able to reach a wider audience. √√
- They can achieve greater sales by using intermediaries. √√
- The producer may not have the expertise or resources necessary to sell directly to the public. √√

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- The intermediary may be able to provide more efficient distribution logistics, for e.g. transporting the product to various points of sale. √√
- Overall distribution costs may be lower using an intermediary than if the business undertook distribution itself, even when the intermediary's commission is taken into account. √√
- Any other relevant introduction related to the importance of intermediaries.

Max (6)

QUESTION 2: Essay on the product policy

2.1 **Introduction**

- Product development is the main aim of all businesses√
- Businesses need to be continually creative and develop new products or improve on what they have√
- All new products go through a product development process√
- The type of products developed will determine the kind of packaging needed√
- Any other relevant answer related to product development/packaging.

Any (2×1) (2)

2.2 **Importance of product development**

- Product design needs to be designed to suit the needs of the customers. √√
- If the product design does not suit the target market, there will be very little demand for the product. √√
- Business need to develop new products in order to replace older products in stage 4 when the sale declines. √√
- Businesses are able to remain competitive because they are always on a lookout for ways to improve their products. √√
- Products become different from those of the competitors. √√
- Any other relevant answer related to the importance of product development.

Max (10)

2.3 **Purpose of packaging**

- Physically protect √ the product from any harm √
- Promote the marketing √ of a product √
- Prevent √ a product √ from getting spoilt √
- To prevent tampering √ or theft of a product √
- To improve convenience √ or storage of a product √
- Make product easier √ to identify √
- Any other relevant answer related to the purpose of packaging. **Max (8)**

2.4 **Importance of a trademark to businesses**

- A trademark establishes√ an identity/reputation√
- A registered trademark protects businesses against competitors√ who sell similar products√
- Creates a sense of security√ for customers. √
- Promotes loyalty√ and creates consistency for customers. √
- Consumers are more likely to accept new products√ that are marketed under a well-known brand/trademark√

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- A well-known trademark helps to make a brand√ instantly recognisable√
- Offers a degree of protection because branded products√ can be traced back to the manufacturer√
- It represents a certain standard of quality√ and price to the consumer √
- Any other relevant answer related to importance of a trademark to businesses.

Max (14)

2.5 **Requirements of a good packaging**

- Must be attractive. √√
- Must suit the product. √√
- Suitably designed for the target market. √√
- Must be different from its competitors. √√
- Must promote the image of the enterprise. √√
- Suitable for display purpose. √√
- Must be environmentally friendly√√
- Must protect the contents. √√
- Should be easy to distribute/handle/transport and use. √√
- Protect and promote the product. √√
- Link the product to its promotion strategy. √√
- Draw the attention of consumers. √√
- Inform customers on how to use the product. √√
- Prevent spoiling or damage. √√
- Reduce storing costs by minimising breakage. √√
- Easy to handle and display on the shelves in the store. √√
- Indicate the correct mass or volume of the contents of the product. √√
- Indicate the ingredients of the product, if applicable. √√
- Indicate the name and contact details of the manufacturer. √√
- Any other relevant answer related to the requirements of a good packaging

Max (14)

2.6 **Conclusion**

- Businesses that lack creativity and innovation of products can experience irreversible financial losses√√
- Packaging can influence whether consumers will buy or not buy the product√√
- Any other relevant conclusion related to product design and packaging**.**

Any (1x2) (2)
[40]

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WEEK FOUR
TOPIC: COMMUNICATION AND PRICING POLICYQUESTION 1

1.1. **Sales promotion**

1.1.1 **Sales promotion from the scenario**
Discounts√
Free vouchers √
NOTE: Mark the first TWO (2) only. (2x1) (2)

1.1.2 **Purpose of sales promotion from the scenario**
- HG used sales promotion to persuade potential customers to buy the product now. √
- They also used sales promotion to Introduce new products or to extend the product life cycle. √

NOTE: Only award marks for responses quoted from the scenario. (2x1) (2)

1.1.3 **Other purpose of sales promotion**
- Inform consumers about the product. √√
- Remind the target market of the availability of a product. √√
- Increase the sales of a product or service. √√

NOTE: Do not award marks for consumer good identified in QUESTION 1.1.3
Max (6)

1.2 **Purpose of advertising**
- Attract the attention of people √√
- Arouse their interest in the product√√
- Create the information needed to persuade the consumer to act and buy the product. √√
- Provide the information needed to persuade the consumer to act and buy the product. √√

NOTE: Award a maximum of 4 marks for "AIDA". Max (8)

1.3 **Meaning of publicity**
- Publicity is a free non-personal form of communication that the business√ and its product can receive through mass media e.g. newspaper and television. √
- Publicity is unpaid communication in the mass media √ about a business enterprise its employees, its goods or services. √
- The business has no control √ of what is said about them. √
- It can take form of a news story√ in a newspaper/a press release/ media statement. √
- Endorsements by famous people draw attention√ to a company's brand and products. √
- Some companies hand out gifts √ and samples with company branding on them. √
- It is information about a business published by an independent third party√ such as a newspapers or television station. √
- Ensures that the public know about the business/its social programmes/community involvement √ and fair labour practices√ etc.
- Publicity can be positive/negative√ as it is not paid for by the business. √
- Any other relevant answer related to the meaning of publicity. **Max (4)**

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1.4 **Publicity**

1.4.1 Internal publicity√√ (2)

Motivation

- ME changed the display of goods and the staff's behaviour towards customers. √ (1)

NOTE: Do not award marks for the motivation if the type of publicity was incorrectly identified. **Max (3)**

1.4.2 **The role of internal publicity from the scenario**

- They also appointed Witness a favourable image of the business and its products or service. √

NOTE: Only award a mark for a response that is quoted from the scenario. (1)

1.4.3 **Other roles of internal publicity**

- The PR department builds good relationships with representatives √ of the media/press. √
- They keep the media informed of news about product launches√ and opening of new factories or shops for the attention of the public. √
- The PR function supports marketing efforts to establish√ and build a brand identity. √
- Any other relevant answer related to other roles of internal publicity. **Max (6)**

1.4.4 **Pricing techniques**

1.4.4.1 **Pricing techniques from the scenario**

PRICING TECHNIQUES	**MOTIVATIONS**
1 Competition based/orientation pricing√√	ME sets its price based on what other businesses are charging customers. √
2 Promotional pricing√√	They also offer discounts for a limited period of time. √
Submax (4)	Submax (2)

NOTE:
1. **Award marks for the pricing techniques even if the quotes are incomplete.**
2. **Do not award marks for the motivations if the pricing techniques were incorrectly identified.**

Max (6)

1.4.5 **Other pricing techniques**

Cost-based/orientated pricing√√

- Involves setting the price of a product based directly on its cost. √
- The business calculates the cost of producing one unit of the product, called unit cost, and then adds a standard mark-up to obtain the price. √
- The costs of production and supply are calculated, and a suitable profit margin is added to determine the selling price. √ Sub max (3)

Mark-up pricing√√

- It is calculated as a percentage. √
- This percentage is calculated from the cost per unit. √
- Example will include a sandwich-making a business may calculate that the cost of producing a sandwich is R10 and decide on a mark-up of 100%, setting the price at R20. √ Submax (3)

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Customer/target-based pricing√√

- It is when companies set certain targets to achieve. √
- Based on what the business believes customers are prepared to pay. √
- The perception of the product it wants to create in the customers' mind. √

Submax (3)

Penetration pricing√√

- Products are sold at very low prices to attract consumers when the product is introduced to the market. √
- The aim is to convince the customers to buy a product. √
- As soon as the introductory offer is over, the price is increased. √
- It is often used for new products and it is not a profitable long-term marketing strategy. √

Submax (3)

Psychological pricing√√

- This strategy is used when the business wants the consumer to respond on emotional basis rather than a rational one. √
- It is used to give an impression that an item is cheaper than it really is. √
- A CD player is priced at R699 instead of R700, consumer mentally place the item in the R600 rather than the R700 price range. √ Submax (3)

Bait pricing√√

- Prices are usually set lower than the items cost price to attract customers. √
- It is used to attract customers into a shop to buy the product and other items. √.

Submax (3)

Price skimming √√

- Prices attached to a new innovative product that is considered unique and prestigious.
- Higher prices are charged to test the demand. √
- There are consumers who are prepared to pay higher prices, because such inventions have prestige value. √
- As the product gains popularity, the price of the product is gradually reduced. √
- Price skimming can be successful and profitable in the short term√ Submax (3)

NOTE: 1. Mark the first THREE (3) only
2. Do not award marks for pricing techniques identified in QUESTION 1.4.4

Max (9)

QUESTION 2: Essay question on communication and pricing policy

2.1 **Introduction**

- Personal selling is a personal presentation by the business's salesperson to prospective buyers for the purpose of making sales/building customers. √
- Personal selling is the most successful method of selling a product especially expensive industrial and shopping goods. √
- Price is the only one of the four marketing tools that brings in income for businesses. √
- Consumers will pay money for a product if they think it will satisfy a need/want. √
- Any other relevant introduction related to personal selling/pricing.

Any (2x1) (2)

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2.2 **Meaning of personal selling**

- Personal selling involves face-to-face communication between salespeople √ and customers or potential customers to promote the product. √
- The business uses salespeople who have direct contact√ with customers. √
- Salespeople have specialised knowledge to the product √ and can advise customers on how to use the product. √
- The salesperson is ready to answer all the questions√ asked by the consumer. √
- Salespeople promote the product√ through their attitude and appearance. √
- The message can be individualised√ to suit the needs of the consumer. √
- Any other relevant answer related to the meaning of persona selling. **Max (6)**

2.3 **Effectiveness of personal selling in promoting a business product**

- Personal selling can be made telephonically but are usually face to face√ and offer the most flexible means of delivering a promotional message. √
- Done by experienced salespeople who develop charisma √ and become skilled in getting people to pay attention to them. √
- It is very effective especially in the case of expensive industrial goods√ such as machinery and shopping goods e.g. stoves/fridges/cell phones √ etc.
- Involves a very personal touch with specific attention giving to customer's needs √ and requirements. √
- Most effective way to build relationships between the salesperson √and the customer. √
- It is also a very good way of maintaining good relationships √ and ensuring on-going business and sales. √
- The salesperson can adjust his/her message to be more attractive√ to the person listening. √
- Any other relevant answer related to the effectiveness of personal selling in promoting a business product. **Max (8)**

2.4 **Factors that influence pricing**

2.4.1 **Input costs**√√

- The higher the input costs√, the higher the final price. √
- An increase in labour/transportation could increase√ the final price. √
- Any other relevant answer related to input cost as a factor that influence pricing.

Submax (4)

2.4.2 **Demand for the product**√√

- The higher the demand√, the higher the production volume. √
- The lower the input costs√, the lower the final price. √
- Any other relevant answer related to the demand for the product as a factor that influence pricing. Submax (4)

2.4.3 **Target market**√√

- Income level of the target market influence√ the price of the product. √
- Any other relevant answer related to target market as a factor that influence pricing.

Submax (4)

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2.4.4 **Type of product**√√

- Luxury products can be √ priced higher√
- Any other relevant answer related to type of product as a factor that influence pricing.

Submax (4)

2.4.5 **Pricing technique used to determine the price**√√

- Promotional pricing could be lower √ than demand-oriented pricing√
- Any other relevant answer related to pricing technique used to determine the price as a factor that influence pricing. Submax (4)

2.4.6 **Competitive and substitute products**√√

- If there are similar products that could replace a product√, a high price may result in loss of sales to the substitute. √
- If the price and demand of complement good increases√, the other product may increase at the same rate. √
- Any other relevant answer related to competitive and substitute products as a factor that influence pricing. Submax (4)

2.4.7 **The economic climate and availability of goods and services**√√

- When there is a shortage of a certain product√, people are prepared to pay more for it. √
- Any other relevant answer related to the economic climate and availability of goods and services as a factor that influence pricing. Submax (4)

NOTE: Mark the first FOUR (4) only. Max (20)

2.5 **Importance of pricing**

- The pricing process needs to consider flexibility/discount/territory/life cycle status/allowance. √√
- Pricing affects the number of products that an enterprise is able to sell, which in turn, affects profitability. √√
- The price of a product can influence the consumers' attitude towards the product or the brand. √√
- If the is believed to be too high, fewer consumers may buy the product. √√
- If the price is too low, consumers may perceive the good as being of poor quality. √√
- The pricing policy should explain when and to whom discounts will be granted. √√
- The price of a product must make provision for transport costs. √√
- The price of a product must make provision for VAT. √√
- Low sales result in stockpiles of unsold product that have to be stored and not repaying the cost of manufacturing that product. √√
- Any other relevant answer related to the importance of pricing. **Max (12)**

2.6 **Conclusion**

- Businesses must have good communication systems in place with all the parties in the distribution channel. √√
- Salespeople should have specialist knowledge of the product so that they are able to advise customers on how to use the product. √√

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- Price can be very important to the consumer hence businesses need to monitor consumer responses to price and price changes. √√
- The price can cause the success or failure of a product and therefore should be determined correctly so that a profit is made. √√
- Pricing is usually affected by external factors over which a business has little control such as government policies/competition/exchange rate. √√
- Any other relevant conclusion related to personal selling/pricing.

Any (1x2) (2)
[40]

WEEK FIVE & SIX

TOPIC: PRODUCTION ASPECTS AND PRODUCTION PLANNING

QUESTION 1

1.1 **Meaning of production planning**

- Refers to setting goals for the production department√ and establishing policies/programmes and procedures to achieve these goals. √
- It aims at decreasing cost/time√ and increasing output by organising the resources and workplace to maximise efficiency. √
- Production planning involves everything from the individual roles of staff/ordering of stock√, to the final delivery to the customer. √
- Planning is done due to constant changes√ in the manufacturing process. √
- Production planning must control √ the actual production/inventory/stock/factory layout/production costs. √
- Any other relevant answer related to the meaning of production planning. **Max (4)**

1.2 **Aspects that must be considered during production planning**

1.2.1 **Aspects that must be considered during production planning from the scenario**

PRODUCTION PLANNING ASPECTS	MOTIVATIONS
1 Loading √√	The management of EM allocates every person and machine to their task. √
2 Planning √√	They also make wise decisions on the purchasing of the materials and machinery. √
3 Routing√√	EM uses the best and cheaper way to sequence the production process. √
4 Scheduling√√	EM also calculates the time required to perform each activity in the manufacturing process. √
Submax (8)	Submax (4)

NOTE:
1. **Award marks for the production planning aspects even if the quotes are incomplete.**
2. **Do not award marks for the motivations if the production planning aspects were incorrectly identified.**

Max (12)

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1.2.2 **Other meaning of aspect that must be considered during production planning.**

PRODUCTION PLANNING ASPECTS	MEANING
1 Loading	• Involves planning who will be responsible for each activity √ identified during the routing process. √ • Loading calculates the amount of time each machine √ will need to operate during a day. √ • It also indicates which machines are not being used √ to their full capacity. √ • It is linked to the output required to fulfil orders √ and prevent the overloading of employees and machines. √ .Sub max (4)
2 Planning	• Production planning of each aspect of the √ overall process. √ • It includes the layout of a factory √and the flow of materials through the process. √ • The planning has to cover all aspects of the production process √such as the factory layout based on the optimal flow of material. √ • Budget, machines and manpower are calculated√ and used to determine expected output. √. Submax (4)
3 Routing	• Involves planning is the sequence in which√ the production operations will take place. √ • Setting up of the actual route which the materials must follow in the process√ to save time and costs. √ • Routine determines the √ quality/ type of raw materials/ manufacturing process/sequence. √ • Specification of the final product cost analysis Submax (4)
4 Scheduling	• Scheduling involves the timing √ of the production process. √ • It priorities certain jobs√ and determine which jobs need to be completed before the next one can take place. √ • Scheduling takes into consideration the routing√ and loading of both labour and machinery. √ • Planning when each activity should start√, and then calculating the time required to complete the whole process. √ • Time periods that need to be worked out considering √ the preparations of raw material/delivery of raw materials/delivery of final products√ etc. • Scheduling is affected by capacity/size of the business/availability of staff/machinery √ and materials. √ • The more detailed the schedule the better a resource it will be for controlling the process. Submax (4)

NOTE: Do not award marks for responses quoted in QUESTION 1.1.3. (16)

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1.2.3 **Advantages of production planning**

- Planning allows an entrepreneur to ensure that every machine and worker is used to their full capacity and not left with nothing to do. √√
- The company can ensure that it has the correct amount of supplies and stock at a given time.
- This reduces wastage and unnecessary storage costs. √√
- Planning will prevent time being wasted and increase the number of final products. √√
- Planning process involves quality checks and ensures that the correct quality is reached in the shortened possible time. √√
- Any other relevant answer related to the advantages of production planning.

Max (8)

1.3 **Precautionary measure that businesses should take when handling machinery**

- Familiarise employees √ with safety procedures. √
- Develop a culture √ of safety in the workplace. √
- All machinery/ equipment must be correctly installed√ and safe to use. √
- Workers must be properly trained on how to use machinery√ and must be informed about the risks when using the machinery. √
- Regular safety checks must be carried out and machinery should be maintained√ and serviced regularly. √
- Workers need to wear protective clothing/gear such as overalls/ hard hats/ safety helmets/masks/heavy-duty safety boots/welding goggles√ when working with machinery and equipment. √
- Hard hats should be worn √ on construction sites at all times√
- Any other relevant answer related to precautionary measure that businesses should take when handling machinery **Max (8)**

1.4. **Reasons why businesses must manage safety in the workplace**

- Workplace accidents can result in√ injuries and deaths. √
- Publicity of workplace accidents will also impact negatively√ on an enterprise's image. √
- Regular/serious workplace accidents may even cause inventors √ to invest their money in another company. √
- Potential employees may decide not to accept a job offer at an enterprise√ where many accidents have occurred. √
- Any other relevant answer related to reasons why businesses must manage safety in the workplace. **Max (6)**

QUESTION 2 Essay on production planning and safety management

2.1 **Introduction**

- Production control enable businesses to identify errors in the production process and take precautionary measures. √
- Businesses need to implement the production control aspects so that all activities are performed as planned. √
- It is important that employees work in safe environment so that they become productive. √

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- Businesses must comply with the Occupational Health and Safety Act. √
- Any other relevant introduction related to production control/ planning aspects/ requirements for a safe environment/ Occupational Health and Safety Act.

Any (2x1) (2)

2.2 **Meaning of production control**

- Controlling of each individual task and action in the production process √ and establishes the starting and finishing of each task. √
- Production control ensures that production is undertaken √ according to the production plan. √
- It includes dispatching/ following up/ inspection√ and corrective action. √
- Any other relevant answer related to the meaning of production control.

Max (6)

2.3 **Aspects that must be considered during production control**

2.3.1 **Dispatching**√√

- Involves issuing production orders to start production. It provides orders for √ movement of materials/tools/equipment to the necessary locations/beginning the process/checking the time and costs involved in the process. √
- Dispatching is putting the production plan√ and schedule into action. √
- It identifies the person who will do the work√, supplies the specifications and materials list. √
- Any other relevant answer related to dispatching as an aspect that must be considered during production control. Submax (4)

2.3.2 **Following up/controlling**√√

- Following up makes sure the scheduling √ and production systems are running according to plan. √
- It deals with unplanned issues/problems √ and sorts out any misunderstandings in terms of job process requirements. √
- Following-up on the progress of production helps to prevent bottlenecks√ and misunderstandings. √
- Any other relevant answer related to following up/controlling as an aspect that must be considered during production control. Submax (4)

2.3.3 **Inspection**√√

- Inspection involves the checking of the quality of the process √ and the final product. √
- It is done at regular intervals during the production process√ as well as at the end. √
- Inspection methods include the random selection of products/viewing/sampling√ and testing the product. √
- Legal regulatory processes are also checked√ to ensure that the necessary standards are met. √
- Any other relevant answer related to inspection as an aspect that must be considered during production control. Submax (4)

2.3.4 **Corrective action**√√

- Corrective action involves any adjustments√ to the planning process. √
- Staffing issues √ are also dealt with corrective action. √
- Any other relevant answer related to corrective action as an aspect that must be considered during production control. Submax (4)

NOTE: Mark the first FOUR (4) only. **Max (16)**

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2.4 **Requirements for a safe environment**

- All businesses should draw up their own safety policy √ and enforce necessary control measures.
- Safety warnings and signs should be visible. √
- Every business should have an up-to-date first-aid kit √ in an easily accessible place. √
- At least one employee trained√ in first-aid should be on site. √
- The workplace should be free of hazardous substances that cause damage√, disease or injury to employees or visitors. √
- Employees should be informed of any dangers√ in the workplace. √
- Information, instructions √ and training should be provided to all employees. √
- All workers should be informed of the potential safety√ and health hazards√
- Any other relevant answer related to the requirements for a safe environment

Max (12)

2.5 **Purpose of the Occupational Health and Safety Act**

- Requires every business to establish and maintain, a safe work environment that is without risk to the health of the workers. √√
- Review the efficiency of health and safety measures. √√
- Outlines the roles and responsibilities of employer, employees, manufacturers, designers, importers, suppliers and sellers. √√
- Clarifies the roles and duties of the health and safety representative and committee. √√
- Requires that the main dangers and potential incidents of the workplace be identified and eliminated. √√
- Examines the causes of incidents by any employee relating to the employee's health and safety at work. √√
- Expects employees to co-operate and follow the necessary instructions and report any unsafe situations. √√
- Makes presentations to the employer concerning general health and safety issues at the workplace. √√
- Any other relevant answer related to the purpose of the Occupational Health and Safety Act

Max (12)

2.6 **Conclusion**

- Production control enable businesses to grow and become sustainable. √√
- Production aspects enable businesses to produce quality products. √√
- Businesses should always ensure that employees work in a safe environment to avoid unnecessary lawsuit and legal expenses. √√
- The Occupational Health and Safety Act provides guidelines on how businesses should adhere to safety measures in the workplace. √√
- Any other relevant conclusion related to production control/ planning aspects/ requirements for a safe environment/ Occupational Health and Safety Act.

(1x2) (2)

[40]

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WEEK 7
TOPIC: PRODUCTION CONTROL

1.1 **The meaning of production control**

- Controlling of each individual task and action in the production process√ and establishes the starting and finishing of each task. √
- Production control ensures that production is undertaken according to the production plan. √
- It includes dispatching, following up, inspection, √ and corrective action√
- Any other relevant answer related to the meaning of production control. **Max (4)**

1.2 **Quality control bodies**

1.2.1 South African Bureau of Standards (SABS) √√ **(2)**

1.2.2 Quality circles√√ **(2)**

1.3 **Other role of quality circles**

- They meet regularly to discuss how quality/efficiency√ and productivity could be improved. √
- They analyse problems with the production process √ brainstorm solutions. √
- Employees are often best placed √ to know how to improve quality. √
- Typical topics discussed by quality circles √ include improving safety, improving product design and manufacturing processes. √
- Any other relevant answer related to other role of quality circles. **Max (6)**

QUESTION 2

Essay question on production planning and production control

2.1 **Introduction**

- The implementation of TQM enables businesses to get things right the first time. √
- Quality control and quality insurance enable businesses to identify deviations from set standards and take corrective measures. √
- Businesses need to implement all four aspects of production planning so that they are able to produce quality products. √
- The International Organisation for Standardisation (ISO enables businesses to produce quality products and compete with businesses from other countries. √
- Any other relevant answer related to TQM/quality control/quality assurance/ production planning/ International Organisation for Standardisation (ISO). **Any (2x1) (2)**

2.2 **The meaning of Total Quality Management as part of quality management system**

- Total Quality Management involves every part of the business, √ and quality is everyone's responsibility, including every department and employee. √
- The main aim of TQM is to improve the quality of products √and services in order to satisfy the needs of customers beyond their expectations. √
- Continuous improvement is the foundation of TQM. this means that all techniques, √ systems and machinery used must be subjected to continuous improvement.√
- It is the responsibility of each employee√ to take care of his/her own quality.√
- Machines and equipment's are checked√ regularly.√

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- All input including raw materials are checked thoroughly √and discussions are held on how to improve quality.√
- Management ensures that each employee is responsible√ for the quality of his/her work/actions.√
- Any other relevant answer related to the meaning of Total Quality Management as part of quality management system **Max (6)**

2.3 **Differences between quality control and quality assurance**

• **QUALITY CONTROL**	• **QUALITY ASSURANCE**
• Inspection of the final product√ to ensure that it meets the required standards/. √	• Inspection carried out during and after the production process√ to ensure that required standards have been met at every stage of the process. √
• Includes setting targets/measuring performance√ and taking corrective measures. √	• Ensures that every process is aimed at getting the product right the first time√ and prevents mistakes from happening again. √
• Checking raw materials/employees/ machinery/ workmanship/products√ to ensure that high standards are maintained. √	• The 'building in' of quality√ as opposed to 'checking for' quality. √
• Any other relevant answer related to quality control.	• Any other relevant answer related to quality assurance.
Sub max (4)	Sub max (4)

NOTE: **1. The answer does not have to be in tabular format.**
2. The differences do not have to link but must be clear.
3. Award a maximum of FOUR (4) marks if the differences are not clear/Mark either quality control or quality assurance. Max (8)

2.4 **Aspects that must be considered during the production planning**

PRODUCTION PLANNING ASPECTS	**MEANING**
Loading √√	• Involves planning who will be responsible for each activity √ identified during the routing process. √ • Loading calculates the amount of time each machine √ will need to operate during a day. √ • It also indicates which machines are not being used √ to their full capacity. √ • It is linked to the output required to fulfil orders √ and prevent the overloading of employees and machines. √ Sub max (4)
Planning √√	• Production planning of each aspect of the √ overall process. √ • It includes the layout of a factory √and the flow of materials through the process. √ • The planning has to cover all aspects of the production process √such as the factory layout based on the optimal flow of material. √ • Budget, machines and manpower are calculated√ and used to determine expected output. √ Submax (4)
Routing√√	• Involves planning is the sequence in which√ the production operations will take place. √

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	• Setting up of the actual route which the materials must follow in the process√ to save time and costs. √ • Routine determines the √ quality/ type of raw materials/ manufacturing process/sequence. √ • Specification of the final product cost analysis. Submax (4)
Scheduling√√	• Scheduling involves the timing √ of the production process. √ • It priorities certain jobs√ and determine which jobs need to be completed before the next one can take place. √ • Scheduling takes into consideration the routing√ and loading of both labour and machinery. √ • Planning when each activity should start√, and then calculating the time required to complete the whole process. √ • Time periods that need to be worked out considering √ the preparations of raw material/delivery of raw materials/delivery of final products√ etc. • Scheduling is affected by capacity/size of the business/availability of staff/machinery √ and materials. √ • The more detailed the schedule the better a resource it will be for controlling the process. Submax (4)

NOTE: Mark the first FOUR (4) only. Max (16)

2.5 **Functions of International Organisation for Standardisation (ISO)**

- It sets out procedures a business should follow to ensure that its final product meet its own promises and its customers' expectations and that quality improves over time. √√
- ISO9000 is set of internationally recognised standards set for different industries. √√
- ISO standards are used in many countries all over the world. √√
- Industries are able to measure their own quality management system against these international standards. √√
- Accreditation with ISO acts as a signal to customers that the business takes its quality commitments seriously and continually strives to improve its operations. √√
- Any other relevant answer related to functions of International Organisation for Standardisation (ISO). **Max (8)**

2.6 **Conclusion**

- Total quality management is important for all sections of the business to be sustainable. √√
- Quality control and quality assurance is essential in all departments of the business to contribute to business success. √√
- Every business should ensure that all aspects of the production planning are considered for effective production process. √√
- Any other relevant conclusion related to total quality management, differences between quality assurance and quality control, aspects that must be considered in the production control and the role of quality circles as part of quality control bodies.

Any (1x2) (2)
[40]

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WEEK 8

TOPIC: PROFESSIONALISM AND ETHICS

QUESTION 1

1.1 **The meaning of good decisions**

- Good decisions are those that are ethically correct √ and will be also benefit the without harming others. √
- A good decision enables businesses make √ a lot of profit. √
- Any other relevant answer related to the meaning of good decisions. **Max (4)**

1.2 **Differences between ethical behaviour and professional behaviour**

Ethical behaviour	Professional behaviour
• Refers to the principles of right and wrong/acceptable in society. √√	• Refers to what is right/wrong/acceptable in a business. √√
• Conforms to a set of values that are morally acceptable. √√	• Set of standards of expected behaviour. √√
• Forms part of a code of conduct to guide employees to act ethically. √√	• Applying a code of conduct of a profession or business. √√
• Focuses on developing a moral compass for decision making. √√	• Focuses on upholding the reputation of a business/profession. √√
• Involves following the principles of right and wrong in business activities/ practices/dealings. √√	• Includes guidelines on employees' appearance/communication/attitude/responsibility, etc. √√
• Any other relevant answer related to ethical behaviour	• Any other relevant answer related to professional behaviour
Sub max (4)	Sub max (4)

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 FOUR (4) marks if the differences are not clear/Mark either ethical behaviour or professional behaviour**

Max (8)

1.3 **Principles of ethics and professionalism**

1.3.1 **Principles of ethics and professionalism from the scenario**

PRINCIPLES OF ETHICS	PRINCIPLES OF PROFESSIONALISM
1 The management of RT keeps their client's personal information confidential. √	1 The employees of RT meet deadlines by completing their tasks before the due date. √
2 RT avoids conflict of interest when dealing with stakeholders√	2 Employees also adhere to the dress code of the business/profession√

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Submax (2)	Submax (2)

NOTE: Only award marks for responses quoted from the scenario. Max (2)

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1.3.2 **Other principles of ethics and professionalism**

OTHER PRINCIPLES OF ETHICS	OTHER PRINCIPLES OF PROFESSIONALISM
• Being objective√ and impartial. √ • Transparency √ and full disclosure. √ • Being committed √ and responsible. √ • Initiating CSI projects√ for communities/Social responsibility√ • Looking after√ the environment√ • Abiding by√ international laws√	• Employees should respect themselves√ and the rights of others. √ • Responding quickly√ to the request of customers √ • Caring about the quality of work √ before submission. √ • Communicate with clarity √ and honesty. √ • Using resources responsibility √ with due regard for the environment. √ • Respecting diversity √ and differences and demonstrate cultural sensitivity. √ • Acting with integrity√ and honesty/reliability. √ • Being committed to quality √ and apply skills and knowledge to the benefit of the business/society at large. √ • Adhering to confidentiality measures by not disclosing √ sensitive information about customers/business. √ • Remaining objective/act fairly √ and justly to all without being biased or showing favouritism. √
Sub max (6)	Sub max (6)

NOTE: Do not award marks for responses that were quoted in QUESTION 1.3.1.

Max (12)

QUESTION 2

2.1 **Introduction**

- Code of ethics serve as guidelines on how businesses should behave ethically and responsibly. √
- Businesses need to conduct research on the requirements for a good code of ethics. √
- Businesses should implement the code of ethics and principles of ethics so that they become sustainable and grow. √
- Business practices that are conducted professionally, ethically and effectively attract and retain customers. √
- Any other relevant introduction related to code of ethics/benefits of ethical business ventures/professional, responsible, ethical and effective business practices.

Any (2x1) (2)

2.2 **Requirements for a good code of ethics**

- Regular identification of ethical risk areas √√
- Development of compliance policies, procedures and systems √√
- Easy accessibility, confidentiality and non-discriminatory √√
- Alignment with the disciplinary code √√
- Integrating the integrity assessment with selection and promotion √√

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- Induction of new employees √√
- Training ethical principles, standards and decision-making √√
- An internal audit that monitors compliance with ethical principles and standards√√
- Any other relevant answer related to the requirements for a good of code of ethics.

Max (12)

2.3 **Benefits of ethical business ventures**

- Provide a competitive advantage √ in terms of customers√
- Improves employees' happiness as they will feel comfortable√ working for a business that is behaving ethically. √
- Attracts more investors√ if they know that the company they work with operate in ethical way. √
- Business ethics are beneficial for the company √ by attracting customers and employees. √
- Builds customer loyalty/avoid legal problems/attract √ and retain talented employees. √
- Create a more positive image in the marketplace√ , which can bring in new customers through word-of-mouth referrals. √
- Retains good employees as they want to be part of a company √ whose management team tells them the truth about the company's operations. √
- Any other relevant answer related to the benefits of ethical business ventures.

Max (12)

2.4 **Implementing a code of ethics**

- Once a code of ethics has been compiled√, everyone in the business must adhere to the code. √
- Employees must understand that a breach √ of the code is punishable. √
- The business must should do the following aspects for the correct implementation of a code of ethics:
    - Employ right people √
    - Train employees on ethical principles√
    - Set an example of a good ethical behaviour√
    - Involve employees in drafting the code of ethics. √
- Any other relevant answer related to how businesses should implement a code of ethics.

Max (8)

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

- Businesses should treat all employees equally. √√
- 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, e.g. by 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. √√

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- Hiring honest/trustworthy accountants/financial officers with good credentials. √√
- Regular/Timeous payment of taxes. √√
- Draw up a code of ethics/conduct. √√
- Ongoing development and training for all employees. √√
- Performance management systems. /Appraisals should be in place. √√
- Adequate internal controls/monitoring/evaluation. √√
- Any other relevant answer related to ways in which professional, responsible, ethical and effective business practice should be conducted. **Max (14)**

2.6 **Conclusion**

- A code of ethics is a written set of guidelines issued by an organisation to its workers and management. √√
- Businesses should monitor and evaluate the implementation of a code of ethics and take corrective measures. √√
- Business practices that are conducted professionally, ethically and effectively attract good investors and gain a good public image. √√
- Any other relevant conclusion related to code of ethics/benefits of ethical business ventures/professional, responsible, ethical and effective business practices.

Any (1x2) (2)
[40]

TERM 3 TOPICS

TERM	WEEK	SUBTOPIC/SECTION
THREE	1	Entrepreneurial qualities & success factors (Part 1)
	2	Entrepreneurial qualities and success factors (Part 2)
	3	Transform a business plan into an action plan (Part 1)
	4	Transform a business plan into an action plan (Part 2)
	5	Start a business venture based on an action plan (Part 1)
	6	Start a business venture based on an action plan (Part 2)
	7	Presentation of business information (Part 1)
	8	Presentation of business information (Part 2)

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WEEK 1

TOPIC: ENTREPRENEURIAL QUALITIES & SUCCESS FACTORS (PART 1)

QUESTION 1

1.1 **Meaning of an entrepreneur**

- The word "entrepreneur" refers to a person who demonstrate the attitudes/ behaviours, knowledge √ and skills needed to start and make a success of a business venture. √
- An entrepreneur is an individual who creates a new business√, bearing most of the risks/enjoying most of the rewards. √
- The process of setting up a business√ is known as entrepreneurship. √
- The entrepreneur is commonly seen as an innovator/a source of new ideas goods/ services√, and business/or procedures. √
- Entrepreneurs play a key role in any economy as they use the skills/initiative √ necessary to anticipate needs and bringing good new ideas to market. √
- Any other relevant answer related to the meaning of an entrepreneur. **Max (4)**

1.2 **Qualities of an entrepreneur**

1.2.1 **Qualities of an entrepreneur from the scenario**

ENTREPRENEUR QUALITIES	**MOTIVATIONS**
1 Creativity and innovation√√	Mabuza always come with new ways of doing differently in his business. √
2 Confidence and adaptability√√	He is focused and determined to achieve his goal. √
3 Perseverance√√	Mabuza's business suffered a financial loss during a stage five hard lockdown period in 2020 but he did not give up on his business. √
Submax (6)	Submax (3)

NOTE: 1 Award marks for entrepreneurial qualities even if the quotes are incomplete
2 Do not award marks for the motivation if the entrepreneurial qualities were incorrectly identified. **Max (6)**

1.2.2 **Other meaning of the entrepreneurial qualities identified in QUESTION 1.2.1**

ENTREPRENEUR QUALITIES	**MEANING**
1 Creativity and innovation	• He/she must be able to generate new ides√ to solve business problems√ • Entrepreneurs should also be able to use same products√ to satisfy different needs. √
	Submax (4)
2 Confidence and adaptability	• They are positive/focus on things that could go right instead √ of focusing on things that could go wrong. √ • They have a healthy opinion of themselves √ and a strong/assertive personality. √

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	• Successful entrepreneurs are adaptable √ as they are able to change course and try another way of doing it√
	Submax (4)
3 Perseverance	• Most successful entrepreneurs face obstacles√ and only become successful after failing several times. √ • They have a positive attitude towards failure√ and believe that difficulties are merely opportunities √ • They put in long hours/continuous efforts to get a business operating successfully√, even when a particular day may make him/her tired and discouraged. √ • They are able to change difficulties into challenges√ and have the ability to be resilient√
	Submax 4)

NOTE: Do not award marks for responses that were quoted in QUESTION 1.2.2.

Max (12)

1.2.3 **Other qualities of an entrepreneur**

Risk taking/Willingness to take risks and to make difficult decisions√√	• Risks are classified as unforeseen events that can impact negatively on a decision √ • Successful entrepreneurs are willing to take risk by investing all resources in a new business. √ • The primary function of an entrepreneur is to accept a risk on behalf of others and be rewarded in return. √ • Every business needs to be innovative and take risks to survive. √ • Innovative and risk taking are essential to what businesses are and what they do. √
	Submax (3)
Passion and energy√√	• Entrepreneurs should show enthusiasm to achieve the best solution √ • Passion can be illustrated when an entrepreneur finds it difficult to simply walk away from failure/setbacks. √ • Starting and running a business requires considerable energy and the ability to focus on business objectives. √ • High energy levels and good health are essential√
	Submax (3)
Product and customer focus√√	• Entrepreneurs develop products and render services with customers in mind. √ • They make the lives of customers easier and they find this rewarding. √
	Submax (3)
Recognition of opportunities√√	• Successful entrepreneurs can identify gabs in the market and make money. √ • They are able to identify viable opportunities that are not

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	always easy to spot. √ • They have the ability to see an opportunity and to change it into a profitable business√
	Submax (3)
Responsibility√√	• Successful entrepreneurs are not afraid to take responsibility for their decision and actions in their business. √ • They accept positive and negative outcomes√
	Submax (3)
Good management & organisation√√	• Successful entrepreneurs have good management and organisation skills including good administration skills and seeing a bigger picture. √ • They are able to maintain control and make final decisions regarding activities that must take place. √
	Submax (3)
Honesty and ethics√√	• Honesty in a business builds trust among fellow workers/customers /stakeholders. √ • Business ethics is an important part of controlling a business√ • Successful entrepreneurs have a moral obligation to look after the interests of investors and other stakeholders. √
	Submax (3)
Vision and communication skills √√	• They have a clear vision and able to achieve long term goals. √ • They have good communication skills that are needed to communicate their business vision to their workers and stakeholders. √ • They can formulate the mission and vision and links it with the aims of the business√
	Submax (3)

NOTE: 1 Mark the first FIVE (5) only.
2 Do not award marks for entrepreneurial qualities that were identified in QUESTION 1.2.2. **Max (15)**

QUESTION 2
Entrepreneurial potential self-assessment

Classification of questions according to entrepreneurial qualities

QUESTIONS	ENTREPRENEURIAL QUALITIES
I like to give myself challenges when I take on a new project	Confidence and adaptability
I am fairly at ease in difficult situations	Perseverance
Where others see problems, I see possibilities	Recognition of opportunities
I always worry about what others will think before	Sign of weakness

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doing something important	
I am curious and I am continually in search of discovery	Recognition of opportunities
I am a lot less effective in stressful situations	Sign of weakness
When faced with difficulties, I look for alternative solutions	Confidence and adaptability
For me, what counts is action	Responsibility
I am capable of imagining how we can make things work	Confidence and adaptability
When I take on a project, I have confidence that I will carry it out successfully	Passion and energy
I shoot for excellence in everything I do	Vision and communication skills
I have no problem working for someone else	Sign of weakness
I try to be the first or the best in my area of competency	Confidence and adaptability
For me, taking risks is like buying a lottery ticket: it's a question of chance	Risk taking
I am capable of seeing many solutions to a problem	Vision and communication skills
I prefer having the final say	Sign of weakness
I always try to learn lessons from my failures	Perseverance
For me, everything is possible if I believe I can do it	Good management & organisation
I prefer using the good old ways of doing things	Perseverance
Success is mostly luck	Sign of weakness
It is easy for me to motivate others to work with me	Vision and communication skills
A certain level of stress stimulates me	Responsibility/Passion and energy
I can easily imagine many ways to satisfy a need	Creativity and innovation
After a failure, I am able to pick myself up and start over	Perseverance
I am not always ready to make sacrifices in order to succeed	Sign of weakness
When I take on a project, I am not always convinced that I can carry it out successfully	Sign of weakness
I like to lead others	Good management & organisation/ Vision

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	and communication skills
I always try to take calculated risks	Risk taking
I really enjoy situations where there are rules to respect	Sign of weakness
Today, without a lot of money, we cannot take on a whole lot	Sign of weakness
I have a tendency to put off difficult tasks until later	Sign of weakness
I am not afraid to take on initiatives	Confidence and adaptability
I prefer being my own boss	Vision and communication skills

NOTE: **Allow open discussions and debates**
Let learners enjoy this activity!!!!

WEEK 2
TOPIC: ENTREPRENEURIAL QUALITIES AND SUCCESS FACTORS (PART 2)

1.1 **Success factors**

1.1.1 **Success factors from the scenario**

NOTE: 1. Mark the first THREE (3) only.
2. The answer does not have to be in tabular format.
3. Award marks for key success factors even if the quote is incomplete.
4. √√ Do not award marks for the motivations if the key success factors were incorrectly identified.

KEY SUCCESS FACTORS	MOTIVATIONS
1 Profitability √√	• Kandra Traders attracts investors which enables the business to expand its activities√
2 Sustainability √√	• The management of KT involves stakeholders in joint decisions-making and learn from their employees √
3 Customer-base √√	• They also keep a record of the people buying their products √
Submax (6)	Submax (3)

Max (9)

1.1.2 **Other key success factors of a business**
Knowing your market √√
Knowing the market means that a business:

- Conducts a thorough research of finding out about the needs of the customers and the type of the customers that buy the product or service. √
- Identifies the needs and taste of consumers helps ensure continuous product and service development. √
- Any other relevant answer related to the knowing the market as a key success factors of a business. Submax (3)

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Good leadership √√

- A business needs good leaders who are team players, listen to staff members and respect them. √
- Good leaders also bring energy, enthusiasm, and urgency to the workplace. √
- This filters through the business and motivates staff to perform even more than expected. √
- Any other relevant answer related to good leadership as a key success factors of a business. Submax (3)

Ethics/control and good governance √√

- An unethical corrupt business is not sustainable. √
- Staff and customers get to know the business reputation and will not continue to support a business with poor governance. √
- Any other relevant answer related to ethics and good governance as a key success factors of a business. Submax (3)

Stable workforce √√

A stable workforce means that employees are:

- Motivated, happy and well trained. √
- Loyal to the business and they stay with the business for longer √
- Productive and take pride in their work. √
- Any other relevant answer related to a stable work force as a key success factors of a business. Submax (3)

Uniqueness of the business product/service √√

Uniqueness of the business/product/service means that a business:

- Offers different products and services from their competitors. √
- Product or service makes customers notice it and talk about it. √
- Any other relevant answer related to the uniqueness of the business products service key success factors of a business. Submax (3)

Max (9)

1.1.3 **KT weaknesses from the scenario**

- The management of KT struggle to keep their expenses low √
- Some of KT's products are similar to Feruza Traders products. √

NOTE: 1 Only award marks for responses that are quoted from the scenario
2 Mark the first TWO (2) only. (2x1) (2)

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1.1.4 **Areas for improvement**

WEAKNESSES (1.1.3)	AREAS FOR IMPROVEMENET (1.1.4)
The management of KT struggle to keep their expenses low	• Evaluate the benefit of increased sales against the cost of marketing √√ • Regular review sessions where they review their structure/vision/delivery methods etc. √√
	Submax (4)
Some of KT's products are similar to Feruza Traders products	• Research and categorise competition noting their strengths and weaknesses • Differentiate the business against competitors and communicate this in sales and marketing programme. √√
	Submax (4)

Max (8)

1.2 **Strategies that businesses can use to remain profitable and sustainable**

1.2.1 **Strategies used by NM to remain profitable and sustainable**

STRATEGIES	MOTIVATIONS
1 Sound managing finances√√	NM ensures that a sound return of investment can be guaranteed to investors√
2 Being socially responsible√√	They also invest some of their surplus profit in CSI projects that benefit local communities. √
3 Being ethical and taking care of the environment√√	The management of NM mentioned that they consider the triple bottom line by managing profit, planet and people√
Submax (6)	**Submax (3)**

NOTE:
1. **Mark the first THREE (3) only.**
2. **The answer does not have to be in tabular format.**
3. **Award marks for strategies even if the quote is incomplete.**
4. **Do not award marks for the motivations if the strategies were incorrectly identified.**

1.2.2 **Other strategies NM can use to ensure that they remain profitable and sustainable**

Thorough planning √√

- Proper succession planning so that it can continue to exist despite all the challenges and threats it is confronted with. √

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- Thorough planning will also ensure the business is not damaging the environment √
- Any other relevant answer related to through planning as a strategy that businesses/NM can use to remain profitable and sustainable.

Submax (3)

Effective management of scarce resources and employees √√

- Ensure that business is using resources sparingly & employees are attracted and retained √
- Any other relevant answer related to effective management of scarce resources and employees as a strategy that businesses can use to remain profitable and sustainable.

Submax (3)

Maintaining a solid customer base √√

- Keep a record of the people buying their product and meeting the needs of the customer consistently √
- Any other relevant answer related to maintaining a solid customer base as a strategy that business can use to remain profitable and sustainable. Submax (3)

Behaving ethically √√

- Ensure that people continue to support your business and having the image of not being corrupt √
- Any other relevant answer related to behaving ethically as a strategy that business can use to remain profitable and sustainable. . Submax (3)

Up skilling and development of employees √√

- Ensure that employees keep abreast with changing technologies in the business industry √
- Any other relevant answer related to up skilling and development of employees as a strategy that business can use to remain profitable and sustainable. Submax (3)

Consistency and reliability √√

- Maintain a solid customer base and build on business success and learn from mistakes. √
- Any other relevant answer related to consistency and reliability as a strategy that business can use to remain profitable and sustainable. Submax (3)

Upholding transparency √√

- Reveal what the business does and what it stands for. √
- Any other relevant answer related to upholding transparency as a strategy that business can use to remain profitable and sustainable. Submax (3)

NOTE: Mark the first FOUE (4) only. (12)

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WEEK 3
TOPIC: TRANSFORM A BUSINESS PLAN INTO AN ACTION PLAN (PART 1)

QUESTION 1

1.1 **Purpose of a business plan**

- Offers direction of a proposed business. √√
- Gives a comprehensive overview of a proposed business. √√
- Explains the business objectives, how it will operate, how the finances, resources will be handled and what the business aims to achieve. √√
- Used to check the performance. √√
- A tool used to sell or market the business. √√
- To identify possible strengths, weaknesses, opportunities and threats. √√
- Used to convince other people of the profitability of the business, such as applying for finance for a bank. √√
- Any other relevant answer related to the purpose of a business plan. **Max (8)**

1.2 **Meaning of an action plan**

- An action plan is a record of activities √ showing how those activities will be organised to achieve the goals set out in the business plan. √
- Is a planning and a monitoring tool √ that specifies what tasks must be done by whom, when and with what resources in order to reach specific goals. √
- Is a process that will help to focus ideas √ and to decide on the steps to achieve a particular goal. √
- Any other relevant answer related to the meaning of an action plan. **Max (4)**

1.3 **Importance of an action plan**

1.3.1 **Importance of an action plan from the scenario above**

- Jasmine realised that an action plan will enable him to think logically and identify gaps in the plan √
- An action plan will also allow him to bring together individuals that are knowledgeable in the construction industry √

NOTE: 1 Only award marks for responses that are quoted from the scenario.
2 Mark the first TWO (2) only. Any (1x2) (2)

1.3.2 **Other importance of an action plan**

- It helps the person responsible √ for achieving certain goals to be organised. √
- It is a control measure √ against which standards and performance can be measured. √
- It turns plans √ into actions. √
- Identify problems √ that could occur. √
- Acts as a monitoring tool √ that makes it possible to check the progress. √
- Enables businesses to transfer √ their plans into actions. √
- Serves as a monitoring tool √ to check its progress. √
- It provides an opportunity for reflection √ of what has happened before and what actions have not helped. √
- Clarifies the objective and provides the opportunity √ to identify areas that need change. √
- Builds consensus as everyone involved can contribute their ideas. √

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- Creates ownership/accountability √ by creating a sense of individual and collective ownership for the action plan. √
- Clarifies timescales that need to be done √ in order to achieve a particular objective. √
- It identifies measures of success √ by providing a way of measuring progress towards that goal√
- Any other relevant answer related to other importance of an action plan. **Max (8)**

1.3.3 **Action plan steps applied by Jasmine from the scenario above**

- Jasmine defined the short- and long-term objective of his plan √
- He also prioritised activities that needed to be done first √

NOTE: 1 Only award marks for responses that are quoted from the scenario.
2 Mark the first TWO (2) only. Any (1x2) (2)

1.3.4 **Other steps of an action plan**

- Define the steps you would take to get there √√
- Identify the end point for each step √√
- Think about any problems that may happen √√
- Review progress regular √√
- Identify indicators to confirm progress √√
- Any other relevant answer related to other steps of an action plan. **Max (8)**

QUESTION 2

2.1 **Introduction**

- A good project plan can easily be shared with everyone involved in the project. √
- The roles and responsibilities of each team member working in a project should clearly be defined. √
- Project planning steps enable businesses to monitor the implementation of the project. √
- Timelines enable businesses to put all team's work in one place and improve accountability. √
- Businesses use Gantt charts to track project schedules and prioritise important items. √
- Any other relevant introduction related to project planning/project planning steps/timelines/Gantt chart. **Any (2x1) (2)**

2.2 **Meaning of project planning**

- Project planning is a tool that can be used to turn an idea√ into an action plan. √
- It is a detailed description of all activities√ that need to be completed to execute a project successfully. √
- The start-up of a business can be viewed as a project √ which must be planned. √
- Project managers are usually in charge of developing and monitoring √ the implementation of projects √
- Project management skills are the use of knowledge, skills and tools√ to plan and implement activities to meet the goals for every project√
- Any other relevant answer related to the meaning of project planning. **Max (6)**

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2.3 **Project planning steps**

- Define the scope of the plan √ to be done e.g. what is the purpose, first and last activities? √
- Identify project √ supporters.
- Break the project down√ into activities.
- Set time frames and determine√ how long each activity takes.
- Set milestones targets√ e.g. what are main completion point? √
- Determine accountabilities/person responsible √for the decision made. √
- Calculate the financial, human/technical resources √ that will be needed √
- Plot the activity schedule√ into a Gantt chart√
- Execute√ the project plan. √
- Monitor √progress√
- Communicate and review√ project progress. √
- Keep records √of all activities. √ **Max (12)**

2.4 **Importance of timelines**

- They help the planners √ to project dates in advance. √
- Assists in determining the sequence/order√ in which activities tasks must be completed. √
- Keeps information √ in the order that it has to be in. √
- Assists project management√ in meeting their targets and exceeding client expectations. √
- Project managers tools to get their jobs done, √ many of which are specific to a single company or product√
- Any other relevant answer related to the importance of timelines. **Max (12)**

2.5 **Constructing a Gantt chart**

- Write down all the activities that must be carried out to complete a project√√
- Decide how much time you will need for each activity √√
- Determine which activities need to be completed before another activity can be started and which activities can be carried out simultaneously. √√
- Draw up a table with a row for each activity and columns in days/weeks. These columns indicate the timeline. √√
- Write each activity in order down the rows, in the left-hand column√√
- Any other relevant answer related to constructing a Gantt chart. **Max (10)**

2.6 **Conclusion**

- Every project needs a roadmap with clearly defined goals that should not change after the first phase of the project has been completed.
- All stakeholders benefiting from the outcome or involved in executing the project should be during the initial project planning process.
- Businesses need to determine the risks involved in each project undertaken
- Gaunt charts enable businesses to control a large number of activities and ensure that all activities are completed on set schedules.
- Any other relevant conclusion related to project planning/project planning steps/timelines/Gantt chart. **(2X1) (2)**

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WEEK 4

TOPIC: TRANSFORM A BUSINESS PLAN INTO AN ACTION PLAN (PART 2)

1.1.1 **Timelines for Jodesh Enterprise**

ACTIVITY	DATES
Business registration	04-08 October
Finding premises	11-22 October
Buying/Renting a business property	25-29 October
Hiring workers	22– 05 November
Finding best suppliers	06-13 November
Buying stock	14-20 November
Advertising his products	21-30 November
Launching his business	04-December

Rearranged Timelines for Jodesh Enterprise in a sequential order

Activity	October				November				December
Business registration√	X√								
Finding premises√		x√	X√						
Buying/Renting a business property√				X√					
Hiring workers√				X√	X√				
Finding best suppliers√						x√			
Buying stock							x√		
Advertising his products√							x√	X√	
Launching his business√									X

NOTE: **Do not award marks for activity if not rearranged in a sequential order.**

Max (16)

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1.1.2 **Gantt charts OF Jodesh enterprise**

Task to be done	Person responsible	Estimated time required for task	Date of completion
Business registration	Oupa√	1 week	First week of October√
Finding premises	Mr Nkosi√	2 weeks	2nd & 3rd weeks of Oct√
Buying/Renting a business property	Raymond √	1 weeks	Last week of October√
Hiring workers	Mr B. Joubert √	2 weeks	Last week Oct &1st week of Nov√
Finding best suppliers	Nadia√	1 weeks	Week 2 of November√
Buying stock	Este√	1 week	Week 3 of November√
Advertising his products	Willem √	2 weeks	End of November√
Launching his business	Khanye √	1 Day	1st Saturday of December√

Max (16)

WEEK 5

TOPIC: START A BUSINESS VENTURE BASED ON AN ACTION PLAN (PART 1)

1.1.1 **Aspects that should be considered when initiating a business from the scenario**

INITIATING A BUSINESS ASPECTS	MOTIVATIONS
1 Productivity√√	• Jodesh action plan includes his business budget and financial planning. √
2 Operations√√	• He also trained his staff in order to achieve the desired outcomes. √
3 Strategy√√	• He devised a suitable strategy to manage and control a larger group of employees. √
Submax (6)	Submax (3)

NOTE:
1. **Mark the first THREE (3) only.**
2. **The answer does not have to be in tabular format.**
3. **Award marks for initiating business aspects even if the quote is incomplete.**
4. **Do not award marks for the motivations if initiating a business aspect were incorrectly identified.**

Max (9)

1.1.2 **Other aspects to be considered when initiating a business**

Size of the business√√

- The success of a business depends on its management and staff. √
- The bigger the businesses the more difficult to manage√
- It is difficult to keep control of the quality of each of the employees, work and productivity levels√
- Any other relevant answer related to the size of the business. Submax (3)

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Culture, training, and quality of staff√√

- It is essential to establish an organisational culture from the beginning so that staff are familiar with what is acceptable. √
- Staff need appropriate training in order to achieve the desired outcomes and deliver the best quality. √
- Managers should ensure that all new staff know the business dress code√
- Any other relevant answer related to culture, training and quality of staff. Submax (3)

Risk and change√√

- All businesses need to take risk and amend the original action plan several times. √
- The introduction of new technology or new machine may influence a budget and it may be necessary for the business plan to be adapted√
- Management and leadership teams must be flexible to adapt to changes in the market and/or macro environment. √
- Any other relevant answer related to risk and change. Submax (3)

Customer service√√

- A successful business gives customers what they want. √
- Businesses need to change their market plan/adjust their products and prices to ensure sales increase. √
- They also need to establish a good relationship with their customers. √
- Any other relevant answer related to customer service. Submax (3)

Market research√√

- Businesses should conduct ongoing market research to identify profitable markets for their product. √
- Many businesses benefit from conducting market research in local/familiar markets. √
- Any other relevant answer related to market research. Submax (3)

Business cycles√√

- Businesses obtain profit and experience losses. √
- Changes in market & macro environment can either have a positive or negative impact on business operations. √
- Businesses should constantly make adjustments to reduce costs where possible. √
- Reducing cost increases profitability. √
- Any other relevant answer related to business cycles. Submax (3)

NOTE: 1 Mark the first FIVE only
2 Do not award marks for the aspect to be considered when initiating a business that were identified from the scenario in QUESTION 1.1.3 Max (15)

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1.1.3 **Aspects that must be considered before starting a business from the scenario**

ASPECTS FOR STARTING UP A BUSINESS	MOTIVATIONS
1 BUSINESS GROWTH√√	He devised a suitable strategy to manage and control a larger group of employees. √
2 Culture of the organisation√√	Jodesh ensured that a code of conduct is in place and enforce it from the start√
3 Risk and change√√	Jodesh is mindful of the fact that the introduction of new technology may influence a budget. √
Submax (6)	Submax (3)

NOTE:
1. **Mark the first THREE (3) only.**
2. **The answer does not have to be in tabular format.**
3. **Award marks for aspects for starting up a business even if the quote is incomplete.**
4. **Do not award marks for the motivations if aspects for starting up a business were incorrectly identified.** **Max (9)**

1.1.4 **Other factors to be considered before starting up a business**

Environmental changes √√

- Continue to network and research to avoid changes in the business environment which may upset the business operations. √
- Consider the risk and success factors √
- Plan for risks and minimise the impact √
- Any other relevant answer related to environmental changes as a factor that must be considered before starting a business. Submax (3)

Customer service√√

- Make an effort to satisfy the needs of customers. √
- Change the action plan accordingly to accommodate the needs of customers √
- Establish a good relationship with customers. √
- Any other relevant answer related to customer service as a factor that must be considered before starting a business. Submax (3)

Cost saving √√

- Cut cost by controlling unnecessary expenditures√
- Any other relevant answer related to cost saving as a factor that must be considered before starting a business. Submax (3)

Risk and change√√

- Management and leadership teams must be flexible to adapt to changes in the market. √
- The original action plan may need to be changed and amended several times.
- The introduction of new technology may influence a budget. √
- Any other relevant answer related to risk and change as a factor that must be considered before starting a business. Sub max(3)

NOTE:1 Mark the first FIVE only

2 Do not award marks for the aspect to be considered when starting up a business that were identified from the scenario in QUESTION 1.1.3

Max (12)

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WEEK: 6
TOPIC: START A BUSINESS VENTURE BASED ON AN ACTION PLAN (PART 2)

1.1.1 **Reasons why businesses need funding**

- Cover the start-up costs including g premises/machinery/raw materials etc. √√
- Run the business and have enough money to pay employees/suppliers of raw material etc. √√
- Pay for cost of input such as wages, telephone other expenses. √√
- Expand the business as the orders/sales increase and bigger premises need to be established. √√
- Any other relevant answer related to reasons why businesses need funding. **Max (8)**

1.1.1 **Sourcing of funding from the scenario**

SOURCES OF FUNDING	MOTIVATIONS
1 Bank overdraft√√	• He drew more than what he deposited in his business bank account. √
2 Venture capital√√	• He approached the owners of Soso Trading to finance his business in exchange for a share in his business. √
3 Leasing and hire purchase√√	• Jodesh rented machinery and other equipment from Greig Suppliers. √
Submax (6)	Submax (3)

NOTE:
1. **Mark the first THREE (3) only.**
2. **The answer does not have to be in tabular format.**
3. **Award marks for sourcing of funding even if the quote is incomplete.**
4. **Do not award marks for the motivations if the sourcing of funding were incorrectly identified.**

Max (9)

1.1.2 **Other sources of funding**

Equity Capital√√

- Equity capital is the total amount of money and assets invested in a business by the owner that comes from own sources √
- Capital that is contributed by the owner is referred to as the owner's interest. √
- Owner's equity increases when the owner puts in additional funds to expand the business. √
- The benefits of putting own capital into the business is that it encourages a commitment from the owner. √
- Any other relevant answer related to equity capital as a source of funding. Submax (3)

Issuing of shares √√

- New companies can issue shares to obtain capital. √
- Shareholders receive a share certificate as proof of ownership √
- The Memorandum of Incorporation and prospectus list the details of the shares that are offered for sale √
- Ordinary shares are the most type of share offered by companies to shareholders√
- All shareholders receive a portion of the profits called a dividend. √
- Any other relevant answer related to issuing of shares as a source of funding. Submax (3)

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Debt Capital√√

- Many businesses need to borrow funds. √
- The business plan will indicate how much a debt capital is crucial for business funding. √
- Any other relevant answer related to debt capital as a source of funding. Submax (3)

Leasing and hire purchase√√

- Businesses can lease certain assets from suppliers. √
- Assets such as machinery/vehicles/computer systems can be leased. √
- A fixed amount of money is paid monthly for the use of the asset√
- The lease agreement can be renewed when the asset is returned/replaces. √
- Any other relevant answer related to leasing and hire purchase as a source of leasing and hire purchase. Submax (3)

Grants√√

- Grants are funds that are received from government departments/local development agencies and other organisations that support small business developments. √
- The business can qualify for government support to help get started. √
- The main advantage of grants is that it is cheap financing. √
- Any other relevant answer related to grants as a source of funding**.** Submax (3)

Venture capital√√

- Financing is given in exchange for a share in the business at its start up. √
- Some venture capitalists also request a position in management or on the board. √
- Any other relevant answer related to venture capital as a source of funding. Submax (3)

Angel funding√√

- These are often wealthy entrepreneurs who offer financing in exchange for a share in the business. √
- This carries a high risk for the investor. √
- Any other relevant answer related to angel funding as a source of funding. Submax (3)

NOTE: 1 Mark the first THREE only
2 Do not award marks for the sources of funding that were identified from the scenario in QUESTION 1.2.1 Max (9)

2.1 **Factors that influence the choice of funding**

Nature of finance√√

- This depends the owners if he/she wants to use own or borrowed capital as well as short- or long-term loan. √
- Any other relevant answer related to the nature of finance as a factor that influence the choice of funding. Submax (3)

Amount of capital needed√√

- Business owners usually use their own capital if a small amount is needed. √
- The larger the amount of capital that is needed the owners will have to look at borrowed capital as well√
- Any other relevant answer related to the amount of capital needed as a factor that influence the choice of funding. Submax (3)

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Risk√√

- Providers of own capital are usually willing to accept greater risks than providers of borrowed capital √
- Interest on loan is legally compulsory and may lead to the liquidation of a business in bad economic circumstances√
- Any other relevant answer related to risk as a factor that influence the choice of funding.

Submax (3)

Cost of finance√√

- Businesses will generally choose the funding with lower costs/interest√
- The income earned on borrowed capital must exceed its cost otherwise it will be to the disadvantages of the holders of own capital. √
- Borrowed capital may be cheaper because the holders of own capital require a higher income owing to the higher risk√
- Any other relevant answer related to cost of finance as a factor that influence the choice of funding.

Submax (3)

Period of financing√√

- If needed for a long period might rather use own capital because borrowed would be too expensive over a long period. √
- Any other relevant answer related to period of financing as a factor that influence the choice of funding. Submax (3)

Availability√√

- If more own capital is not available, the business might be forced to use borrowed or other way around. √
- Any other relevant answer related to availability as a factor that influence the choice of funding.

Submax (3)

Tax considerations√√

- Interest on borrowed capital is tax deductible. Dividends on own capital are not deductible. √
- Any other relevant answer related to tax considerations as a factor that influence the choice of funding. Submax (3)

NOTE: Mark the first FIVE only. **Max (15)**

WEEK 7
TOPIC: PRESENTATION OF BUSINESS INFORMATION (PART 1)

1.1.1 Non-verbal presentation√√
1.1.2 Verbal presentation√√
1.1.3 Non-verbal presentation√√
1.1.4 Non-verbal presentation√√ **(8)**

1.2.1 **Visual aids from the scenario**

VISUAL AIDS	MOTIVATIONS
1 Data projector√√	She used slides to display the business financial records. √
2 Interactive whiteboards/Smartboards√√	Susan also used a visual aid that enabled her to note down the most important points during her presentation. √
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 visual aids even if the quote is incomplete.**
4. **Do not award marks for the motivations if visual aids were incorrectly identified.**

Max (6)

1.2.2 **Other types of visual aids**

Tables√√
- A set of facts/figures systematically displayed, especially in columns. √
- They are usually used to compare or contrast different things or ideas. √
- Any other relevant answer related to tables as a visual aid. Submax (3)

Graphs√√
- These are visual illustrations to provide information in a clear and concise way. √
- Two-dimensional drawing showing a relationship between two set of variables by means of a line/curve/bars√
- These can be inclusive of types of graphs such as line graphs/bar graphs/pie graphs etc. √
- Information in the graphs requires interpretation and comparisons must be made to see relationship between different sets of data. √
- Any other relevant answer related to graphs as a visual aid. Submax (3)

Diagrams√√
- A drawing showing the appearance/structure/workings of data in a schematic representation. √
- Diagrams and illustrations are used for making verbal descriptions clearer. √
- Any other relevant answer related to diagrams as a visual aid. Submax (3)

Posters √√
- They are used to advertise something or act as a reminder of something.
- They are effective when they are bold and eye catching. √
- Any other relevant answer related to posters as a visual aid. Submax (3)

Hand-outs√√
- Printed information provided to the audience to accompany a presentation. √
- People attending a verbal presentation prefer to handouts at the end of the presentation to remind them of the key points of the presentation. √
- Any other relevant answer related to handouts as a visual aid. Submax (3)

PowerPoint√√
- A collection of pages arranged in a sequence that contain text and images for presenting to an audience. √
- Video clips can provide variety and capture the attention of the audience. √
- Any other relevant answer related to PowerPoint as a visual aid. Submax (3)

Flip charts/White boards√√
- A large pad of paper, bound so that each page can be turned over at the top to reveal the next page, used on a stand. √

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- Additional notes that was added during the presentation can be captured on computer after the presentation. √
- Any other relevant answer related to flip charts/white boards as a visual aid.

Submax (3)

NOTE: Mark the first THREE (3) only. **Max (9)**

1.2.3 **The importance of presenting business information.**

- The business information needs to be presented to be made available to employees/stakeholders. √√
- Business information enables management to:
    - provide stakeholders with the information to make strategic, tactical and operational decisions. √√
    - ensures success, transparency and smooth running of the business.
    - assist management in making decisions. √√
    - provide information on financial statements/investigations/disputes/new policies etc. √√
    - persuade management to implement a strategy. √√
    - identify trends in the market and anticipate challenges√√
    - devise strategies to deal with the challenges √√
- Any other relevant answer related to the importance of presenting business information. **Max (8)**

QUESTION 2

2.1 **The guidelines on how to prepare the following visual aids**

2.1.1 **Transparencies/slides**

- Start with√ the text/headings√
- Use keywords√ instead of full sentences√
- Use legible font√ and font size. √
- Limit the amount of information √ on each slide. √
- Avoid too much writing √ and complicated graphs√
- Choose images that may help to √ communicate the message. √
- Include graphics √ to enhance understanding √
- Keep slides/images/graphs√ simple. √
- Make sure there are√ no grammatical/spelling errors. √
- Use bright colours √ to increase visibility. √
- Structure information √ in a logical sequence. √ **Max (6)**

2.1.2 **Posters**

- Make use of headings√ and sub-titles √
- Make sure all relevant information √ appears on the poster √
- Use bright colours √ to enhance visibility √
- Use short phrases √ instead of full sentences√
- Make use of pictures √ to attract the audience attention. √
- Posters must be bold, creative√ and easy to read√
- They must have essential details √ and clearly summarised√
- Get the intended message across strongly√ **Max (6)**

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2.1.3 **Handouts**

- Structure information √ in a logical sequence√
- Use a legible font size√ and font size√
- Choose images that may help √ to communicate the message. √
- Make sure there are no√ grammatical/spelling errors. √
- Use bright colours√ to increase visibility. √√
- Refrain from using busy borders, different fonts√ and too many different colours. √
- Allow an empty page at the end of the handout √ to allow for the audience to make additional notes during the presentation. √ **Max (6)**

WEEK 8

TOPIC: PRESENTATION OF BUSINESS INFORMATION (PART 2)

QUESTION 1

1.1 **Types of business reports**

1.1.1 Business Report√√ **(2)**

1.1.2 Business plans√√ **(2)**

1.2 **Reasons why business presentations must be in a written format**

- A presentation in a written format can easily be sent√ stored for a later
- presentation. √
- The electronic files can be emailed √ and posted on the internet.
- The written presentation can be used by someone else√ if the original presenter is no longer available. √
- The written presentation can also be sent to the stakeholders√ that were unable to attend the presentation. √
- Any other relevant answer related to reasons why business presentations must be in a written format. **Max (8)**

1.3.1 & 1.3.2 **Factors that must be considered on a report from the scenario and recommendations**

	FACTORS ON ABIGAIL'S REPORT ANALYSIS (1.3.1)	**RECOMMENDATIONS (1.3.2)**
1	Abigail used terminology that is not familiar to their investors. √	Make use of language expert to make changes to the report√√
2	She used tables and graphs that did not support the information of her report. √	Only use diagrams, tables etc if it is offering additional info√√
3	Abigail's report also included information on high rate of absenteeism and conflict in the workplace. √	Remove irrelevant information√√
	Submax (3)	**Submax (6)**

NOTE: 1 The answer does not have to be in tabular format

2 Award marks for the factors that are quoted from the scenario even if the recommendations are incorrect.

3 Do not award marks for the recommendation if the factor was incorrectly identified. **Max (9)**

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1.3.3 **Other factors that must be considered when analysing a report**

- Make necessary adjustments in line with the aim of the report √√
- Adjust the report by using a small sample to have access to the report and to make recommendations √√
- Improve the report by making use of credible research material
- Any other relevant answer related to factors that must be considered when analysing a report. √√.
  NOTE: Do not award marks for responses that were quoted in QUESTION 1.3.3.

Max (6)

QUESTION 2: Essay on presentation of business information

2.1 **Introduction**

- It is important for business-related information to be presented and validated. √
- The information can be validated through proper use of tables, graphs, diagrams, illustrations, etc. √
- The information can be presented verbally or none verbally. √
- Feedback gives invaluable information about what an audience has understood and what they have not. √
- Any other relevant introduction related to business reports/visual aids/handling feedback.

Any (2x1) (2)

2.2 **The meaning of business reports**

- A business report is done for businesses that have been in operation√ and key information must be shared with stakeholders. √
- Businesses use written reports to provide information√ on financial statements /investigations/disputes/disciplinary actions etc. √
- These may be presented orally to an individual√ or to a group or electronically on a computer screen. √
- Any other relevant answer related to the meaning of business reports. **Max (6)**

2.3 **Steps in report writing**

- Define the purpose of a report√ and who will be reading it. √
- Be aware of who the reader√ of the report will be. √
- Do research√ in order to gather data√
- Plan the report structure√ e.g. title, contents page, introduction, body and conclusion √
- Prepare a work plan, √ start early and allow time for brainstorming and preliminary research. √
- Clearly display the topic of the report√ at the top of the page√.
- Put together the first draft of the report, √ print the first draft and read sometime later. √
- Ensure the information presented is useful√ to the decision-making process
- Organise√ and rewrite your material√
- Prepare visual aids√ to help convey the information√
- Ensure the report is accurate√ and to the point. √
- Balance the quality of information√ by being specific and straight to the point. √
- Anticipate the audience and issues, √ it could be distributed to people whom it was not intended. √
- Write √ the executive summary. √

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- Reread the whole report√ to check for spelling, grammar and layout mistakes. √
- Any other relevant answer related to steps in report writing. **Max (12)**

2.4 **Factors that must be considered when composing a flyer**

- Define the purpose√ of the flyer√/Central message√ of the flyer√
- Write a title√ that will attract the reader's attention√
- Use graphics√ to attract attention√/ Be creative √and use interesting images √
- Focus on the benefits √of the products/services√
- Identify points√ clearly√/Do not use√ many words√
- Main details √ much in large print√
- Keep it simple√ with white space√
- Use text boxes√ if space allows√
- Check √your spelling√
- Let someone proofread the contents√ before it goes to print √
- Use bright paper and black text√ if budget does not allow for colour printing. √
- Offer a discount√ on the product or service. √
- Any other relevant answer related to factors that must be considered when composing a flyer.

Max (10)

2.5 **Handling feedback in a non-aggressive and professional manner after a presentation**

- Note/write down the questions asked to be able to respond correctly. √√
- Be polite, confident and courteous/humorous. √√
- Address questions in an orderly manner. √√
- Listen to the whole question and then respond. √√
- Respond honestly and as best as you can√√
- Encourage questions from the audience.
- Repeat the question so that so that everyone can understand the basis of your response √√
- Acknowledge good questions to motivate audience to ask more questions. √√
- Rephrase questions if uncertain and if you do not know the answer then admit√√
- Limit question time so that it does not make you go over your time limit. √√
- Remain professional, polite and calm √√
- Pause and consider your answer before responding√√
- Apologise for the error that you have made √√
- Always address the questions and not the person/Address questions in an orderly manner √√
- Be assertive when answering questions and avoid being aggressive √√
- Do not make a second presentation when answering a question √√
- Any other relevant answer related to how presenters should handle feedback in a non-aggressive and professional manner after a presentation. **Max (12)**

2.6 **Conclusion**

- It is not a good idea to conduct the entire presentation verbally since it is likely to become boring and will lack variety, the audience might lose interest. √√
- A presenter must use feedback to improve their skill of presenting. √√
- Any other relevant conclusion related to business reports, visual aids and handling feedback.

Any (2x1) (2)

[40]

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TERM 4: TOPICS

TERM	WEEK	SUBTOPIC/SECTION
FOUR	1	Introduction to human resources (Part 1)
	2	Introduction to human resources (Part 2)
	3	Team performance & conflict management (Part 1)
	4	Team performance & conflict management (Part 2)

WEEK ONE

TOPIC: INTRODUCTION TO HUMAN RESOURCES (PART 1)

QUESTION 1

1.1 **The meaning of recruitment**

- Recruitment is the process used by business to identify vacancies√ and attract suitable candidates for the job. √
- It aims at finding candidates who have the necessary knowledge/ experience/ qualification√ to fill the vacancy. √
- Businesses may choose to use an internal or external method of recruitment√ depending on the nature/requirements of the vacancy. √
- It is an on-going process as employees leave their jobs for other jobs/get promoted /retire/√as new technological skills are required√
- Any other relevant answer related to the meaning of recruitment. **Max (4)**

1.2 **Recruitment procedure**

1.2.1 **Aspects of the recruitment procedure from the scenario**

- Kuresh, the owner of the business prepared the job description and
- job specification √
- He also prepared an advertisement that contains relevant information. √

NOTE: 1 Only award marks for responses that are quoted from the scenario
2 Mark the first TWO (2) only. (2x1) (2)

1.2.2 **Other aspects that should be included in the recruitment procedure**

- The human resource manager determines the job needs√ in the business/identify vacancies √
- Determine the key performance√ areas of the job. √
- Choose the recruitment method√ e.g. internal or external method of recruitment √
- Vacancies can be internally advertised √via internal email/word of mouth/ posters/staff notices. √
- If internal recruitment was unsuccessful, √ consider external recruitment. √
- Place the advertisement in the appropriate media√ that will ensure that the best candidates apply √
- Any other relevant answer related to other recruitment procedure. **Max (6)**

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1.3 **Sources of recruitment and TWO examples of EACH**.

Internal source of recruitment

- The business looks for a suitable person√ within the organisation. √
- Refers to the use of internal sources to advertise vacancies√ inside the business√
- Any other relevant answer related to internal source of recruitment. Submax (2)

Examples of internal source of recruitment:

- Internal e-mails/Intranet/web sites to staff√
- Word of mouth√
- Business newsletter/circulars√
- Internal/management referrals√
- Notice board of the business√
- Internal bulletins√
- Recommendation of current employees√
- Head hunting within the business/organisational database√
- Any other relevant examples of internal sources of recruitment. Submax (2)

External source of recruitment

- The business looks for a suitable person√ outside the business√
- Refers to the use of external sources to advertise vacancies√ outside the business√
- Any other relevant answer related to external source of recruitment. Submax (2)

Examples of source of external source of recruitment:

- Recruitment agencies√
- Billboards √
- Printed media, e.g. newspapers/flyers/magazines/posters√
- Electronic media, e.g. radio/TV
- Social media/Social networks/Internet/Business websites
- Recruitment agencies√
- Walk-ins√
- Head hunting√
- Professional associations√
- Networking√
- Educational/Training institutions√
- Word of mount√
- Any other relevant answer related to examples of external source of recruitment.

Submax (2)

Max (8)

1.4 **Selection procedure as a human resources activity**

- Determine fair assessment criteria√ on which selection will be based. √
- Applicants must submit√ the application forms/curriculum vitae and certified copies of personal documents/IDs/proof of qualifications√
- Sort the received CVs√ according to the assessment/selection criteria. √
- Screen applications that meet the minimum job requirements√ and separate these from the rest. √
- Preliminary interviews are conducted if many suitable applications√ were received. √
- Reference checks should be made√ to verify the contents of CV's, e.g. contact previous employers to check work experience. √
- Compile a shortlist √of potential candidates identified. √
- Shortlisted candidates may be subjected√ to various types of selection tests e.g. skills tests√
- Invite shortlisted √candidates for an interview. √
- A written offer of employment√ is made to the selected candidate. √

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- Inform unsuccessful applicants√ about the outcome of their application. √
- Any other relevant answer related to selection procedure as a human resource activity.

Max (8)

1.5 **Interviews**

1.5.1 **Roles the interviewer during the interview from the scenario**

- He introduced members of the interviewing panel to each candidate. √
- He also provided each interviewee the opportunity to ask questions. √

NOTE: 1 Only award marks for responses that are quoted from the scenario
2 Mark the first TWO (2) only. **(2x1) (2)**

1.5.2 **Other roles of the interviewer during the interview.**

- Allocate the same amount of time to each candidate. √√
- Make the interviewee feel at ease. √√
- Explain the purpose of the interview. √√
- Ask open-ended work-related questions. √√
- Do not mislead the interviewee. √√
- Close the interview by thanking the interviewee for attending the interview. √√
- Any other relevant answer related to other roles of the interviewer during the interview

NOTE: Do not award marks for responses that were quoted in QUESTION 1.5.1.

Max (6)

1.5.3 **The meaning of an employment contract**

- The employment contract is an agreement√ between the employer and the newly appointed employee. √
- It is legally binding to both√ the employer and employees. √
- Any other relevant answer related to the meaning of employment contract. **Max (4)**

1.5.4 **Aspects of the employment contract from the scenario**

- Remuneration package√
- Working hours√ **(2)**

1.5.5 **Other aspects that must be included in the employment contract.**

- The full name and address of the employer√
- Signature of both employer and employee. √
- Job title/position√
- Job description. √
- Job specification√
- Overtime√
- Termination of the contract√
- The date of commencement of employment and the details of a probation period. √
- Other types of payment(benefits) √
- Details of deductions e.g., PAYE, UIF, Medical Aid etc. √
- Frequency of pay-outs and methods used e.g. direct bank deposit √
- Any other relevant answer related to other aspects that must be included in the employment contract.

NOTE: Mark the first FIVE (5) only. **(5x1) (5)**

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1.5.6 **The meaning of induction**

- Once the successful candidate has accepted the job offer and signed the employment contract. The employee will go through a process of induction. √
- The process of introducing the new employee to the business/ fellow colleagues/the work unit and the work that needs to be done. √
- An overview of the business/the procedure at work/communication channels/general rules of the business are explained to the new employee. √
- Any other relevant answer related to the meaning of induction. **Max (2)**

1.5.7 **The purpose of induction from the scenario**

- Jane felt welcomed as she was introduced to her physical work space√.
- Jane was informed new about the rules and policies of the business. √

NOTE: 1 Only award marks for responses that are quoted from the scenario
2 Mark the first TWO (2) only. (2x1) (2)

1.5.8 **Other purpose of induction**

- Introduce new employees to management/colleagues√ to establish relationships with fellow colleagues at different levels. √
- Create opportunities for new employees√ to experience/explore different departments. √
- Explain safety regulations and rules, √ so that new employees will understand their role/responsibilities in this regard. √
- Communicate information √about the products/services of the organisation√
- Allow new employees the opportunity to ask questions√ that will reduce insecurity/anxiety/fear. √
- Create a feeling √of security. √
- Create realistic expectations. √
- Ensure that the new employee become productive√ as soon as possible. √
- Make new employees√ to feel welcome. √
- Any other relevant answer related to the purpose of induction.

NOTE: Do not award marks for responses that were quoted in QUESTION 1.5.7.
Max (6)

1.5.9 **The placement procedure**

- The new employee must be placed where he/she will add the most value to the business. √√
- The placement procedure outline specific responsibilities/expectations new position√√
- Determine the employee's strengths/weaknesses/skills/ interests by subjecting him to various psychometric tests. √√
- Determine the relationship/similarities between the expectations of the position and the competencies of the new employee √√
- Any other relevant answer related to the placement procedure as a human resource function. **Max (6)**

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WEEK TWO
TOPIC: INTRODUCTION TO HUMAN RESOURCES (PART 2)

QUESTION 1

1.1 **Differences between gross and net pay**

GROSS SALARY	NET PAY
• Gross salary is the salary earned before any deductions are made. √√	• This is the amount of money that the employee takes home. √√
• It includes all company contributions such as medical aid, pension fund or provident fund, and allowances√√	• It is the salary earned after any deductions e.g. income tax/retirement annuities/pension/ investments etc. √√
Submax (4)	Submax (4)

NOTE:
1. **The answer does not have to be in tabular format.**
2. **The differences do not have to link, but must be clear.**
3. **Award a maximum of FOUR (4) marks if the differences are not clear/Mark either gross salary or net pay only.**

Max (8)

1.2 **Salary determination method**

1.2.1 **Salary determination method from the scenario**

SALARY DETERMINATION METHODS	MOTIVATIONS
1 Piecemeal√√	Victor is paid according to the number of items produced. √
2 Time related√√	While Emma is paid for the time she spends on a task. √
Submax (4)	Submax (2)

NOTE:
1. **Mark the first TWO (2) only.**
2. **Award marks for the problem-solving techniques even if the quote is incomplete.**
3. **Do not award marks for the motivations if the problem- solving techniques were incorrectly identified.**

Max (8)

1.2.2 **Fringe benefits from the scenario**

FRINGE BENEFITS	MOTIVATIONS
1 Allowances√√	Victor and Emma were both give cell phones. √
2 Housing subsidy √√	TM pays part of part of the cost of their homes. √
Submax (4)	Submax (2)

NOTE:
1. **Mark the first TWO (2) only.**
2. **Award marks for fringe benefits even if the quote is incomplete.**
3. **Do not award marks for the motivations if fringe benefits were incorrectly identified.**

Max (6)

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1.2.3 **Other types of fringe benefits**

Pension fund √√

- Long term savings for retirement. √
  Fund that is maintained from monthly contributions by the employee and employer. √
- Money is invested by the fund administrators to provide the member with a lump sum and monthly pension on retirement. √
- Examples of pension: Government Employee Pension Fund [GEPF]. √ Any other relevant answer related to Pension fund. Submax (3)

Medical aid√√

- Fund that is maintained from monthly contributions by employees and a subsidy by employers. √
- The fund is accessed when a member or its dependent require medical attention. √
- The fund will pay the medical service provider the full amount or a portion of the expense. √
- Example of medical aid: GEMS; Discovery√
- Any other relevant answer related to medical aid. Submax (3)

Provident Fund√√

- Long term savings for retirement. √
- Fund that is maintained from monthly contributions by the employee and employer. √
- Money is invested by the fund administrators to allow it to pay the member a lump sum on retirement or resignation. √
- Any other relevant answer related to the provident fund. Submax (3)

Unemployment Insurance Fund (UIF) √√

- This is a compulsory amount that every company pays for each employee. √
- The employee is only required to pay 1% of the total income earned deducted from the employee's salary √
- The employer pays the other 1%. √
- The fund provides benefits to employees that lose their job or unable to work due to illness/pregnancy/adoption etc. √
- The fund also contributes to dependents if the employee dies. √
- Any other relevant answer related to the Unemployment Insurance Fund. Submax (3)

NOTE: 1 Do not award marks for responses that were quoted in QUESTION 1.2.2.
2 Mark the first THREE (3) only. Max (9)

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1.3 **The implications of the following Acts on the human resources function**

1.3.1 **The implications of the Labour Relations Act on the human resources function**

- Allow workers to form workplace forums/trade unions √to promote the interests of all employees. √
- Promotes orderly negotiations and employee participation in decision making√ in the workplace. √
- Protects the rights of employees/employers√ as outlined in the Constitution. √
- Promotes resolution√ of labour disputes√
- Any other relevant answer related to the implications of the Labour Relations Act on the human resources function. **Max (4)**

1.3.2 **The implications of the Skills Development Act on the human resources function**

- The human resources function should interpret the aims and requirements of the SDA√ and adapt workplace skills training programmes accordingly. √
- Identify the training needs of the employees √and provide them with training opportunities so that they will perform their tasks efficiently. √
- Assist managers in identifying skills/training needs√ to help them to introduce learnerships. √
- Ensure training in the workplace√ is formalised /structured. √
- Any other relevant answer related to the implications of the Skills Development Act on the human resources function. **Max (4)**

1.3.3 **The implications of the Basic Conditions of Employment Act on the human resources function**

- Ensure that employees do not work more than 45 hours√ a week. √
- Over-time is limited to a maximum number of 3 hours per day√ and 10 hours per week. √
- Ensure that employees utilise 21 days√ consecutive leave per year. √
- Ensure that employees are granted the 30 days sick leave√ in a three-year cycle. √
- Meal interval for employees of 1 hour √after 5 hours of work are adhered to√
- Any other relevant answer related to the implications of Basic Conditions of Employment Act on the human resources function. **Max (4)**

QUESTION 2: Essay question on the human resources function

2.1 **Introduction**

- The objective of recruitment is to attract the best possible applicants with required skills/qualification/competency to fill vacancies.√
- Reliable recruitment procedures and systems should be in place to ensure that businesses achieve their goals. √
- The interviewer must be well conversant with the interview processes so that all candidates are treated equally. √
- The human resources function should keep abreast with recent legislation especially the Employment Equity Act. √
- Any other relevant introduction related to the meaning of recruitment/ recruitment procedure/role of the interviewer/EEA. **Any (2x1) (2)**

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2.2 **The meaning of recruitment**

- Recruitment is the process used by business to identify vacancies√ and attract suitable candidates for the job. √
- It aims at finding candidates who have the necessary knowledge/ experience/ qualification√ to fill the vacancy. √
- Businesses may choose to use an internal or external method of recruitment √ depending on the nature/requirements of the vacancy. √
- It is an on-going process as employees leave their jobs for other jobs/get promoted /retire√ as new technological skills are required√
- Any other relevant answer related to the meaning of recruitment. **Max (6)**

2.3 **The recruitment procedure**

- The human resource manager determines the job needs√ in the business/identify vacancies √
- Prepare the Job description√ and Job specification. √
- Determine the key performance areas√ of the job. √
- Choose the recruitment method√ e.g. internal or external method of recruitment √
- Vacancies can be internally advertised √via internal email/word of mouth/ posters/staff notices. √
- If internal recruitment was unsuccessful√, consider external recruitment. √
- The advertisement should be prepared with the relevant information, √e.g. the name of the company, contact details, contact person, etc. √
- Place the advertisement in the appropriate media √that will ensure that the best candidates apply√
- Any other relevant answer related to the recruitment procedure. **Max (12)**

2.4 **The role of the interviewer during the interview**

- Allocate the same amount of time√ to each candidate. √
- Introduce members of the interviewing panel√ to each candidate/ interviewee. √
- Make the interviewee√ feel at ease. √
- Explain the purpose√ of the interview. √
- Ask open ended √work related questions. √
- Do not mislead√ the interviewee. √
- Provide an opportunity for the interviewee√ to ask questions. √
- Close the interview√ by thanking the interviewee for attending the interview. √
- Any other relevant answer related to the role of interviewer during the interview.

Max (12)

2.5 **Ways in which the human resources function could comply with the Basic Conditions of Employment Act**

- Ensure that employees do not work more than 45 hours a week. √√
- Over-time is limited to a maximum number of 3 hours per day and 10 hours per week. √√
- Ensure that employees utilise 21 days consecutive leave per year. √√

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- Ensure that employees are granted the 30 days sick leave in a three-year cycle. √√
- Meal interval for employees of 1 hour after 5 hours of work are adhered to√√
- Any other relevant answer related to the ways in which the human resources function could comply with the Basic Conditions of Employment Act. **Max (8)**

2.6 **Conclusion**

- Businesses should have suitable/effective recruitment procedure in place.√√
- An effective recruitment procedure enables businesses to retain skills and increase productivity.√√
- The interviewer should handle the interview professionally. √√
- The Employment Equity Act serve as a guideline on how businesses can follow credible interview process. √√
- Any other relevant conclusion related to the meaning of recruitment/ recruitment procedure/role of the interviewer/EEA

Any (2x1) (2)
[40]

WEEK THREE
TOPIC: TEAM PERFORMANCE & CONFLICT MANAGEMENT (PART 1)

QUESTION 1

1.1 **The meaning of teamwork**

- Teamwork can be defined as a joint action by a group of people in which each person gives up his/her individual interests √and options for the common goal of the team. √
- This means that effective and efficient teamwork√ goes beyond individual accomplishments. √
- Teamwork is a joint effort by group members where they give up their individual opinions√ and strive to work together to achieve a common goal. √
- Any other relevant answer related to the meaning of team work. **Max (4)**

1.2 **The importance of team work**

- Teams have a common goal/purpose that unite team members. √√
- Teamwork leads to synergy, commitment, high productivity, employee empowerment, job satisfaction and organisational effectiveness. √√
- Effective teamwork can provide a basis for consistency performing at a high level√√
- Any other relevant answer related to the importance of team work. **Max (6)**

1.3 **Stages of team development**

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

STAGES OF TEAM DEVELOPMENT	MOTIVATIONS
1 Forming stage√√	They were comfortable with each other during their first meeting. √
2 Adjourning/ Mourning stage√√	Sam, the team leader ensured that all tasks are completed before the team finally dissolves. √
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 quote is incomplete.**
4. **Do not award marks for the motivations if the stages of team development were incorrectly identified.**

Max (6)

1.3.2 **The meaning of stages of team development**

Forming stage

- This stage is the initial stage√ where team members get to know one another. √
- Team members think about their new tasks√ and new environment√
- The team learns about team processes√ and procedures. √
- Team members gather information √and impressions about each other. √
- People focus on being busy with routines, √ such as team organisation e.g. who does what, when to meet each other, etc. √
- Any other relevant answer related to the forming stage. Submax (4)

Adjourning/ Mourning

- In this stage, team members must leave a team √ and prepare themselves for the next team. √
- The focus is on the completion of the task/ending the project rather than on task performance. √
- It`s also the stage for recognition √ for participation and achievement. √
- Breaking up the team may be traumatic √as team members may find it difficult to perform as individuals once again. √
- Any other relevant answer related to the adjourning/mourning stage.

Submax (4)

NOTE: Do not award marks for responses that were quoted in QUESTION 1.3.1

Max (8)

1.3.3 **Stages of team development**.

Storming√√

- The team begins to face technical, interpersonal and social problems.
- Team members could end up fighting and arguing. √
- At this stage, there is conflict because they confront each other with their ideas. √
- The true character of team members starts to show as they experience the first round of conflict √
- Different ideas from team members will compete for consideration. √
- Team members open-up to each other and confront each other's ideas/perspectives. √
- This stage is often unpleasant, but it is necessary for teams to grow. √
- Team members need to be matured, patient and tolerant of each other's ideas and behavior in order to move successfully to the next stage. √
- Any other relevant answer related to storming stage. Submax (3)

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Norming/ Settling and reconciliation√√

- The team starts working through individual/social issues and start to settle down. √
- Team members establish their own norms and behaviour. √
- They begin to trust each other, and reconciliation takes place. √
- A team develops good interpersonal skills and members become better at problem solving. √
- Team members accept each other and set common goals and values for the team. √
- Team members form agreement and consensus. √
- Roles and responsibilities are clear and accepted. √
- Team members have the ambition to work for the success of the team's goals. √
- They cross-train and learn new job skills. √
- Team members manage time and quality work with growing competence, confidence and independence. √
- Any other relevant answer related to norming/ settling and reconciliation.

Submax (3)

Performing/Working together towards achieving a goal √√

- In this stage, the teams are achieving their goals by helping each other√
- Team members are aware of strategies and aims of the team. √
- They have direction without interference from the leader. √
- Leaders delegate and oversee the processes and procedures. √
- Team members know each other and can function as a unit. √
- They find ways to get the job done smoothly without conflict/external supervision. √
- Conflict disappears, problems are solved, and successive goals are achieved. √
- Team members are motivated and can handle disagreements maturely/ positively. √
- The team takes pride in its own work and accomplishments. √
- Any other relevant answer related to performing/working together towards achieving a goal. Submax (3)

NOTE: Mark the first THREE (3) only **Max (9)**

WEEK FOUR
TOPIC: TEAM PERFORMANCE & CONFLICT MANAGEMENT (PART 2)

1.1 **The meaning of conflict and conflict management**

The meaning of conflict

- Conflict is a struggle/disagreement/argument √ between two people. √
- Disagreement between two parties in which one or both parties believe√ that a personal interest/need is threatened. √
- Any other relevant meaning of conflict. Submax (4)

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The meaning of conflict management

- Conflict management is the process of planning to prevent conflict√ where possible and organising to resolve conflict as quickly as possible. √
- All members of the organisation need to develop ways of keeping conflict to a minimum√ and solve problems caused by conflict. √
- Conflict can be positive if managed correctly√, since it means communication is taking place. √
- Any other relevant meaning of conflict management. Submax (4)

Max (8)

1.2 **Causes of conflict from statements**

1.2.1 Inter-team rivalry /Unhealthy competition√√

1.2.2 Poor organization/leadership/administrative procedures and systems/Lack of clarity regarding employees' roles and responsibilities √√

1.2.3 Lack of/Insufficient resources√√

1.2.4 Workload and stress/Unrealistic expectation√√ **(8)**

1.3 **Other causes of conflict in the workplace**

- Lack of proper communication√ between management and workers. √
- Ignoring rules/procedures√ may result in disagreements and conflict. √
- Management and/or workers may have √ different personalities/ backgrounds. √
- Different values/levels of knowledge/skills/experience√ of managers/workers. √
- Little/no co-operation between internal√ and/or external parties/stakeholders. √
- Lack of recognition for good work√, e.g. a manager may not show appreciation for extra hours worked to meet deadlines. √
- Lack of employee development may increase frustration levels as workers √ may repeat errors due to a lack of knowledge/skills. √
- Unfair disciplinary procedures√, e.g. favoritisms/nepotism. √
- Leadership styles used√, e.g. autocratic managers may not consider worker inputs. √
- Lack of agreement on mutual matters√, e.g. remuneration/working hours. √
- Lack of commitment/Distracted by personal objectives√ which may lead to an inability to meet pre-set targets. √
- Constant changes√ may cause instability√

NOTE: Do not award marks for responses that were mentioned in QUESTION 1.2.

Max (8)

1.4 **Workplace forums**

1.4.1 **Functions of the workplace forums from the scenario**

- PM encourages their workers to participate in decision making√
- The workplace forum improves efficiency and productivity through their input√

NOTE: 1 Only award marks for responses that were not quoted from the scenario
2 Mark the first TWO only. (2x1) (2)

1.4.2 **Other functions of the workplace forums**

- Prevent unilateral decision made by employers√ on issues affecting the employees. √
- Workplace forum has the right to be√ consulted by employer. √
- Promotes the interests √ of all employees in the workplace. √

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- Consult with the employer√ and to reach consensus about working conditions. √
- Consult with the employer on issues√ that could cause conflict√
- Resolves conflict√ between employers and employees. √
- Improve efficiency √ and productivity through input/recommendations√
- Any other relevant answer related to other functions of the workplace forums.

Max (8)

1.4.3 **Ways in which a workplace forum differs from a trade union**

- A trade union is a legal entity that can be sue or be sued in its own name. √√
- A trade union negotiates salaries and wages, whereas a workplace forum does not deal with remuneration. √√
- A trade union can organise a strike under certain circumstances, whereas a workplace forum cannot. √√
- Non-union members can belong to a workplace forum. √√
- Any other relevant answer related to ways in which a workplace forum differs from a trade union. **Max (6)**

QUESTION 2: Essay on stages of team development and conflict management

2.1 **Introduction**

- Teamwork is the interaction with team members to achieve a common goal.√
- Teams go through different stages of development that must be managed carefully.√
- Conflict is inevitable when two or more people work together as a team. √
- Conflict is sometimes necessary for people to resolve differences and focus on key objectives. √
- Managers should be well conversant with the causes of conflict and involve through the workplace forums. √
- Any other relevant introduction related to meaning of conflict/ stages of team development/ causes of conflict/ the functions of workplace forums.

Any (2x1) (2)

2.2 **The meaning of conflict management in the workplace**

- Conflict management is the process of planning to prevent conflict√ where possible and organising to resolve conflict as quickly as possible. √
- All members of the organisation need to develop ways of keeping conflict to a minimum√ and solve problems caused by conflict. √
- Conflict can be positive if managed correctly√, since it means communication is taking place. √
- Any other relevant meaning of conflict management. **Max (6)**

2.3 **Stages of team development**

2.3.1 **Forming**√√

- Individuals gather information and impressions about each other√ and the scope of the task and how to approach it.√
- Teams are comfortable√ and polite with each other during this stage.√
- People focus on being busy with routines√, such as team organisation e.g. who does what, when to meet each other,√ etc.
- Any other relevant answer related to forming as a stage of team development.

Stage (2)
Description (2)
Sub max (4)

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2.3.2 **Storming**√√

- Teams go through a period of unease/conflict√ after formation.√
- Different ideas from team members will compete√ for consideration.√
- Team members open up to each other√ and confront each other's ideas/ perspectives.√
- Tension/struggle/arguments occur and upset the team members√, there may be power struggles for the position of team leader.√
- In some instances storming can be resolved quickly√ while in others the team never leaves this stage.√
- Many teams fail during this stage√ as they are not focused on their task.√
- This phase can become destructive for the team√/will negatively impact on team performance, if allowed to get out of control.√
- This stage is necessary/ important√ for the growth of the team.√
- Some team members tolerate each other√ to survive this stage.√
- Any other relevant answer related to storming as a stage of team development.

Stage (2)
Description (2)
Sub max (4)

2.3.3 **Norming/Settling/reconciliation**√√

- Team members come to an agreement√ and reach consensus.√
- Roles and responsibilities are clear√ and accepted.√
- Processes/working style and respect develop√ amongst members.√
- Team members have the ambition to work√ for the success of the team.√
- Conflict may occur√, but commitment and unity are strong.√
- Any other relevant answer related to norming/settling/reconciliation as a stage of team development.

Stage (2)
Description (2)
Sub max (4)

2.3.4 **Performing/Working as a team towards a goal**√√

- Team members are aware of strategies√ and aims of the team.√
- They have direction√ without interference from the leader.√
- Processes and structures√ are set.√
- Leaders delegate√ and oversee the processes and procedures.√
- All members are now competent√, autonomous and able to handle the decision-making process without supervision.√
- Differences among members are appreciated√ and used to enhance the team's performance.√
- Any other relevant answer related to performing/working as a team towards a goal as a stage in team development.

Stage (2)
Description (2)
Sub max (4)

2.3.5 **Adjourning/Mourning**√√

- The focus is on the completion√ of the task/ending the project.√
- Breaking up the team may be traumatic√ as team members may find it difficult to perform as individuals once again.√

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- All tasks need to be completed√ before the team finally dissolves.√
- Any other relevant answer related to adjourning/mourning as a stage of team development.

Stage (2)
Description (2)
Sub max (4)

NOTE: Mark the first FOUR (4) only. **Max (16)**

2.4 **Causes of conflict in the workplace**

- Lack of proper communication√ between management and workers. √
- Ignoring rules/procedures√ may result in disagreements and conflict. √
- Management and/or workers may have √ different personalities/ backgrounds. √
- Different values/levels of knowledge/skills/experience√ of managers/workers. √
- Little/no co-operation between internal√ and/or external parties/stakeholders. √
- Lack of recognition for good work√, e.g. a manager may not show appreciation for extra hours worked to meet deadlines. √
- Lack of employee development may increase frustration levels as workers √ may repeat errors due to a lack of knowledge/skills. √
- Unfair disciplinary procedures√, e.g. favoritisms/nepotism. √
- Leadership styles used√, e.g. autocratic managers may not consider worker inputs. √
- Lack of agreement on mutual matters√, e.g. remuneration/working hours. √
- Lack of commitment/Distracted by personal objectives√ which may lead to an inability to meet pre-set targets. √
- Constant changes√ may cause instability√
- Any other relevant answer related to the causes of conflict in the workplace.

Max (12)

2.5 **Functions of workplace forums**

- Prevent unilateral decision made by employers on issues affecting the employees. √√
- Encourages workers participation in decision making. √√
- Workplace forum has the right to be consulted by employer. √√
- Promotes the interests of all employees in the workplace. √√
- Promotes efficiency in the workplace through inputs/recommendations. √√
- Consult with the employer and to reach consensus about working conditions. √√
- Consult with the employer on issues that could cause conflict√√
- Resolves conflict between employers and employees. √√
- Improve efficiency and productivity through input/recommendations√√
- Any other relevant answer related to the functions of workplace forums.

Max (10)

2.6 **Conclusion**

- It is important that business understand the stages of team development so that they are able to manage conflict effectively.√√
- Businesses should immediately identify the causes of conflict and ensure that conflict is resolved amicably in the workplace.√√
- Business objectives can be achieved if conflict is resolved effectively. √√
- Any other relevant conclusion related to meaning of conflict/ stages of team development/ causes of conflict/ the functions of workplace forums

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

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