



Province of the
EASTERN CAPE
EDUCATION

**NATIONAL
SENIOR CERTIFICATE**

GRADE 11

NOVEMBER 2017

**BUSINESS STUDIES
MARKING GUIDELINE**

MARKS: 300

This marking guideline consists of 35 pages.

NOTES TO MARKERS

1. Candidates' responses for SECTIONS B and C must be in full sentences; however this would depend on the nature of the question.
2. A comprehensive marking guideline has been provided but this is by no means exhaustive. Due consideration should be given to an answer that is correct but:
 - Uses a different expression from that which appears in the marking guideline
 - Comes from another source
 - Original
 - A different approach is used

NOTE: SECTION A:

- There are no alternative answers.
 - Each question has only one correct answer.
3. Take note of other relevant answers provided by candidates and allocate marks accordingly. (In cases where the answer is unclear or indicates some understanding, part-marks should be awarded, for example, one mark instead of the maximum of two marks.)
 4. The word 'sub-max' is used to facilitate the allocation of marks within a question or sub-question.
 5. The purpose of circling marks (guided by 'max' in the breakdown of marks) on the right-hand side is to ensure consistency and accuracy in the marking of scripts.
 6. In an indirect question, the theory as well as the response must be relevant and related to the question.
 7. **Incorrect numbering of questions or sub-questions in Section A and B will be severely penalised. Therefore, correct numbering is strongly recommended in all sections.**
 8. No additional credit must be given for repetition of facts. Indicate with an R.
 9. Subtotals to questions must be written in the right-hand margin. Circle the subtotals as indicated by the allocation of marks. This must be guided by 'max' in memo. Only the total for each question should appear in the left-hand margin next to the appropriate question number.
 10. **SECTION B**
 - 10.1 If, for example, FIVE facts are required, mark the candidate's FIRST FIVE responses and ignore the rest of the responses. Indicate by drawing a line across the unmarked portion or use the word 'Cancel'.
NOTE: This only applies to questions where the number of facts is specified.

10.2 If two facts are written in one sentence, award the candidate FULL credit. Point 10.1 above still applies.

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

10.4 **USE OF THE COGNITIVE VERB AND ALLOCATION OF MARKS**

10.4.1 Where the number of facts are specified questions that require candidates to 'explain/discuss/describe' will be marked as follows:

- Heading 2 marks
- Explanation 1 mark (or as indicated in the marking guideline)
- The 'heading' and 'explanation' are given separately to facilitate mark allocation.

10.4.2 If the number of facts is not specified, the candidate must be informed by the nature of the question and the maximum marks allocated.

10.5 **ONE mark will be awarded for answers that are easy to recall, requires one-word answers, or is quoted directly from scenario/case study. This applies to SECTIONS B and C in particular.**

11. **SECTION C**

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

Introduction	Maximum: 32
Content	
Conclusion	
Insight	8
TOTAL	40

11.2 Insight consists of the following components:

Layout/ Structure	Is there an introduction, body, proper paragraphs and a conclusion?	2
Analysis and interpretation	Is the candidate able to breakdown the question into headings/sub-headings/interpret it correctly to show understanding of what is being asked?	2
Synthesis	Are there relevant decisions/facts/responses made based on the questions? Marks to be allocated using this guide: No relevant facts: 0 (Two '-S') Some relevant facts: 1 (One '-S') Only relevant facts: 2 (No '-S')	2
	NB: 1. If there is no '-S' allocated, award the maximum of TWO (2) marks. 2. Where a candidate answers less than 50% of the question with relevant facts, no '-S' appears in the left margin. In this case award a maximum of ONE (1) mark.	
Originality	Is there evidence of examples, recency of information, current trends and developments?	2
TOTAL FOR INSIGHT:		8
TOTAL MARKS FOR FACTS:		32
TOTAL MARKS FOR ESSAY (8 + 32)		40

NOTE:

1. No marks will be awarded for contents repeated from the introduction and conclusion.
2. The candidate forfeits marks for layout if the words **INTRODUCTION** and **CONCLUSION** are not stated.
3. No marks will be allocated for layout, if the headings 'Introduction, Conclusion,' etc. in 'Insight' is not supported by an explanation.
4. With effect from November 2017 a candidate will be awarded a maximum of **ONE (1)** mark for headings/sub-headings and **ONE (1)** mark for interpretation (16 or more out of 32 marks). This applies specifically to the analysis and interpretation part of insight.

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

11.4 The components of insight are indicated at the end of the suggested answer for each question.

11.5 Mark all the relevant facts until the **MAXIMUM** mark in a subsection has been attained. Write **MAX** after maximum marks have been obtained.

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

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

- 11.7 When awarding marks for facts, take note of the sub-maxima indicated, especially if candidates do not make use of the same subheadings. Remember headings and sub-headings are encouraged and contribute to insight (structuring/logical flow/sequencing) and indicate clarity of thought. (See MARKS BREAKDOWN at the end of each question.)
- 11.8 If the candidate identifies/interprets the question INCORRECTLY, then he/she may still obtain marks for layout.
- 11.9 If a different approach is used by candidates, ensure that the answers are assessed according to the mark allocation/subheadings as indicated in the marking guideline.
- 11.10.1 Award TWO marks for complete sentences. Award ONE mark for phrases, incomplete sentences and vague answers.
- 11.10.2 With effect of from November 2015, the TWO marks will not necessarily appear at the end of each completed sentence. The ticks (√) will be separated and indicated next to each fact, e.g. “Product development is a growth strategy/where businesses aim to introduce new products √ into existing markets.” √ This will be informed by the nature and context of the question, as well as the cognitive verb used.
- 11.11 With effect from November 2017, the maximum of TWO (2) marks for facts shown as headings in the memo, will not necessarily apply to each question. This would also depend on the nature of the question.

SECTION A (COMPULSORY)**QUESTION 1**

- 1.1.1 D √√
 1.1.2 A √√
 1.1.3 D √√
 1.1.4 B √√
 1.1.5 D √√
 1.1.6 A √√
 1.1.7 D √√
 1.1.8 B √√
 1.1.9 C √√
 1.1.10 D √√ (10 x 2) (20)
- 1.2.1 acquisition √√
 1.2.2 mortgage loans √√
 1.2.3 Jungian √√
 1.2.4 10 √√
 1.2.5 letter of appointment √√ (5 x 2) (10)
- 1.3.1 B √√
 1.3.2 E √√
 1.3.3 H √√
 1.3.4 C √√
 1.3.5 J √√ (5 x 2) (10)

BREAKDOWN OF MARKS	
1.1	20
1.2	10
1.3	10
TOTAL	40

TOTAL SECTION A: 40

SECTION B**QUESTION 2: BUSINESS ENVIRONMENT****2.1 Socio-economic issues**

2.1.1 Inflation ✓✓

2.1.2 Sexual harassment ✓✓

2.1.3 Copyright ✓✓

2.1.4 Dumping ✓✓

2.1.5 Strikes ✓✓

(5 x 2) (10)

2.2 Challenges in the micro environment

- Difficult employees ✓✓
- Lack of vision and mission statement ✓✓
- Lack of adequate managerial skills ✓✓
- The impact of unions ✓✓
- Strikes and go-slows ✓✓
- Skills shortages among employees ✓✓
- High employee turnover ✓✓
- Any other relevant answer related to challenges in the micro environment.

NOTE: Mark the first FOUR (4) only.

(4 x 2) (8)

2.3 Ways in which businesses can lobby for mutual trust

- Processes of influencing ✓ legislation or parliamentary decision-making. ✓
- Acquiring public support ✓ for an issue. ✓
- Protesting against ✓ the enforcement of a new law. ✓
- Grassroots lobbying ✓ appealing to the public to influence the decision of the government. ✓
- Direct lobbying ✓ by contracting government directly to try and influence legislation. ✓
- Hedging to try to reduce risk ✓ when unsure of possible price fluctuation. ✓
- Purchase same or similar product from different markets ✓ at the same time. ✓
- Bargaining sessions between organisation and trade unions ✓ to seek win-win situation. ✓
- Adhere to the guidelines ✓ of regulators and supervisory bodies. ✓
- Any other relevant answer related to ways in which businesses can lobby for mutual trust.

Max (10)

- 2.4 2.4.1 Tertiary sector ✓✓ (2)
Motivation
 Blue Sky Airlines offer a service to consumers. ✓ (1) (3)

2.4.2 **Classification of challenges and the extent of control**

Challenge	Environment	Extent of control
Cash flow critical ✓	Micro	Full control ✓✓
Losing bookings to Cape Coast Airlines ✓	Market	Little/Limited control/ influence ✓✓
Increase in fuel costs ✓	Macro	No control ✓✓
Sub max (3)		Sub max (6)

Max (9)

2.5 **Power relations**

- Build around BBBEE ✓ and empowerment of employees. ✓
- Ability of a person's power to influence ✓ other's thoughts, actions or choices. ✓
- Every party to a relationship possess a degree of power, ✓ i.e. power to strike ✓ /demand payment ✓/order material etc. ✓
- Strategic alliances/Agreement ✓ between businesses leading to mutual benefits. ✓
- Strategic allies do not want to lose ✓ mutual benefits. ✓
- Strategic allies consider suggestions ✓ made by businesses in the alliance. ✓
- Persuasion of large investors ✓ has power to influence other businesses. ✓
- Secure goodwill of investors ✓ and listen to suggestions of investors. ✓
- Influence on company representatives ✓ through agent or intermediary. ✓
- Intermediary influence customers by handing out free samples ✓ and by recommendation of certain products by specialists/investors. ✓
- Any other relevant answer related on how businesses form power relations.

Max (8)

2.6 **Impact of piracy on businesses**

- The businesses loses ✓ out on sales and income. ✓
- The businesses loses ✓ out on productivity and profits. ✓
- Leads ✓ to job losses. ✓
- Businesses are reluctant to develop new talent ✓ due to the high risk involve. ✓
- Any other relevant answer related to the impact of piracy on businesses. Max (6)

2.7 **Ways to develop a strong relationship with suppliers**

- Management had to appoint someone reliable, ethical, a good negotiator and communicator. √√
- Find and compare different suppliers. √√
- Look at availability of suppliers and study their prices, quality service. √√
- Deliver goods on time, in right quantities, right qualities at a right price. √√
- Choose supplier who is B-BBBEE compliant. √√
- Businesses enter into contract with certain supplier of product or service. √√
- Ensure suppliers are paid promptly. √√
- Not abusing their relationship by consciously returning goods. √√
- Any other relevant answer related to ways in which businesses can develop a strong relationship with suppliers.

Max (6)

BREAKDOWN OF MARKS	
2.1	10
2.2	8
2.3	10
2.4.1	3
2.4.2	9
2.5	8
2.6	6
2.7	6
TOTAL	60

[60]

QUESTION 3: BUSINESS VENTURES**3.1 Entrepreneurial characteristics/qualities**

- Ability to make sound decisions depends on the prior knowledge and experience. ✓
- Ability to think creatively/do things in a new way to solve problems. ✓
- Believe in own abilities so that they can reach their goals. ✓
- Willingness to take risks and to make difficult decisions. ✓
- Takes responsibility for his/her actions and accepts positive and negative outcomes. ✓
- Motivates/directs people to create a positive working environment. ✓
- Concerns for the well-being of the workforce by showing interest in personal issues. ✓
- Has self-discipline and remains focussed. ✓
- Has a positive attitude and will not be discouraged by setbacks. ✓
- Can formulate the mission and vision and links it with the aims of the business. ✓
- Changes difficulties into challenges and has the ability to be resilient. ✓
- Has a clear vision and is able to achieve long term goals. ✓
- Flexible/has the ability to adapt to change. ✓
- Good management ✓
- Communication skills ✓
- Ability to see an opportunity and to change it into a profitable business. ✓
- Good planner and organiser. ✓
- Any other relevant answer related to the characteristics/qualities of a successful entrepreneur.

NOTE: Mark the first FOUR (4) only.**(4 x 1) (4)****3.2 Forms of ownership**

- 3.2.1 Cooperatives ✓✓
- 3.2.2 Personal Liability company ✓✓
- 3.2.3 Non-profit company ✓✓
- 3.2.4 Private company ✓✓
- 3.2.5 Sole trader/Proprietorship ✓✓

(5 x 2) (10)**3.3 Planning tools to transform a business plan into an action plan****3.3.1 Gantt chart**

- More sophisticated ✓ types of timelines that shows a work breakdown structure. ✓
- Are bar charts or graphs ✓ that show the duration of each task against the progression of time. ✓
- Used to identify what needs to be done ✓ by breaking a project down into smaller parts. ✓
- Any other relevant answer related to Gantt charts.

Sub max. (4)

3.3.2 Timelines

- A visual representation ✓ of chronological information. ✓
- A way of displaying ✓ a list of events in date order. ✓
- A simple tool that lists all the activities that need to be done ✓ and the date order in which they will be completed. ✓
- Any other relevant answer related to timelines. Sub max. (4)

3.3.3 Project planning

- A detailed description of all the activities ✓ that needs to be completed to execute a project successfully. ✓
- Consists of the actual plan, ✓ the scheduling of the task ✓ and risk management to protect the business from financial disaster. ✓
- Any other relevant answer related to project planning. Sub max. (4)
Max. (12)

3.4 3.4.1 Reasons for using flyers

- Flyers are inexpensive. ✓
 - Flyers can be designed by Dube himself. ✓
- NOTE: Mark the first TWO (2) only.** (2)

3.4.2 Guidelines when composing a flyer

- Write a title that will attract the reader's attention. ✓✓
- Use graphics to attract attention. ✓✓
- Focus on the benefits of the products or services. ✓✓
- Identify points clearly. ✓✓
- Keep it simple with white space. ✓✓
- Use text boxes if space allows. ✓✓
- Do not use too many words. ✓✓
- Let someone proofread the contents. ✓✓
- 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 the guidelines of composing a flyer.

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

3.5 Handling of feedback in a non-aggressive and professional manner

- Stand up ✓ throughout the feedback session. ✓
- Be polite/confident/courteous ✓ when responding to questions. ✓
- Ensure that each question/comment is clearly understood ✓ before responding. ✓/Rephrase ✓ questions if uncertain. ✓
- Should first listen ✓ and then respond. ✓
- Provide feedback as soon as possible ✓ after the question was asked or after the session. ✓
- Be direct/honest/sincere ✓ when responding to questions. ✓
- Use simple language ✓ to support the examples used in the presentation. ✓
- Keep the answer short ✓ and to the point. ✓
- Encourage questions ✓ from the audience. ✓
- Always address the question ✓ and not the person. ✓
- Acknowledge good questions ✓ to motivate audience to ask more questions. ✓
- Should not get involved in a debate ✓ when responding to questions. ✓
- Should not avoid the questions ✓ if he does not know the answer, but rather promise feedback on it. ✓
- Address the full audience ✓ and not only the person who posed the question. ✓
- Any other relevant answer related to how to handle feedback after a presentation in a non-aggressive and professional manner. Max (10)

3.6 Advantages of leasing

- The business gains the use of the asset with less initial expenditure ✓ than needed if the asset were purchased. ✓
- The business can acquire the latest technology ✓ without having to invest large amounts of capital. ✓
- The business does not have to carry the risk ✓ of expensive equipment becoming obsolete. ✓/The leased items are returned ✓ to the lessee at the end of the term of the lease. ✓
- For the lessee the lease payments ✓ are tax deductible. ✓
- Leasing improves the cash flow ✓ of the business. ✓
- Leasing is regarded as an expense to the lessee ✓ and therefore is not regarded as debt. ✓
- Leases are usually easier to obtain ✓ and have more flexible terms than loans for buying equipment. ✓
- The lessor normally covers ✓ the maintenance and replaces any damaged parts or equipment. ✓
- 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. ✓
- Any other relevant answer related to the advantages of leasing. Max (6)

3.7 Factors considered before starting a business

- Culture of the organisation √√
- Ensure the code of conduct is in place. √√
- Provision for on-going training. √√
- Possible environmental changes √√
- Possible risk factors √√
- Planning and minimising the environmental impact on the business. √√
- Action plan to satisfy the needs of customers. √√
- Cutting of costs on unnecessary waste and expenditure. √√
- The sources of raw materials/suppliers. √√
- The sources of funding that the business would use. √√
- The forms of ownership that will be used by the business. √√
- The registration of the business. √√
- The location/business premises to be used. √√
- Any other relevant answer related to the factors that must be considered before starting a business.

Max (8)

BREAKDOWN OF MARKS	
3.1	4
3.2	10
3.3	12
3.4.1	2
3.4.2	8
3.5	10
3.6	6
3.7	8
TOTAL	60

[60]

QUESTION 4: BUSINESS ROLES**4.1 Causes of conflict**

- Lack of proper communication between leaders and members ✓
- Differences in backgrounds/cultures/values/beliefs/language ✓
- Limited business resources ✓
- Different goals/objectives for group/individuals ✓
- Personality differences between group/individuals ✓
- Different opinions ✓
- Unfair workload ✓
- Ill-managed stress ✓
- Unrealistic expectations ✓
- Poor organisation/leadership/administrative procedures and systems ✓
- Confusion about scheduling/deadlines ✓
- Ignoring rules/procedures ✓
- Misconduct/Unacceptable behaviour ✓
- High/Intense competition/Competitiveness ✓
- Poor communication ✓
- Unclear responsibilities ✓
- Distracted by personal objectives ✓
- Constant changes in the workplace ✓
- Unfair treatment of workers/Favouritism by management/Discrimination ✓
- Lack of trust amongst workers ✓
- Any other relevant answer related to the possible causes of conflict in the workplace.

NOTE: Mark the first FIVE (5) only. (5 x 1) (5)

4.2 4.2.1 Problem-solving technique

Delphi technique ✓✓ (2)

Motivation

To request a group of business experts to complete questionnaires. ✓ (1)
Max (3)

4.2.2 Advantages of the Delphi technique

- A group of experts will be used ✓ without bringing them together. ✓
- Experts will give clear ideas/solutions ✓ on how to improve on low productivity/profitability. ✓
- Panel members/Experts can give new information ✓ on problems. ✓
- Information received from experts ✓ can be kept confidential. ✓
- It reduces noise levels in an office environment ✓ since there is no group discussion. ✓
- Panel members/Experts need to reach consensus, ✓ so that the best solution is found. ✓
- All experts are given an equal opportunity to give their opinions, ✓ so no-one dominates the process. ✓
- Any other relevant advantages related to the use of the Delphi technique in solving business problems.

Max (6)

4.3 Advantages of creative thinking

- Starts/Ignites business’s process of problem solving, ✓ as there are usually more problems and not enough solutions. ✓
- Better/Unique/Unconventional ideas/solutions ✓ is generated. ✓
- May give a business a competitive advantage ✓ if unusual/unique solutions/ideas/strategies are implemented. ✓
- Complex business problems ✓ may be solved. ✓
- Productivity increases ✓ as business’s management/employees may quickly generate multiple ideas to utilise 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 once they solved a problem/contributed towards the success of the business. ✓
- Business’s management/employees may keep up ✓ with fast changing technology. ✓
- Stimulates brain function of employees/managers, ✓ as they are continuously pushed out of their comfort zone. ✓
- Creativity may lead to new inventions ✓ which improves the general standard of living. ✓
- Any other relevant answer related to the advantages of creative thinking in the workplace.

Max (10)

4.4 Difference between ethics and professionalism

ETHICS	PROFESSIONALISM
<ul style="list-style-type: none"> • Set of standards ✓ of expected behaviour. ✓ • Set of values ✓ that are morally acceptable. ✓ • Acceptable ✓ to society/group/community. ✓ • Forms part of the employees’ ✓ code of conduct. ✓ • Focus is on developing a moral compass ✓ to use in decision making. ✓ • Seeks to avoid harm ✓ while promoting benefit to others. ✓ • Any other relevant answer related to ethics. 	<ul style="list-style-type: none"> • Knowledge and skills ✓ of a profession. ✓ • Used for the good ✓ of the employees/individuals. ✓ • Apply a code of conduct ✓ set by the profession or business. ✓ • Focus is on upholding the reputation ✓ of the business/profession. ✓ • Conforms to a specific standard in terms of quality and competence ✓ while also being legal and ethical. ✓ • Any other relevant answer related to professionalism
Sub max (4)	Sub max (4)

- NOTE:**
1. The differences must be clear.
 2. Answer does not have to be in tabular format.
 3. Award a maximum of FOUR (4) marks if the differences is not clear./Mark either ethics or professionalism only.
 4. Accept paragraph style answer. Max (8)

4.5 4.5.1 **Ways in which this project assists orphans and vulnerable children**

- Established a Child Care Forum. ✓
- Identification of 80 OVC families to become beneficiaries. ✓
- Training of 15 caregivers to be assigned to each of the households to monitor the progress of the children. ✓

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

4.5.2 **Citizenship roles and responsibilities of ABSA**

- Social responsibility ✓
- Environmental sustainability ✓
- Economic prosperity ✓
- Product stewardship ✓
- Procurement ✓
- Product access ✓
- Dualistic economy, apartheid legacy, poverty and HIV/Aids ✓
- Any other relevant answer related to the citizenship roles and responsibilities that ABSA need to perform within the business environment.

NOTE: Mark the first FIVE (5) only. (5 x 1) (5)

4.5.3 **Role that ABSA can play in social and economic development of communities**

- Offering training ✓ to community members. ✓
- Involvement ✓ in community upliftment programmes. ✓
- Offering counsellors ✓ to council HIV and Aids patients and affected families to help them cope emotionally. ✓
- Involvement in feeding schemes ✓ to distribute food donated by businesses. ✓
- Active role ✓ in social welfare projects in the community. ✓
- Help to solve ✓ environmental problems. ✓
- Funding education ✓ by providing scholarships and bursaries. ✓
- Encouraging employee ✓ volunteering. ✓
- Educational development ✓ of staff. ✓
- Funding ✓ local literacy programme. ✓
- Any other relevant answer related to role that ABSA can play in development of communities.

Max (4)

4.6 Theories of ethics

4.6.1 Consequential approach

- Is linked to consequence-based theory/focuses on the consequences of an action.
- An act should be judged based on the effect it has on others.
- Something 'useful' needs to come from an ethical action.
- If the effect is good, the action can be seen as ethical.
- Any other relevant answer related to the consequential approach.

Max (4)

4.6.2 The common good approach

- It focusses on ensuring that the business' values and ethical principles are in line with the society in which the business operates.
- It recognises that ethics and values vary from country to country and area to area.
- Any other relevant answer related to the common good approach.

Max (4)

4.7 Strategies businesses can use to deal with affirmative action

- Make the appropriate appointments to help previously disadvantages groups to achieve equality.
- Business should change the proportion of previously disadvantaged people at all levels.
- Business provides in-house training or sends employees on skill development courses/Support the development process through accelerated coaching and mentoring.
- Clear goalsetting and communication to ensure adaptation to affirmative action.
- Business should ensure better understanding of affirmative action by employees with the use of an awareness/understanding session/campaign.
- Business should not panic, but regain control over the situation.
- Business should take time to adjust to affirmative action.
- Business should obtain information about affirmative action and obtain expert advice to apply affirmative action.
- Any other relevant answer related to strategies businesses can use to deal with affirmative action.

Max (8)

BREAKDOWN OF MARKS	
4.1	5
4.2.1	3
4.2.2	6
4.3	10
4.4	8
4.5.1	3
4.5.2	5
4.5.3	4
4.6	8
4.7	8
TOTAL	60

[60]

QUESTION 5: BUSINESS OPERATIONS

5.1 Components of marketing communication policy

- Sales promotion ✓
- Advertising ✓
- Publicity ✓
- Personal selling ✓

NOTE: Mark the first FOUR (4) only.

(4 x 1) (4)

5.2 Marketing activities

- 5.2.1 Storage ✓✓
- 5.2.2 Market research ✓✓
- 5.2.3 Insurance ✓✓

(3 x 2) (6)

5.3 Differentiate between advertising and publicity

ADVERTISING	PUBLICITY
<ul style="list-style-type: none"> • Paid for ✓ by the business. ✓ • Has control ✓ over the messages. ✓ • Only positive. ✓ • Low level of credibility ✓ done by the business. ✓ • Not presented as news ✓ consumers likely to ignore. ✓ • Any other relevant answer related to advertising 	<ul style="list-style-type: none"> • Free of charge ✓ to the business. ✓ • No control ✓ over the message. ✓ • Can be positive or negative. ✓ • High level of credibility ✓ done by a third party. ✓ • Presented as news ✓ consumers likely to pay attention. ✓ • Any other relevant answer related to publicity.
Sub max (4)	Sub max (4)

NOTE: 1. The differences must be clear.

2. Answer does not have to be in tabular format.

3. Award a maximum of FOUR (4) marks if the differences is not clear./Mark either advertising or publicity only.

4. Accept paragraph style answer.

Max. (8)

5.4 Importance of trademarks to businesses

- Distinguish the business products ✓ from other manufacturers. ✓
- To identify ✓ and distinguish it from other products. ✓
- Enjoy legal protection ✓ and therefore cannot be copied by competitors. ✓
- Trademarks are essential for marketing ✓ and advertising. ✓
- Ensuring control ✓ of its market share. ✓
- Trademarks create a good product image ✓ that can be trusted by consumers. ✓
- Achieve a reputation for quality ✓ and value. ✓
- The business can extend its product range ✓ because it is easy to market products under well-known and popular trademark. ✓
- Any other relevant answer related to the importance of trademark to businesses.

Max (8)

5.5 5.5.1 **Characteristics of mass production from the scenario**

- Manufactures large numbers ✓ of identical tins. ✓
- Use single-purpose machines. ✓
- The machines need to be balanced ✓ so that there is a continuous flow of goods ✓ and effective use of the floor space in the factory. ✓

NOTE: Mark the first FOUR (4) only. (4 x 1) (4)

5.5.2 **Advantages of mass production**

- Products are made quickly and in large quantities, ✓ which results in lower cost per unit. ✓
- More products are made using the same machinery and workers, ✓ results in larger profits. ✓
- Stock levels are kept low, ✓ reduces storage and other costs and improves cash flow in the business. ✓
- Machines do most of the work, ✓ which means consistency, better quality goods and fewer mistakes, damages and losses as a result of human error. ✓
- Workers are skilled to perform repetitive tasks, ✓ which results in higher productivity. ✓
- Workers and machines are used to optimum levels ✓ because the production process is standardised. This saves costs and increases profits. ✓
- Most of the work is done by machines, ✓ which means fewer workers are needed and labour costs are reduced. ✓
- Quality control is easier to perform ✓ because the production system is continuous and the products are standardised. ✓
- Any other relevant answer related to the advantages of mass production.

Max (10)

5.5.3 **Requirements of safe use of machinery**

- All machinery and 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 and gear such as overalls, hard hats and safety helmets, ear plugs, masks, heavy-duty safety boots, welding goggles and gloves when working with machinery and equipment. ✓✓
- Develop a culture of safety in the workplace. ✓✓
- Familiarise employees with safety procedures. ✓✓
- Any other relevant answer related to the requirements of the safe use of machinery.

Max (8)

5.6 Differences between piecemeal and time-related salary determination system.

PIECEMEAL	TIME-RELATED
<ul style="list-style-type: none"> Remunerated for a specific piece of work, ✓ regardless of hours worked/ time taken to produce items. ✓ Calculation based on ✓ the piece of work/number of items produced. ✓ Any other relevant answer related to piecemeal/piece rate/piece work remuneration. 	<ul style="list-style-type: none"> Remunerated for the time/period worked, ✓ usually monthly or weekly. ✓ Calculation based on ✓ an agreed hourly/daily/weekly/monthly rate. ✓ Any other relevant answer related to time related remuneration.
Sub max (2)	Sub max (2)

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

2. The differences must be clear.

3. Award a maximum of TWO (2) marks if the differences is not clear./Mark either piecemeal or time-related only.

4. Accept paragraph style answer.

Max (4)

5.7 Compliance with Occupational Health and Safety Act

- Employers who employ more than twenty employees must appoint at least one health and safety representative for every 100 employees. ✓✓
- Ensure health and safety of persons at work and during the use of plants and machinery. ✓✓
- Workers must be provided with protective gear to protect themselves against dangerous situations. ✓✓
- First aid boxes must be available at the workplace and in the factory. ✓✓
- Machinery must be maintained at regular intervals and repaired promptly. ✓✓
- Any other relevant answer related ways in which businesses can comply with the Occupational Health and Safety Act.

Max (8)

BREAKDOWN OF MARKS	
5.1	4
5.2	6
5.3	8
5.4	8
5.5.1	4
5.5.2	10
5.5.3	8
5.6	4
5.7	8
TOTAL	60

[60]

QUESTION 6: MISCELLANEOUS TOPICS

BUSINESS ENVIRONMENTS

6.1 Macro environment

- 6.1.1 Technological ✓✓
- 6.1.2 Economical ✓✓
- 6.1.3 Legal ✓✓
- 6.1.4 Political ✓✓
- 6.1.5 Social ✓✓ (5 x 2) (10)

6.2 Ways in which businesses can differentiate itself from competitors.

- Offering a different product or service. ✓✓
- Offering a more personal service. ✓✓
- Having a lowest price. ✓✓
- Having products of a superior quality. ✓✓
- Having well trained and knowledgeable staff. ✓✓
- Any other relevant answer related on ways a business can differentiate from its competitors.

NOTE: Mark the first TWO (2) only. (2 x 2) (4)

BUSINESS VENTURE

6.3 Visual aids

- 6.3.1 Handouts ✓✓
- 6.3.2 Flowchart ✓✓
- 6.3.3 Power point ✓✓
- 6.3.4 Pie-chart ✓✓ (4 x 2) (8)

6.4 Sources of funding

- Equity capital (own funds) ✓
 - Money the owners of a business invest in the business ✓
 - Owner's savings ✓
 - Shares issued ✓
 - Retained profit ✓
- Debt/loans ✓
 - Money that has been borrowed ✓
 - Loans from family or friends: ✓ the repayment agreement may be flexible and interest very low or none at all ✓
 - Bank loans: ✓ the bank want some form of security, the business will be required to make regular interest payments on the loan ✓
 - Mortgage: ✓ a particular type of bank loan that is used to buy property, usually a long-term loan and requires monthly repayments for the period of the loan ✓
 - Debenture: ✓ the company borrows money from the public. ✓ The debenture holders receive a fixed interest rate on their money for a fixed period of time. ✓ The company must repay the amount of money borrowed at the end of the agreed period ✓

- Lease or Hire purchase: ✓ involves monthly payments by the business for use of vehicles or equipment ✓
- Overdraft: ✓ a bank allows a business to take out more money than it has in its bank account ✓
- Trade credit: ✓ suppliers who provide goods and services to the business are often willing to wait a certain period for payment ✓
- Other sources ✓
 - Grants: ✓ money made available by government for small developing businesses ✓
 - Venture capital: ✓ wealthy business people who want to invest in promising small businesses in return for a profit share in the business ✓
 - Angel funding: ✓ financing is given for an ownership share in the business at its start-up ✓
 - Any other relevant answer related to the sources of funding. Max (8)

BUSINESS ROLES

6.5 Stage of team development

- 6.5.1 Forming ✓✓
- 6.5.2 Storming ✓✓
- 6.5.3 Performing ✓✓ (3 x 2) (6)

6.6 Functions of workplace forums to resolve conflict

- 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 on:
 - Restructuring of work methods and new work methods ✓✓
 - Restructuring of workers ✓✓
 - Retrenching of workers ✓✓
 - Mergers and transfer of ownership ✓✓
 - Job grading ✓✓
 - Criteria for merits and bonuses ✓✓
 - Health and safety measures ✓✓
 - Measures to establish an affirmative action programme ✓✓
 - Partial or total closure of the business ✓✓
- To promote the interests of all employees in the workplace. ✓✓
- To promote efficiency in the workplace through co-operation. ✓✓
- To be consulted by an employer and to reach consensus about working conditions. ✓✓
- Any other relevant answer related to the functions of the workplace forum. Max (8)

BUSINESS OPERATIONS

6.7 Types of packaging

- Speciality packaging ✓/packed in a certain way to create a certain image. ✓
- Packaging for immediate use ✓/Unit packaging ✓/the package is effortless and easy to use the content. ✓
- Re-useable packaging ✓/packaging can be used for the same purpose more than once. ✓
- Packaging for double use ✓/the packaging can be used for something else. ✓
- Kaleidoscopic packaging ✓/certain part of the packaging changes continuously. ✓
- Combination packaging ✓/Two related items are packaged together. ✓
- Unique packaging ✓/Consumer buy the product to obtain the container. ✓
- Packaging for re-sale ✓/buying products in bulk to sell them separately on in smaller quantities. ✓

NOTE: Mark the first FIVE (5) only.

(5 x 1)

(5)

6.8 Calculations

6.8.1 Production cost per bottle

$$\frac{40\,000}{10\,000} = R\ 4/\text{bottle} \quad \checkmark \text{ or } \checkmark\checkmark\checkmark$$

Max

(3)

$$40\,000 \checkmark / 10\,000 \checkmark = R\ 4/\text{bottle} \quad \checkmark \text{ or } \checkmark\checkmark\checkmark$$

6.8.2 Selling price per bottle if they want to make 40% profit on cost price

$$\begin{aligned} &R4 + (R4 \times \frac{40}{100}) \\ &= R4 \checkmark + R1,60 \checkmark \\ &= R5,60 \checkmark\checkmark \text{ or } \checkmark\checkmark\checkmark\checkmark \end{aligned}$$

Max

(4)

6.8.3 Profit if they sell all 10 000 bottles

$$R1,60 (\checkmark\checkmark) \times 10\,000 \checkmark = R16\,000 \checkmark \text{ or } \checkmark\checkmark\checkmark\checkmark$$

Max

(4)

BREAKDOWN OF MARKS	
6.1	10
6.2	4
6.3	8
6.4	8
6.5	6
6.6	8
6.7	5
6.8.1	3
6.8.2	4
6.8.3	4
TOTAL	60

[60]

TOTAL SECTION B: 180

SECTION C**QUESTION 7: BUSINESS ENVIRONMENT****7.1 Introduction**

- Industrial action refers to action undertaken by employees to protest against employment issues. ✓
- The Labour Relations Act makes certain provisions in terms of industrial actions and lock-outs. ✓
- A trade union needs to be registered with the Registrar of Labour Relations. ✓
- Labour relations involve three parties, i.e. employer, employee and government. ✓
- Any other relevant introduction relating to industrial relations, industrial action, Labour Relations Act and trade unions. Max (2)

**7.2 Differences between a strike and go-slow
Strike**

- Temporary collective refusal ✓ of employees to work. ✓
- A collective, organised cessation of work by employees ✓ to force the employers to accept their demands. ✓
- Any other relevant answer related to strike action. Sub max (2)

Go-slow

- The employees still carry on with their work, ✓ but at a much slower ✓ pace than normal. ✓
- The employees aim to disrupt the workplace ✓/production. ✓
- Any other relevant answer related to a go-slow. Sub max (2)
Max (4)

7.3 Impact of a strike on business operations

- Strikes leads to loss of productivity ✓ and decreases economic growth. ✓
- Loss of revenue ✓ and financial loss on business operations. ✓
- Looting, destruction of business property/infrastructure ✓ and intimidation of non-striking workers. ✓
- Businesses has to hire employees to replace striking workers ✓ and increases the training costs of new employees. ✓
- Businesses may lose market shares ✓/customers to competitors ✓ during the period of a strike. ✓
- Strikes can lead to business to shut down ✓ spells disaster to both parties. ✓
- The image/reputation of the business ✓ might be damaged. ✓
- Limited availability ✓ of labour. ✓
- Relations between management and workers ✓ are negatively affected. ✓
- The supplies of goods and services ✓ are interrupted. ✓
- Prices sometimes increase ✓ to offset the costs incurred by the strike. ✓
- Any other relevant answer related to the impact of strikes on business operations. Max (14)

7.4 Purpose of Labour Relations Act

- 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 ✓ 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. ✓
- Regulates the rights of trade unions and facilitates ✓ collective bargaining. ✓
- Regulates the effectiveness of bargaining councils ✓ and statutory councils. ✓
- 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 and lockouts and workplace forums. ✓
- Establishes workplace forums to promote ✓ the interest of all employees in the workplace whether they belong to the trade union or not. ✓
- Any other relevant answer related to the purpose of the Labour Relations Act.

Max (14)

7.5 Functions of trade union

- Protecting the interest of workers. ✓✓
- Representing the interest of general society and minority groups through media and negotiations. ✓✓
- Influencing government decisions. ✓✓
- Influencing management for better working conditions, salaries and benefits. ✓✓
- Representing employees corporately and individually. ✓✓
- Improving the material benefits of their members. ✓✓
- Advancing the interest of members. ✓✓
- Providing legal and financial advice. ✓✓
- Providing benefits and educational facilities to its members. ✓✓
- Supporting gender equality. ✓✓
- Protecting members in times of retrenchments and disciplinary hearings. ✓✓
- Protecting the interest of their members during disciplinary procedures. ✓✓
- Any other relevant answer related to the functions of trade unions.

Max (14)

7.6 Conclusion

- The Labour Relations Act regulates the organisational rights of trade unions and promotes and facilitates collective bargaining. ✓✓
- The Labour Relations Act requires agreement through sound labour relations between trade unions and employer organisations. ✓✓
- A trade union is formed to protect employed members' democratic rights and to ensure predetermined standard of living. ✓✓
- Any other relevant conclusion relating to industrial relations, industrial action, Labour Relations Act and trade unions.

Max (2)
[40]

BREAKDOWN OF MARKS

Details	Maximum	Total
Introduction	2	Max 32
Strikes and Go-slow	4	
Negative impact of strikes on businesses	14	
Purpose of Labour Relations Act	14	
Functions of trade unions	14	
Conclusion	2	
INSIGHT		
Layout		2
Analysis, interpretation		2
Synthesis		2
Originality/Examples		2
TOTAL MARKS		40

*LASO – For each component:

Allocate 2 marks if all requirements are met.

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

Allocate 0 marks where requirements are not met at all.

QUESTION 8: BUSINESS VENTURES

8.1 Introduction

- A branch of the business is then sold to another person and in this way the business can expand. ✓
- There are three main types of franchises: product, system and manufacturing franchise. ✓
- A franchise is often referred to as 'in business for yourself, but not by yourself'.
- Any other relevant introduction relating to a franchise.

Max (2)

8.2 Franchise

- Is a licence ✓ to use the name, idea, processes and goodwill of an existing business ✓ in a specific geographic area. ✓
- Is able to run a business ✓ that has an established name, products and reputation. ✓
- Any other relevant answer related to a franchise.

Max (4)

8.3 **Advantages of a franchise**

- Other successful franchises can be studied ✓ before making a commitment. ✓
- The business will use a recognised ✓ brand name and trademark. ✓
- The business will benefit from any advertising or promotion ✓ by the franchisor. ✓
- The franchisor gives the business support ✓ in the form of training, setting up the business, how to operate the business and advice. ✓
- The franchisee can obtain exclusive rights ✓ in a certain geographical area. ✓
- The franchisor will undertake not to sell ✓ any other franchises in the same area. ✓
- Financing the business may be easier ✓/Banks are more likely to lend money ✓ to buy a franchise with a good reputation. ✓
- The business can communicate and share ideas with, ✓ and receive support from, other franchisees in the network. ✓
- Relationships with suppliers ✓ have already been established. ✓
- Greater chance of success ✓ because financial risk is much lower. ✓
- Specialist managers can be appointed ✓ as owners and managers can be separate positions. ✓
- Accounting records ✓ have to be audited (giving the firm financial credibility). ✓
- Running costs are lower ✓ due to centralised buying by the franchisor. ✓
- Any other relevant answer related to the advantages of a franchise.

Sub max (20)

Disadvantages of a franchise

- The cost may be higher ✓ than expected ✓/The initial costs of buying the franchise as well as royalties ✓ and the business may have to agree to buy products from the franchise. ✓
- There may be restrictions ✓ in the franchise agreement on how you can operate the business. ✓
- The franchisor ✓ might go out of business. ✓
- Other franchisees could give ✓ the brand a bad reputation. ✓
- It may be difficult ✓ to sell the business together with the franchise. ✓/The franchisor first ✓ may need to approve the new buyer. ✓
- A percentage of sales ✓ is usually shared with the franchisor. ✓
- Any other relevant answer related to the disadvantages of a franchise.

Sub max (8)

Max (24)

8.4 **Parties involved in a franchise**

Franchisee ✓✓

Party (2)

- The party who pays for a franchise ✓ in fees and a portion of the profits/the person buying the franchise. ✓
- Explanation (2)
Sub max (4)

Franchisor ✓✓

Party (2)

- The person who owns the rights and trademarks ✓ of a business and which grants the rights to operate a branch of the business to another party ✓ (franchisee) in exchange for a fee and a portion of the profits. ✓
- Explanation (2)
Sub max (4)

NOTE: Mark the first TWO (2) only.

Max (8)

8.5 **Contractual implications of a franchise**

- The franchisor and franchisee will enter into a formal agreement. ✓✓
- The agreement will stipulate the roles, rights and responsibilities of both parties. ✓✓
- The franchise agreement will also specify the following payments:
 - Initial fee ✓✓
 - Monthly management fee ✓✓
 - Royalties on turnover ✓✓
 - Fees for machinery and equipment ✓✓
 - Fees for advertising ✓✓
- Any other relevant answer related to the contractual implications of a franchise.

Max (10)

8.6 **Conclusion**

- A franchise remains one of the most successful ways to start a business. ✓✓
- Any other relevant conclusion relating to a franchise.

Max (2)
[40]

BREAKDOWN OF MARKS

Details	Maximum	Total
Introduction	2	Max 32
Franchise	4	
Advantages and disadvantages of a franchise	24	
Parties	8	
Contractual implications	10	
Conclusion	2	
INSIGHT		
Layout		2
Analysis, interpretation		2
Synthesis		2
Originality/Examples		2
TOTAL MARKS		40

*LASO – For each component:

Allocate 2 marks if all requirements are met.

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

Allocate 0 marks where requirements are not met at all.

QUESTION 9: BUSINESS ROLES

9.1 Introduction

- Stress is experienced by everyone in different situations. ✓
- Change is difficult for most individuals, organisations and management. ✓
- Change causes stress levels to increase. ✓
- A crisis causes a huge and sudden increase in stress levels. ✓
- Any other relevant introduction related to stress, change and crisis. Max (2)

9.2 Meaning

Stress

- The body's reaction ✓ to a change ✓ that requires a physical, mental or emotional adjustment or response. ✓
- The adverse reaction ✓ people have to excessive pressures ✓ or other types of demands placed on them at work. ✓
- Is the way the body reacts ✓ to situations ✓ that a person finds difficult to control. ✓
- Any other relevant answer related to defining stress. Sub max (4)

Crises

- Is a time ✓ of intense difficulty, trouble, or danger. ✓
- An event ✓ that can within a short period of time, ✓ harm the business's stakeholders, its property, finances or its reputation. ✓
- Any other relevant answer related to defining a crisis. Sub max (4)
Max (8)

9.3 Effect of stress on businesses

- Absenteeism ✓
 - Stressed employees are more likely to miss work. ✓
 - Lost productivity and replacement costs are a consequence of absenteeism. ✓
 - Premature death among workers increase staff turnover and requires more regular recruitment and training. ✓
- Poor judgement ✓
 - Can lead to a high occurrence of accidents. ✓
- Grievances or complaints that lead to staff turnover ✓
 - Unresolved complaints can lead to registration and higher staff turnover. ✓
 - Productive time is lost in the process of recruitment and training new employees. ✓
 - A high staff turnover is not good for staff morale. ✓
- Conflict and interpersonal problems ✓
 - Interpersonal demands due to working with team members and supervisors are most significant cause of burnout. ✓

- Customer service problems ✓
 - Stressed and tired employees serving the public may lead to poor services and unhappy customers. ✓
 - Loss of turnover and profitability. ✓
- Resistance to change ✓
 - As stress levels increase people are more likely to cling to the old way of doing things, even if it is not effective. ✓

Any other relevant answer related to the effect of stress on businesses. Max (14)

9.4 Reasons for resisting change

- Loss of security ✓✓
 - Workers feel secure with what they know and a new manager or new technology may frighten them. ✓
- Fear of economic loss ✓✓
 - Workers may disapprove of a new production process because they feel that it will lead to retrenchment. ✓
- Loss of power and control ✓✓
 - Restructuring may change the amount of power some people have. ✓
- Reluctance to change old habits ✓✓
 - New processes require a different mode of thinking. ✓
- Awareness of weakness in the proposed change ✓✓
 - Employees resist change because they see that it may cause problems. ✓
- Peer pressure ✓✓
 - Groups of people may pressurise others to resist change. ✓
- Timing and scope of change ✓✓
 - Change should happen when people are receptive and well prepared for it. ✓
- Misunderstanding ✓✓
 - People might resist because they do not fully understand. ✓

Any other relevant answer related to the reasons for resisting change.

Reason (2)
Explanation (1)
Sub max (3)
(4 x 3) (12)

NOTE: Mark the first FOUR (4) only.

Max (12)

9.5 **Ways to deal with business-related crises**

- Businesses should respond appropriately and quickly to lessen the effects of the crisis situation. √√
- Prevent/try to stop the crisis from happening. √√
- Assess/If the crisis happen, face up to it and quickly find out what has happened without over-reacting. √√
- Plan/Identify and prioritise the actions required. √√
- Evaluate the damage/situation. √√
- Inform/Provide accurate and correct information. √√
- Support/Guide others through the situation by providing training and support. √√
- Resolve any conflict of interest. √√
- Be sensitive to the people concerned. √√
- Regain control/Manage the situation in a calm manner until the crisis is over. √√
- Obtain expert advice if the crisis falls outside the business' scope of expertise. √√
- Any other relevant answer related to ways that businesses can deal with businesses-related crisis. Max (12)

9.6 **Conclusion**

- It is very important for a business to deal with stress, changes and crises to ensure the success of the business. √√
 - Any other conclusion related to stress, change and crisis. Max (2)
- [40]**

BREAKDOWN OF MARKS

Details	Maximum	Total
Introduction	2	
Stress and Crisis	8	Max 32
Effect of stress on businesses	14	
Reasons for resisting change	12	
Ways to deal with business-related crisis	12	
Conclusion	2	
INSIGHT		
Layout		2
Analysis, interpretation		2
Synthesis		2
Originality/Examples		2
TOTAL MARKS		40

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

QUESTION 10: BUSINESS OPERATIONS**10.1 Introduction**

- The objective of selection is to choose applicants who are more likely to succeed in the advertised positions. ✓
- The employer and the employee must draw up a legal/binding employment contract. ✓
- A good induction programme will enable the new employee to quickly settle in. ✓
- All appointment procedures should be conducted within the framework of the Employment Equity Act (EEA) to ensure fairness. ✓
- Any other relevant introduction related to selection/employment contract/induction programme and compliance with the EEA. ✓

Max (2)

10.2 Selection process

- Determine fair assessment criteria ✓ on which selection will be based. ✓
- Use the assessment criteria to assess all CVs/application forms ✓ received during recruitment ✓/Preliminary screening ✓ is done by sorting the applications received according to the criteria for the job. ✓
- Check that applicants are not submitting false documents ✓ such as forged certificates/degrees. ✓
- Make a preliminary list of all applicants ✓ who qualify for the post. ✓
- Screen and check references, ✓ e.g. check applicants' criminal records/credit history/social media, ✓ etc.
- Conduct preliminary interviews ✓ to identify suitable applicants. ✓
- Inform all applicants ✓ about the outcome of the application. ✓
- Compile a shortlist ✓ of approximately five people. ✓
- Invite the shortlisted applicants/candidates ✓ for an interview. ✓
- Shortlisted candidates ✓ may be subjected to various types of selection tests, e.g. skills test. ✓
- A written offer is made ✓ to the chosen candidate. ✓
- Any other relevant answer related to the selection process when appointing new employees. ✓

NOTE: Procedure can be in any order.

Max (12)

10.3 Legal requirements of the employment contract

- Employment contract is the written agreement ✓ between the employer and the employee. ✓
- It is a legally binding document ✓ even though certain aspects of the contract are negotiable. ✓
- It may not contain any requirements ✓ that are in conflict with the BCEA. ✓
- Parties' involved ✓ must have contractual capacity. ✓
- The employer and the employee must both be satisfied ✓ with the conditions in the employment contract. ✓
- Neither the employee nor the employer may unilaterally ✓ change aspects of the employment contract. ✓

- It should include a code of conduct and/or a code of ethics ✓ for employees. ✓
- Specific details of the job/remuneration package ✓ should be clearly explained to employees/stipulated in the contract. ✓
- The human resources manager must explain the terms and conditions ✓ of the employment contract to employees if deemed necessary. ✓
- It should set out clearly ✓ the conditions of employment/duties/responsibilities of the employees. ✓
- It must stipulate what employee would receive ✓ in terms of benefits and labour legislation. ✓
- All business policies/procedures/disciplinary codes ✓ should form part of the employment contract. ✓
- Employers must allow employees to read through the conditions of service and code of conduct ✓ before they sign the contract. ✓
- New employees may also consult legal experts ✓ to help them understand the terms and conditions of the contract. ✓
- Any other relevant answer related to the legal requirements of the employment contract.

Max (14)

10.4 Aspects that should be included in the induction programme

- Safety regulations and rules. ✓✓
- Overview of the business. ✓✓
- Information about the business products/services. ✓✓
- Tour of the premises and introduction to key people and close colleagues. ✓✓
- Conditions of employment including working hours/leave application process/disciplinary procedures ✓✓, etc.
- Administration details including systems/processes/logistics. ✓✓
- Meeting with senior management who will explain the company's vision/values/and job description/daily tasks. ✓✓
- Discussion of the employment contract and conditions of service. ✓✓
- Discussion on personnel policies, e.g. private phone calls/Internet use ✓✓, etc.
- Discussion on employees' benefits. ✓✓
- Corporate social responsibility programmes. ✓✓
- Any other relevant answer related to aspects that should be included in the induction programme.

Max (12)

10.5 Compliance with the Employment Equity Act (EEA)

- Guard against discriminatory appointments. √√
- Assess the racial composition of all employees, including senior management. √√
- Ensure that there is equal representation of all racial groups in every level of employment. √√
- Promote equal opportunities and fair treatment. √√
- Appointment process must be clearly defined, so that all parties are well informed. √√
- Use certified psychometric tests to assess applicants/employees to ensure that suitable candidates are appointed. √√
- Ensure that diversity/inclusivity in the workplace is achieved. √√
- Implement affirmative action measures to redress disadvantages experienced by designated groups. √√
- Prepare an employment equity plan in consultation with employees. √√
- Implement an employment equity plan. √√
- Submit the employment equity plan to the Department of Labour. √√
- Assign one or more senior managers to ensure implementation and monitoring of the employment equity plan. √√
- Eliminate barriers that have an adverse impact on designated groups. √√
- Reasonable accommodation of people from designated groups. √√
- Retain/Develop/Train designated groups, including skills development. √√
- Regular report to the Department of Labour on progress in implementing the plan. √√
- Any other relevant answer related to how Komani Electrical can comply with the Employment Equity Act (EEA) when making new appointments.

Max (8)

10.6 Conclusion

- Employees are the most important resource in any business and its success is strongly influenced by a good selection process and induction programme. √√
- An employment contract serves as proof of employment in the case of a dispute which ends up in a court of law. √√
- The EEA not only promotes and regulates affirmative action, but also gives guidance in conducting a fair appointment process. √√
- Any other relevant conclusion related to selection, employment contract, induction programme and compliance with EEA.

Max (2)

[40]

BREAKDOWN OF MARKS

Details	Maximum	Total
Introduction	2	
Selection process	12	Max 32
Legal requirements of the employment contract	14	
Induction programme	12	
Compliance with EEA	8	
Conclusion	2	
INSIGHT		
Layout		2
Analysis, interpretation		2
Synthesis		2
Originality/Examples		2
TOTAL MARKS		40

*LASO – For each component:

Allocate 2 marks if all requirements are met.

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

Allocate 0 marks where requirements are not met at all.

TOTAL SECTION C: 80
GRAND TOTAL: 300