



# education

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Department:  
Education  
**REPUBLIC OF SOUTH AFRICA**

**NATIONAL  
SENIOR CERTIFICATE**

**GRADE 12**

**BUSINESS STUDIES**

**NOVEMBER 2008**

**MEMORANDUM**

**MARKS: 300**

**This memorandum consists of 40 pages.**

## NOTES TO MARKERS:

1. For marking and moderation purposes, the following colours are recommended:  
Marker: Red  
Senior marker: Green  
Deputy Chief and Chief marker: Black  
Internal moderator: Orange
2. The numbering of Assessment Standards is in accordance with the principle of progression from Grades 10 to 12 eg. The first Assessment Standard is 12.1.2.
3. Candidate's responses must be in full sentences for Sections B and C. This would depend on the nature of the question.
4. A comprehensive memorandum 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 memorandum
  - comes from another source
  - is correct and original
  - relates to another applicable LO or AS.
5. Please take careful note of other relevant answers provided by candidates and allocate marks accordingly.
6. **Section B**
  - 6.1 If, for example, FIVE facts are required, mark the candidates FIRST FIVE responses and ignore the rest of the responses.
  - 6.2 If two facts are written in one sentence, award the candidate FULL credit.
  - 6.3 If candidates are required to provide their own examples/views, brainstorm this at the marking centre to finalise alternative answers.
  - 6.4 All questions that require candidates to "explain/discuss/describe" will be marked as follows:
    - Heading: 2 marks
    - Explanation: 1 mark or as indicated in the memorandum.
  - 6.5 In questions that require candidates to "name/list/mention", the answers of the candidates can be in phrases and not necessarily in full sentences.
7. **Section C:**
  - 7.1 The breakdown of the mark allocation for essays is as follows:

Introduction	3	
Content	27	Maximum
Conclusion	2	
Insight	8	
Total marks	<b>40</b>	

## 7.2 Insight consists of the following components:

Layout/Structure (Is there an introduction, body using proper paragraphs and conclusion? Is there a logical flow/link in the discussion? Has the learner been able to illustrate the concepts with examples?)	2
Analysis and interpretation (learners' ability to break down the question to show understanding of what is being asked)	2
Synthesis (What parts to the question would you have included in the answer? and are there relevant points included)	2
Originality, examples, recency of information, current trends and developments.	2
<b>TOTAL FOR INSIGHT:</b>	<b>8</b>
<b>TOTAL MARKS FOR FACTS:</b>	<b>32</b>
<b>TOTAL MARKS FOR ESSAY (8 + 32)</b>	<b>40</b>

- 7.3 Indicate insight in the left-hand margin with a symbol e.g. ('LASO')
- 7.4 The components of insight are indicated at the end of the suggested answer for each question. Note: The components may vary for each question.
- 7.5 Mark all relevant facts until the MAXIMUM mark in a subsection has been attained. Write MAX after maximum marks have been obtained.
- 7.6 At the end of each essay indicate the allocation of marks for facts and marks for insight as follows: (L (Layout/structure) and/or A (analysis)/S (synthesis)/O (originality) as in the table below).

CONTENT	MARKS
Facts	32
L	2
A	2
S	2
O	2
<b>Total marks</b>	<b>40</b>

The mark allocation for insight may vary for each essay.

- 7.7 When awarding marks for facts, take note of the sub-maxima indicated, especially if candidates do not make use of the same sub-headings. Remember, headings and sub-headings are encouraged and contribute to insight (structuring/logical flow/sequencing) and indicate clarity of thought. (See BREAKDOWN at the end of each question.)
- 7.8 If the candidate identifies/interprets the question **incorrectly**, then he/she can still obtain marks for insight.
- 7.9 If a different approach is used by candidates ensure that the answers are assessed according to the mark allocation/subheadings as indicated in the memorandum.
8. Take particular note of the repetition of facts. Indicate with an 'R'.
9. Subtotals to questions must be written in the right margin. Only the total for each question should appear in the left margin next to the appropriate question.
10. Allocate TWO marks for complete sentences. Allocate ONE mark for phrases, incomplete sentences and vague answers.

**SECTION A****QUESTION 1 ( Accept the matching word/phrase if the letter of the alphabet is not given)**

- 1.1.1 C
- 1.1.2 D
- 1.1.3 B
- 1.1.4 D
- 1.1.5 C
- 1.1.6 A
- 1.1.7 B
- 1.1.8 D
- 1.1.9 B
- 1.1.10 D

**(10 x 2) (20)**

- 1.2.1 G (Life Assurance Policy)
- 1.2.2 E (Outsourcing)
- 1.2.3 A (Insubordination)
- 1.2.4 B (Quality Control)
- 1.2.5 C (Skills Development Act)

**(5 x 2) (10)****( Accept T/F)**

- 1.3.1 True
- 1.3.2 True
- 1.3.3 False
- 1.3.4 True
- 1.3.5 False

**(5 x 2) (10)****Total Marks: 40****BREAKDOWN OF MARKS**

<b>QUESTION</b>	<b>MARKS</b>
<b>1.1</b>	<b>20</b>
<b>1.2</b>	<b>10</b>
<b>1.3</b>	<b>10</b>
<b>TOTAL</b>	<b>40</b>

**SECTION B****QUESTION 2**

**2.1.1 Explain the contribution of SETAs towards ensuring that quality skills development takes place. Illustrate by using any TWO examples. (LO 1 AS 4) ( LO 4 AS 3)**

- Manage the learnerships and training in each SETA sector. ✓✓
- Ensure that skills requirements of different sectors are identified. ✓✓
- Ensure that training is of the appropriate quality. ✓✓
- Responsible for Skills Programmes to improve skills of current workers. ✓✓
- Assist unemployed people to enter the job market by providing skills Programmes. ✓✓
- Provide accreditation to Facilitators and Training Providers.
- Any other relevant skills development programme. ✓✓

**(any 2 x 2) (4)**

**EXAMPLES:**

## SETA

- Engineering which provides training and skills development in the engineering field e.g. Electronic engineering. ✓✓
  - Office Administration which provides training and skills development to Secretaries and Office Assistants in office work. ✓✓
  - MQA – Mining Qualifications Authority. ✓✓
  - INSETA – Insurance Sector. ✓✓
  - HWSETA – Health and Welfare Sector. ✓✓
  - FOODBEBV – Food and Beverages Manufacturing Sector. ✓✓
  - FASSET – Financial and Accounting Service Sector. ✓✓
  - ETDP – Education Training and Development Practices. ✓✓
  - CTFL – Clothing, Textile, Footware and Leather Sector. ✓✓
  - CETA – Construction Sector. ✓✓
  - PSETA – Public Sector. ✓✓
  - SERVICES SETA – Services Sector. ✓✓
  - THETA – Tourism and Hospitality and Sport Sectors. ✓✓
  - W & R SETA – Wholesale and Retail Sector. ✓✓
  - CHIETA – Chemical Industry Education Training Authority. ✓✓
  - ISETT- Information System, Electronic and Telecommunication Technology. ✓✓
- Any other relevant SETA.

**ACCEPT: Acronyms or Full details.**

**(any 2 x 2) (4)**

<b>Contributions</b>	<b>Max 4</b>
<b>Example</b>	<b>Max 4</b>

**2.1.2 Describe how SETAs are funded (LO 1 AS 4) ( LO 4 AS 3)**

Receive 80% of the funds collected from the Skills Development Levy that qualifying businesses must pay. ✓✓

- Employers pay a monthly levy equivalent to 1% of the total salary and wage expense of the business. ✓✓

## NSC – Memorandum

- Increase in income from services rendered by Setas. √√
- Grants, donations and bequests. √√
- Funding from the National Skills Development Fund. √√
- Income from surplus funds invested. √√

**Actual percentage is not necessary.**

**(any 1 x 2) (2)**

**2.2.1 What do the letters 'BBBEE' stand for. (LO1 AS 4) (LO 4 AS 3)**

Broad Based Black Economic Empowerment or Black Economic Empowerment. √√

**(2)**

**2.2.2 Justify the introduction of the BBBEE Act by explaining any TWO examples. (LO 1AS 4) (LO 4 AS 3)**

**EXAMPLES :**

- Ownership and management by Black people of existing or new businesses √√ e.g. black South Africans having a majority shareholding in African Rainbow Minerals. √
- To promote equal employment opportunities to disadvantaged people √√ e.g. Khumba Resources employs a large number of black women. √
- Examples /illustrations should indicate understanding of Act.
- The pillars of management must show understanding and relevance to the Act.
- Examples only – no marks awarded.
- Any relevant answer related to BBBEE implementation.

**(any 2 x 3) (6)**

Fact	Max 2
Example	Max 1

**2.2.3 Suggest TWO ways in which the BBBEE Act can be applied to a company that has a large forestry plantation. (LO 1 AS 4)**

- This forestry company may have its own transport business and it may outsource this function to its black employees e.g. owner-driver. √√
- Selling part of its shares to its black employees so that they can share in the profits of the company. √√
- Any other business that flows out of a forestry plantation and relates to BBBEE.
- Any other black persons who have a direct interest in the business.

**(any 2 x 2) (4)**

**2.3 For each statement given below, identify the business sector to which it relates and give a reason for your answer. (LO 1 AS 5)**

**2.3.1 A company that has a large forestry plantation**

**Identification**

Primary sector. √√

**Reason**

- The extracting of natural resources. √√

- or
- Collection, cultivation and extraction of raw materials. √√

(4)

### 2.3.2 A refinery where coal is processed into petrol

#### Identification

Secondary sector √√

#### Reason

- Processing the raw material into final products √√
- or
- Manufacturing, conversion, changing, transforming, production √√

(4)

Identification	2
Reason	2

### 2.4 Answer the following questions based on the Employment Equity Act 1998 (ACT 55 OF 1998): (LO 1 AS 4)

#### 2.4.1 State the main purpose of the Employment Equity Act.

- To implement the affirmative action plan of the government. √√
- Businesses must create equal job opportunities for all people in the country. √√
- Eliminate unfair discrimination. √√
- Achieve diversity in the workplace. √√
- Address historical imbalances of the past. √√
- Equal representation in the workplace. √√

(any 1 x 2) (2)

#### 2.4.2 Evaluate the impact of this Act on business operations. (LO 1 AS 4)

- Employers must create opportunities for previously disadvantaged /career mobility of people. √√
- Employers are prohibited from discriminating against anyone on the basis of race, gender, age or disabilities. √√
- Employers must transform their workplaces so that barriers to employment equity are eliminated. √√
- Cost implications for implementing the Act. √√
- Implementing the Act is time consuming. √√
- Staff turnover is affected. √√
- Could lead to loss of qualified workers. √√
- Could lead to conflict in the workplace. √√
- Any other relevant answer relating to the impact of the Employment Equity Act.

(any 2 x 2) (4)

#### 2.4.3 Propose TWO ways in which government can contribute to its successful implementation of this Act (LO 1 AS 4).

- Transforming the workplace through SETAs / Learnerships.
- Employers are fined if they do not implement the provisions of the Employment Equity Act. √√
- Employers must furnish regular reports to the Department of Labour on their Employment equity plans. √√
- Sending out inspectors to monitor the implementation of the Act. √√
- Those companies who comply with the Act be given certificates / recognition √√
- Provide incentives to companies who comply with the Act. √√
- Any other relevant answer relating to government's contribution towards  
**(any 2 x 2) (4)**

**2.5.1 Identify TWO social responsibility programmes implemented by Grinaker-LTA for the community.(LO1AS 3)**

- Upgrading existing schools. √√
- Building new schools in urban and rural areas. √√
- Allocation of funds for SAICE Schools Bridge-building Competition. √√
- Allocation of funds for educational material for the Maths Centre for Professional Teachers. √√
- The National Business Initiative enhances education, economic growth and effective governance. √√

**Any relevant social responsibility program relating to the case study.**  
**(any 2 x 2) (4)**

**2.5.2 Justify Grinaker LTA's decision to spend 1% of their annual earnings on CSI, with regard to both the company and the community.**

**Benefits to the Company**

- Improves the image of the company. √√
- The company enjoys goodwill/customer patronage. √√
- Highly skilled workers can be attracted e.g. engineers. √√
- Serves as a marketing strategy to increase sales. √√
- Increase productivity through greater commitment of employees. √√
- Tax benefits for the company. √√
- Sets a trend for other companies to follow. √√
- Any relevant answer relating to benefits to company. √√

**(any 3 x 2) (6) Submax.**

**Benefits to the Community**

- Job creation. √√
- Poverty alleviation. √√
- The standard of living of the community is uplifted. √√
- Uplift the education and educational facilities of the community. √√
- Any relevant answer relating to benefits to the community. √√

**(any 3 x 2) (6) Submax.**

**Max: 8**

**NOTE: If a candidate gave a combined response (no separation), then there must be a submax of (3 x 2) = 6 marks for each relevant benefit to the Company/Community. The maximum is 8.**

**2.6 Umzinto Sugar Ltd. has a vacancy for a financial accountant. You are the human resources manager of this company. Outline FOUR steps in the recruitment process that you, as human resources manager, will follow to fill this vacancy. (LO 4 AS 3)**

- The Human Resources Manager must prepare/evaluate job description ✓✓
- The Human Resource Manager must indicate the job specification. ✓✓
- A decision must be made as to whether recruitment should be internal.
- If internal is unsuccessful the look at external recruitment. ✓✓
- If external, the Human Resources Manager must select the relevant recruitment source e.g. from recruitment agencies, tertiary institutions, or placing an advertisement in the newspaper. ✓✓
- The advertisement must be prepared with the relevant information, e.g. The name of the company, contact details, name of the person to be contacted regarding the vacancy. ✓✓
- Place the advertisement in the appropriate media. ✓✓

**Accept any order in presentation of steps**

**(Any 4 x 2) (8)**

**OR**

**Alternative Answer.**

- Recruitment Planning – job analysis is carried out. ✓✓
- Recruitment Action – how, where and when recruitment should take place and who will be responsible. Several methods can be used. ✓✓
- Exploration of Human Resources – first step in the physical recruitment activity in the recruitment process. Internal and external sources can be used. ✓✓
- Screening – Applications are screened to find out if they qualify according to requirements of the post. ✓✓
- Provisionally Selected Applicants – List of qualifying applicants provides the human resources department with provisionally selected applicants and it completes the recruitment process. ✓✓

**(any 4 x 2) (8)**

**OR**

**Alternative Answer.**

- Recruitment ✓
- Selection ✓
- Placement ✓
- Induction ✓

**(Allocate a maximum of 4 marks even if there are explanations)**

**(any 4 x 1) (4)**

**[60]**

**BREAKDOWN OF MARKS**

QUESTION 2	MARKS
2.1.1	8
2.1.2	2
2.2.1	2
2.2.2	6
2.2.3	4
2.3.1	4
2.3.2	4
2.4.1	2
2.4.2	4
2.4.3	4
2.5.1	4
2.5.2	8
2.6	8
<b>TOTAL</b>	<b>60</b>

**QUESTION 3**

**3.1 With reference to ethics and professional behaviour, explain the following in the workplace or in industry. Use an example to illustrate each issue. (LO 3 AS 3)**

**3.1.1 Unethical advertising**

- Deceptive advertising ✓✓
- Example: Advertising second-hand goods as new / wrong prices. ✓✓
- Advertisements should be honest and should not abuse the consumers' trust or lack of knowledge ✓✓
- Example: offering a two-year guarantee but not accepting it when goods become faulty during the guarantee period. ✓✓
- Second hand goods only- no illustration. ✓✓
- Deceptive pricing, promotion, packaging. ✓✓
- Giving goods deceptive names. ✓✓
- Gives examples within illustration. ( Allocate 4 marks)
- Any other relevant answer regarding unethical advertising

**(any 2 x 2) (4)**

Fact	2
Example	2

**3.1.2 Sexual harassment**

- Sexual harassment is a violation of basic human rights which usually happens when someone who is in power over another abuses his position. ✓✓
- Example : A superior guarantees the granting of a promotion or a raise in salary in return for sexual favours from the subordinate. ✓✓
- Sexual harassment is prohibited by labour legislation and enterprises must educate their employees on this issue. ✓✓
- Example: the guilty could be fined. ✓✓
- This is any sexual advance, gesture or remark that causes a person to feel intimidated and threatened in the workplace. ✓✓
- Example: touching in a sexually expressive manner. ✓✓
- Quid Pro Quo – favours for doing certain things. ✓✓

Other examples of harassment:

- Explicit sexual jokes, pictures on the wall. ✓✓
- Physical / Verbal Sexual advances. ✓✓
- Any relevant answer relating to sexual harassment.

**(any 2 x 2) (4)**

Fact	2
Example	2

**3.2 Analyse any THREE qualities of a successful entrepreneur. Use the examples from the extract to support your answer. (LO2 AS 4)**

- Good organisational and management skills ✓✓ - Optimistic and goal-setting people do not lose sight of essential management functions. ✓✓

- Good communication skills. √√ - Interact effectively with people, positive and pleasant . √√
- Creativity and the ability to be innovative √√ - Inquisitive, intuitive and enjoy new challenges, full of new ideas. √√
- Interpersonal skills and the ability to work with people. √√
- Eager to meet people and satisfy them. √√
- Ability to take calculated risks to increase output and profits. √√
- Ability to judge and act on incomplete information. √√
- Positive and committed to the business. √√
- Self confidence, determination and dedication to do their best at all times. √√
- Gave examples without mentioning the quality allocate 2 marks.
- Learner gave only the numbers, allocate 2 marks.

(any 3 x 4 = 12)

Fact/explanation	2
Extract from case study	2

**3.3 Bongani’s General Dealers business is not insured. You are an insurance broker. Bongani approaches you to advise him on insurance. You complete a proposal form for Bongani’s business. The monthly premium is calculated at R2 800 on a total value of goods amounting to R2 800 000.**

**3.3.1 Identify the type of insurance that Bongani needs and give ONE reason why this insurance is beneficial to him. ( L02 AS 7)**

**Non-compulsory insurance / Short term insurance / Fidelity insurance /Insurance of stock. √√**

Insurance protects Bongani against possible losses he may suffer as a result of fire, burglary, theft, storm damage, etc. Therefore, if he is insured he will be indemnified for losses by the insurance company. √√

Any relevant answer on non compulsory insurance. **(4)**

**Do not accept any answer regarding Long Term Insurance. Advantage must be relevant to scenario.**

Type	2
Reason	2

**3.3.2 Bongani states that the premium of R2 800 per month is not within his budget. What advice would you offer? Provide two suggestions. (LO2 AS 7)**

- Under-insurance is an option to suit his budget. √√
- Bongani should reduce his stock. √√
- Obtain a quote from another broker. √√
- Precautionary measures to reduce risk. √√
- Reduce operational costs / unnecessary costs. √√
- Ability to absorb risks. √√
- Any other relevant answer relating to viable options. √√

**(2 x 2) (4)**

**3.4 Scenario – Investment opportunities and returns.**

**3.4.1 Analyse each family member's investment in terms of the risk factor for the two-year period. (LO2 AS 7)**

Bob

This is a low / absolute risk-investment. ✓✓

Sam

This is a high / relative or medium risk investment. ✓✓

Rina

There is little or no risk / low / absolute attached to fixed deposits at a bank. ✓✓

**Alternative answer :**

**Learners who have ranked the risk correctly, allocate full marks.**

**(3 x 2) (6)**

**3.4.2 Determine which investment earns the highest return. Show calculations to substantiate your answer. (LO2 AS 7)**

**The following formula must be applied by the candidates :**

$$\text{Percentage return} = \frac{\text{Profit}}{\text{Initial investment}} \times \frac{100}{1}$$

**Bob's investment:**

$$\text{Profit} = \text{R}500\,000 - \text{R}400\,000$$

$$= \text{R}100\,000. \checkmark$$

$$\text{Percentage return} = \frac{100\,000}{400\,000} \times \frac{100}{1} \% \checkmark$$

$$= 25 \% \checkmark$$

**Allocate maximum if answer is 25% OR R 100 000 (max. 3) (3)**

**Sam's investment :**

$$\text{Profit} = \text{R}400\,000 (20\,000 \times \text{R} 20) - \text{R}200\,000$$

$$= \text{R}200\,000 \checkmark$$

$$\text{Percentage return} = \frac{200\,000}{200\,000} \times \frac{100}{1} \% \checkmark$$

$$= 100 \% \checkmark$$

**Allocate maximum if answer is 100% OR R 200 000(max. 3) (3)**

**METHOD 1: Rina's investment**

$$\text{Interest} = \frac{15}{100} \times 300\,000$$

$$= \text{R} 45\,000 \checkmark \text{ ( Learners may show this calculation)}$$

$$\text{Percentage Return} = \frac{45\,000}{300\,000} \times 100 \checkmark \times 2$$

$$= 30 \% \checkmark$$

**(3)**

**OR**

**Allocate full marks if the learner writes 30% OR R 90 000. (3)**

**METHOD 2: Rina's Investment**

$$\begin{aligned} \text{Year One} &= \frac{15}{100} \times 300\,000 \checkmark \\ &= R\,45\,000 \checkmark \quad \text{(Learners may show this calculation)} \end{aligned}$$

$$\begin{aligned} \text{Year Two} &= \frac{15}{100} \times 345\,000 \\ &= R\,51\,750 \checkmark \end{aligned}$$

$$\begin{aligned} \text{Percentage Return} &= \frac{96\,750}{300\,000} \times 100\% \\ &= 32\% \checkmark \end{aligned} \quad (3)$$

(Award full marks if the learner writes 32% or R 96 750 ✓✓✓)

**(Award full marks if answer is correct, otherwise, part marks for the understanding of the concept/process/procedure up to a maximum of 1 mark for each member.)**

**OR (Alternative answer)**

**The profits could be used as an alternative to demonstrate the investment that earned the highest return.**

**Bob - R 100 000 (3 marks)**

**Sam - R 200 000 (3 marks)**

**Rina - R 90 000 or R 96 750 (3 marks)**

Sam's investment in Gold Reef Shares earned the highest rate of return. ✓✓  
(2)

Calculations	9
Sam's investment	2

**(Max. 10)**

**3.4.3 Name the institution that buys and sells shares in South Africa.  
(LO 2 AS 7)**

The Johannesburg Securities Exchange. ✓✓

or

JSE or JSE LTD or Johannesburg Stock Exchange

or

Banks ✓✓

Stockbrokers ✓✓

Private Company ✓✓

Public Company ✓✓

Insurance Company ✓✓

Broker ✓✓

**(2)**

NB. 1. Do not accept "STRATA" as an answer.

2. Must be linked to buying and selling shares.

**3.4.4 Name TWO functions of the institution mentioned in QUESTION 3.4.3. (LO2 AS 7)**

- To keep investors informed by publishing share prices in the newspapers. ✓✓
- Small investors are given an opportunity to invest in the economy and growth of the country. ✓✓
- Mobilises the funds of insurance companies and other institutions. ✓✓
- Financial redevelopment sector. ✓✓
- Regulated market for dealing with shares. ✓✓
- Venture capital market. ✓✓
- Raising primary capital. ✓✓
- Orderly market for securities. ✓✓
- Encourage new investment. ✓✓
- Channel funds into Commerce and Industry and keep investors informed. ✓✓
- Link between investor and entrepreneur.
- Any other relevant function of the JSE. ✓✓

**Note : If learner gave Banks or another answer – Mark relevant answer according to the institution in Question 3.4.3 above.**

**(2 x 2) (4)**

**3.4.5 Recommend TWO ways of investing in this institution.**

- Buying unit trusts ✓✓
- Through financial institutions ✓✓
- Other registered financial service providers, e.g. brokers. ✓✓
- Investing online. ✓✓
- Buying shares in public companies. ✓✓

**NB. WILL DEPEND ON THE NAME OF THE INSTITUTION (Q 3.4.3). PLEASE NOTE : Q 3.4.3 TO 3.4.5 ARE LINKED.**

**(2 x 2) (4)**

**3.5 Scenario – Fanie Botha: Pie chart**

**3.5.1 Give ONE reason why Fanie uses the sales figures of Sanele's Exhaust and Tyre Shop. (LO2 AS 6)**

- Fanie uses Sanele's business because this business uses his agency. ✓✓
- Showed a progressive increase in sales from the first quarter to the last quarter. ✓✓

**(any 1 x 2) (2)**

**3.5.2 What, in your opinion, has influenced the sales figures? Motivate your answer. (LO 2 AS 6)**

- Since Fanie's advertising agency has given wider exposure, sales figures have increased, which indicates a positive impact on the business. ✓✓
- Indicates that businesses must advertise so that the consumer public is aware of its existence and supports the business. ✓✓

- Sanele operates an exhaust and tyre shop - Black Economic Empowerment. ✓✓

**Alternative answer:**

- Advertising opinion . ✓✓
- Motivation ✓✓
- E.g. Opinion: Adverts ✓✓  
Motivation: Increased sales due to advertising. ✓✓

(2 x 2) (4)  
Max: 4  
[60]

**BREAKDOWN OF MARKS**

QUESTION 3	MARKS
3.1.1	4
3.1.2	4
3.2	12
3.3.1	4
3.3.2	4
3.4.1	6
3.4.2	10
3.4.3	2
3.4.4	4
3.4.5	4
3.5.1	2
3.5.2	4
<b>TOTAL</b>	<b>60</b>

**QUESTION 4****4.1 Case Study - RAINBOW CAR SALES****4.1.1 Describe THREE causes of conflict within Rainbow Car Sales. Use the information from the case study to support your answer. (LO3 AS 6)**

- Racism – grouping according to racial lines. ✓✓
- Conflict regarding the performance of duties between the sales manager and staff under her supervision. ✓✓
- Promotion of Ms Beauty Khuzwayo overlooking of senior sales personnel in the promotion process. ✓✓
- Gender discrimination. ✓✓
- Lack of team work/dynamics – no co-operation amongst members of the team. ✓✓
- Management style – open conflict regarding performance. ✓✓
- Negligence of the well-being of employees. ✓✓
- Any relevant answer relating to case study.

**(any 3 x 2) (6)**

Fact	1
From Case study	1

**4.1.2 Assume you are the manager of Rainbow Car Sales. List any FIVE steps that you would follow to resolve the conflict. (LO3 AS 6)**

- Acknowledge that there is conflict between the employees. ✓✓
- Identify the causes of the conflict. ✓✓
- Arrange for a meeting between the conflicting parties and management. ✓✓
- Analyze. ✓✓
- Brainstorm. ✓✓
- Choosing the best idea. ✓✓
- Implement the chosen idea. ✓✓
- Analyse the result thereafter. ✓✓
- Devise strategies to resolve the conflict. ✓✓
- Find a way forward by requesting parties to adhere to a memorandum of understanding. ✓✓

**OR****Alternative answer:**

- Ignore the conflict. ✓✓
- Pre-negotiation. ✓✓
- Negotiation. ✓✓
- Post-negotiation. ✓✓
- Follow-up of the process. ✓✓

**OR****Alternative answer:**

- Approach the conflict directly. ✓✓
- Bargaining. ✓✓
- Mediation ✓✓
- Arbitration. ✓✓
- Right to appeal. ✓✓

**OR****Alternative answer:**

- Meet with conflicting parties. ✓✓
- Make sure the parties understand that it is okay to disagree. ✓✓
- Allow each party to state their mind. ✓✓
- Consider the manager's perspective on how to resolve the conflict. ✓✓
- Set a timeframe for resolving the conflict. ✓✓
- Any other relevant step in resolving conflicts.

**Accept any order.****Any (5 x 2) (10)**

**4.1.3 Rainbow Car Sales employees do not belong to a trade union. Advise the employees on whether they should join a trade union. State FOUR reasons to support your decision. (LO 4 AS 5)**

**Yes ✓✓ OR I advise them to join a trade union ✓✓ OR if implied positively write "YES" and give TWO marks. (2)**

**Reasons:**

- Unions strive to improve the working conditions of members. ✓✓
- Unions are involved in joint decision making when interacting with the employer. ✓✓
- Protects its members from retrenchment and unfair dismissals. ✓✓
- Unions monitor the implementation of matters affecting legislation e.g. equity, affirmative action, employment of workers with disabilities. ✓✓
- Unions act on behalf of members in dispute resolution. ✓✓
- Any other acceptable answer regarding functions/advantages.
- Consider advantages of trade unions.

**(any 4 x 2) (8)  
(2 + 8) (10)**

**OR**

**NO ✓✓ OR I advise them not to join a trade union. ✓✓ OR if implied Negatively write "NO" and give two marks. (2)**

**Reasons:**

- Perceived / alleged fraud, corruption or mismanagement of funds. ✓✓
- Nepotism. ✓✓
- Time wasted at meetings. ✓✓
- High subscriptions. ✓✓
- Any other function relating to disadvantages of unions.
- Consider the disadvantages of trade unions.

**(any 4 x 2) (8)  
(2 + 8) (10)**

(Award zero marks for candidates indicating Yes or No without explanation/reason.)

If the reason / explanation indicates a Yes or No then the mark allocated should appear as Yes ✓✓ or No ✓✓ - must be indicated by the Marker.

- 4.1.4 Recently one of the employees of Rainbow Car Sales was dismissed from work. It was alleged that management had accused him of being under the influence of alcohol whilst on duty. The employee was not consulted and had to leave with immediate effect. Give SIX reasons why you consider this dismissal to be unfair. (LO4 AS 5)**

**Reasons to support your answer:**

- Proper procedures were not followed - no first, second, final warning. ✓✓
- No representation by a union. ✓✓
- Employee was not consulted. ✓✓
- No evidence of a disciplinary hearing. ✓✓
- The misconduct is only an allegation. ✓✓
- Employees were not informed by management of the procedures to be followed in case of misconduct. ✓✓
- In this case the company should have ascertained whether this was the first, second or third offence. ✓✓
- This company does not have any recorded evidence of previous warnings in writing. ✓✓
- This company does not have a policy in place with regard to misconduct in the workplace. ✓✓
- Policy would dictate that if for e.g. a person is under the influence of alcohol while on duty then this person must be taken to a doctor to obtain blood samples. ✓✓
- The company should also provide for counselling/rehabilitation of workers. ✓✓
- The right to appeal / defend not exercised. ✓✓

**(any 6 x 2) (12)**

- 4.1.5 One of the complaints to Rainbow Car Sales is that management does not consider the well-being of its employees in the workplace. Explain any TWO ways that you would implement to improve this situation. (LO3AS 10)**

- Pay a fair wage/salary. ✓✓ above industrial average. ✓
- Provide fringe benefits. ✓✓ e.g. car allowance. ✓
- Provide a healthy and safe working environment. ✓✓ e.g. air conditioners. ✓
- Provide a clinic and medical clinic assistance in the case of emergencies. ✓✓ e.g. nurse and medication / first aid kit. ✓
- Provide support programmes to employees ✓✓ e.g. counselling, HIV/Aids education, etc. ✓
- Performance appraisal ✓✓- cash bonuses for performances. ✓
- Open consultation ✓✓- open communication channels . ✓
- Proper policies ✓✓- e.g. Grievance procedure. ✓
- Delegation of trust ✓✓ - delegation to subordination. ✓
- Any other acceptable answer on the well-being of employees.
- Recreation facilities ✓✓ – fitness / better health. ✓

**(any 2 x 3) (6)**

Fact	2
Example	1

**4.2.1 State the job title. (LO3 AS7)**

- Human resources practitioner: Provisioning √√ (2)

**4.2.2 Assume you are applying for this position. Name any TWO significant aspects that are of relevance to you. Give reasons for your answer. (LO3 AS 7)**

- Related skills. Persal system, relevant legislation. √√  
Special interest, meet requirements and experience in key performance areas. √
- Salary: R132 054 p.a. √√  
Present salary is lower. √
- Duties of the position. √√  
Duties suit your interest. √
- Closing date of the application. √√  
Meet deadlines. √
- Contact person. √√  
Enquiry. √
- Head Office: Pietermaritzburg. √√  
Location
- Any requirements stated in the advert covered by the learners should be considered.
- Aspect only taken from advert only 2 marks to be allocated.

(any 2 x 3) (6)

Significant aspect	2
Reason	1

**4.2.3 Calculate the monthly gross salary for the advertised position. (LO3 AS 7)**

Monthly gross salary = Salary per annum ÷ 12 √√  
 R132 054 ÷ 12 = R11 004,50 √√ or if answer is correct √√√√ (4)  
 Learner rounds off the answer to R 11 005 allocate √√√√ (4) marks.

(If answer is incorrect allocate a maximum of 1 mark for showing understanding of process/concept and procedure.)

**4.2.4 How does this advertisement comply with the government’s initiative of inclusivity? Give TWO reasons for your answer. (LO 2 AS 5)**

- Female persons are encouraged to apply for this position. √√
- Persons with disabilities are also encouraged to apply. √√
- Equal opportunity, affirmative action employer. √√

(any 2 x 2) (4)  
[60]

**BREAKDOWN OF MARKS**

<b>QUESTION 4</b>	<b>MARKS</b>
<b>4.1.1</b>	<b>6</b>
<b>4.1.2</b>	<b>10</b>
<b>4.1.3</b>	<b>10</b>
<b>4.1.4</b>	<b>12</b>
<b>4.1.5</b>	<b>6</b>
<b>4.2.1</b>	<b>2</b>
<b>4.2.2</b>	<b>6</b>
<b>4.2.3</b>	<b>4</b>
<b>4.2.4</b>	<b>4</b>
<b>TOTAL</b>	<b>60</b>

**TOTAL SECTION B: 180**

**SECTION C****QUESTION 5**

**Identify the challenges raised and classify them according to the THREE business environments. Suggest practical ways or strategies that this manufacturer can use to control or overcome these challenges. Make recommendations to Gugulethu Furniture Manufacturers on whether it should continue to operate in this sector. (LO 1 AS 2 + 5)**

**5.1 Introduction:**

- Businesses face challenges from the different environments. ✓
- The different environments are as follows:  
Micro, market and macro. ✓
- The degree of control varies amongst the different environments. ✓
- A business can control its micro environment. ✓
- Therefore, they need to devise strategies to enable it to respond to these challenges. ✓
- Any relevant introduction relating to business environments.

**(any 3 x 1) (3)****5.2 Challenges and control over the different environments.****NB: Identification of environments have 6 marks allocated in total.****5.2.1 Micro-environment ✓✓****1. Challenge:**

- Decline in the turnover of furniture due to the negative effect on credit applications and many of the clients did not meet the minimum requirements. ✓✓

**Control/strategies/practical ways**

- revise the marketing strategy to do more cash sales ✓✓
- Any relevant strategy relating to sales decline.

**2. Challenge:**

- Sales personnel are not forceful in securing sales. ✓✓

**Control/strategies/practical ways**

- Send sales personnel on a training course in marketing skills ✓✓
- Use the facilities of SETAs e.g. merSETA, to train sales personnel ✓✓
- Any relevant strategy relating to sales personnel.

**3. Challenge:**

- No medical attention or support for those infected with HIV/Aids infection. ✓✓

**Control/strategies/practical ways**

- Can provide support by distributing antiretroviral (ARV) medicine. ✓✓
- Transport workers to clinics for treatment. ✓✓
- Ensure that medical services are available/accessible. ✓✓
- Education on HIV/AIDS. ✓✓
- Support for HIV/AIDS employees. ✓✓
- Any relevant strategy relating to medical attention/support.

**4. Challenge: (Can also be discussed as a challenge within the Macro-business Environment)**

- Noise pollution because of the high volume of noise created by machines. ✓✓

**Control / strategies/practical ways**

- Supply workers with ear protectors. ✓✓
- Modify or replace machines to reduce the noise levels. ✓✓

**Identification: (2)**  
**Challenges: (any 3 x 2) (6)**  
**Control/strategy: (any 3 x 2) (6)**  
**(Max. 10)**

**5.2.2 Market environment ✓✓****1. Challenge:**

- Losing market share to the competitor (opening of new furniture manufacturing business). ✓✓

**Control/strategies/practical ways**

- Improve the quality of the products by quality control. ✓✓
- Start an advertising campaign. ✓✓
- Advertise business in the local newspaper. ✓✓
- Specials on certain days. ✓✓
- Competitions to attract customers to buy more. ✓✓
- Market penetration, market development and product development. ✓✓
- Defensive strategy: Retrenchment, divestiture and liquidation. ✓✓
- Any other strategy relating to the market share.

**2. Challenge:**

- Retaining current consumers/customers. ✓✓

**Control/strategies/practical ways**

- Strategy relating to brand/product loyalty. ✓✓

**3. Challenge:**

- Veld fires during the dry winter season had a serious impact on the supply of raw materials which hampered production. ✓✓

**Control/strategies/practical ways.**

- Negotiate with new suppliers to supply raw materials at a reasonable price. √√

**Identification** (2)

**Challenges:** (any 3 x 2) (6)

**Control/strategy:** (any 3 x 2) (6)

**(Max. 10)**

**5.2.3 Macro environment** √√**1. Challenge:**

- Increase in interest rates. √√

**Control/strategies/practical ways**

- Reduce borrowings e.g. paying of debts earlier. √√
- Cut costs and thus eliminate the need to borrow. √√
- Become more productive in order to increase output. √√
- Increase turnover by reducing prices and thereby capturing a greater market share. √√
- Increase capital contribution, selling shares, admitting a new partner. √√

**2. Challenge:**

- Cheap imports of household furniture is affecting the company and will in future affect employment. √√

**Control/strategies/practical ways**

- Lobby government to look into ways of controlling the importing of cheap furniture e.g. increase import duties. √√
- Improve quality of product. √√
- Volume production. √√

**3. Challenge: (Can also be discussed as a challenge within the Micro business Environment)**

- Noise pollution because of the high volume of noise created by machines. √√

**Control / strategies/practical ways**

- Purchase machinery with lower noise levels. √√
- Adhere to legislation in terms of noise pollution. √√

**4. Challenge:**

No trade union to take up labour grievances with management. √√

**Control / strategies/practical ways**

- Management can invite officials of trade unions to address employees on benefits of belonging to such an organisation √√

**5. Challenge:**

- National Credit Act (NCA) decline in sales. √√

**Control / strategies/practical ways**

- NCA compliant to speed up vetting process. √√

**Identification (2)**  
**Challenges: (any 3 x 2) (6)**  
**Control/strategy:(any 3 x 2) (6)**  
**(Max. 10)**

**Note: Where a challenge is discussed under a different business environment it must be marked within the context of the extent of the control of management over the challenge in the business. The challenge can be placed under different business environment however the business strategies must differ.**

**NOTE: Maximum for 3 environments is 30.**

**5.3 Recommendations:**

- Remain in the secondary sector based on the implementation of the above strategies. √√
- Integrate vertically by manufacturing, e.g. office furniture. √√
- Change the distribution policy for e.g. direct marketing. √√
- Any other recommendation to improve growth and sustainability of business.

**(any 2 x 2) (4 Max)**

**5.4 Conclusion**

- Challenges are always there and therefore need to be managed. √
- The business must implement the applicable strategy to overcome the challenges.
  - Relevant facts relating to environment.
  - Recommendations could also be included in the conclusion (4 + 2)

**(2 x 1) (2)**

**Subtotal 39: Max 32**

**Breakdown of mark allocation:**

<b>Details</b>	<b>Maximum</b>	<b>Reduced to</b>	<b>Subtotal</b>	<b>Total</b>
Introduction			<b>3</b>	<b>Max 32</b>
Micro environment	Identification 2	Max 10	<b>30</b>	
	Challenges 6			
Market environment	Control strategies 6	Max 10		
	Identification 2			
Macro environment	Challenges 6	Max 10		
	Control strategies 6			
Recommendation			<b>4</b>	
Conclusion			<b>2</b>	
<b>INSIGHT *(LASO)</b>				
Layout				<b>2</b>
Analysis , Intrepretation				<b>2</b>
Synthesis.				<b>2</b>
Originality, examples				<b>2</b>
<b>TOTAL MARKS</b>				<b>40</b>

**\*LASO – For each component :**

**Allocate 2 marks if all requirements are met.**

**Allocate 1 mark if only some requirements are met.**

**Allocate 0 marks where requirements are not met at all.**

**QUESTION 6**

**Various criteria influence the success or failure of a business enterprise. Potential business persons must give due consideration to these criteria when choosing the form of ownership.**

**Discuss the impact of capital, management, division of profits and legislation as factors that can contribute to the success or the failure of a sole trader and a close corporation.**

**Based on the above factors, make a recommendation regarding type of ownership to an entrepreneur starting a small business selling shoes. Justify your recommendation decision. (LO2 AS 8)**

**6.1 Introduction**

- The right choice of form of ownership is important when starting a business. ✓
- The form of ownership affects the success or the failure of a business enterprise. ✓
- The management of financing within the organisation plays a vital role in the success or failure of the business. ✓
- Any relevant introduction regarding forms of ownership and the success factors.

**(3 x 1) (3 Max)**

**6.2 Factors that can contribute to the success or failure of a sole trader and a close corporation.**

**NOTE WELL : The following factors can be presented in Table Form. Factors presented under each form of ownership allocate marks as per memorandum.**

**a. Capital****Sole trader**

- Capital of the sole trader depends on contributions from his/her savings. ✓✓
- Sole trader can borrow from financial institutions. ✓✓
- If the sole trader's credit-worthiness is not sound, he/she may fail to raise enough capital from financial institutions, which may lead to business failure. ✓✓
- The owner can cede his/her shares with other companies / fixed deposit / investment that he/she has with other companies or insurance policies in order to raise capital. This can lead to the success of the business. ✓✓
- Can cede his investments / fixed deposits to raise capital. ✓✓

**(any 2 x 2) (4)**

**Close Corporation**

- Each member contributes to the capital of the corporation in the form of finance, assets or services. ✓✓
- Contributions by members may be increased or decreased, only with the approval of all members. ✓✓
- Combined assets of members provide better security for loans from financial institutions. ✓✓
- CC can increase the number of members as a way of obtaining or raising funds for the business. ✓✓
- Restrictions on the number of members can hamper growth and expansion. ✓✓

**(any 2 x 2) (4)**

**b. Management****Sole trader**

- The owner-manager is able to make quick decisions in order to take advantage of opportunities and ward off threats. ✓✓
- If the manager lacks managerial experience and skills, this will lead to business failure. ✓✓
- If the manager is innovative, experienced and creative, this will improve the success of the business. ✓✓

**(any 2 x 2) (4)**

**Close Corporation**

- All members of a CC participate actively in the management of the business. ✓✓
- All duties of each member are clearly defined and they are in accordance with his/her skills in management. ✓✓
- A member of the CC can bind the business in transactions with third parties, whether authorised or not. This may negatively influence the success of the business. ✓✓

**(any 2 x 2) (4)**

**c. Division of profit****Sole trader**

- The owner is entitled to the entire profit or loss made by the business. ✓✓
- Ts will motivate the owner to improve the quality of product sold or services rendered. ✓✓
- The owner will improve his/her management skills and this will contribute positively to the success of the business. ✓✓

**(any 2 x 2) (4)**

**Close Corporation**

- Profit sharing is based on member's interest. ✓✓
- Percentage of individual members is determined by mutual agreement. ✓✓
- Sharing of profits of members is done under certain conditions, e.g. when assets exceed liabilities or when the business is able to pay off debts under normal business operations. If these conditions are met, this will contribute positively to the success of the business. ✓✓

**(any 2 x 2) (4)****d. Legislation****Sole trader**

- Sole trader has no/limited legal requirements to comply with. ✓✓
- It must register with the Receiver of Revenue and Compensation Fund. ✓✓
- It must also inform the Receiver of Revenue and Compensation Fund when it closes the business. ✓✓
- It must comply with industrial and business legislation. ✓✓
- It must comply with the health and safety regulations of local authorities. ✓✓
- Not a legal person. ✓✓

**(any 2 x 2) (4)****Close Corporation**

- It is a legal person separate from its members. ✓✓
- It can act in its own name, own assets and liabilities. ✓✓
- It can register movable and immovable assets in its own name. ✓✓
- Legal requirements such as founding statement. ✓✓

**( any 2 x 2) (4)****NOTE: Maximum for factors is 32.****6.3 Recommendation:**

- **Answer 1:** Sole trader: ✓✓ Capital – small amount ✓✓  
**OR**
- **Answer 2:** Close Corporation: ✓✓ Capital – able to secure members to join the business to provide larger capital. ✓✓  
**OR**

Type of ownership chosen must include motivation on success factors. **(2x2 =4)****6.4 Conclusion:**

- From the above discussion it is clear that these factors may contribute to the success or failure of the business. ✓
- Management must have this in mind whenever they make a decision. ✓
- Any relevant conclusion to the question to be accepted.

**(2 x 1) (2)****SUBTOTAL 39: MAX 32**

Learners can combine the recommendation and conclusion however the mark allocation should be (6).

**Breakdown of mark allocation:**

Details	Maximum	Reduced to	Subtotal	Total
Introduction			<b>3</b>	<b>Max 32</b>
Capital	Sole Trader 4	Max 8		
	Close Corporation 4			
Management	Sole Trader 4	Max 8		
	Close Corporation 4			
Division of profits	Sole Trader 4	Max 8		
	Close Corporation 4			
Legislation	Sole Trader 4	Max 8	<b>32</b>	
	Close Corporation 4			
Recommendation			<b>4</b>	
Conclusion			<b>2</b>	
<b>INSIGHT *(LASO)</b>				
Layout				<b>2</b>
Analysis, interpretation				<b>2</b>
Synthesis				<b>2</b>
Originality, examples				<b>2</b>
<b>TOTAL MARKS</b>				<b>40</b>

**\*LASO – For each component :**

**Allocate 2 marks if all requirements are met.**

**Allocate 1 mark if only some requirements are met.**

**Allocate 0 marks where requirements are not met at all.**

**QUESTION 7**

**In South Africa many business people are highly successful in their business ventures. This can be attributed to the different management and leadership styles adopted by them in their particular business organisation.**

**Briefly distinguish between management and leadership and then discuss THREE different management and leadership styles that bring outstanding success to the business. Use examples to explain the application of these styles in the workplace. (LO3AS 5)**

**7.1 Introduction:**

- Today, many business persons are familiar with the different leadership and management styles that can be adopted in their business venture. ✓
- They will apply different styles and choose and adapt a style to suit their business. ✓
- The following are the most common management and leadership styles:  
Autocratic style, Laissez-Faire and Democratic-style leadership. ✓
  - Any relevant introduction relating to management and leadership.

**(Max: 3)****7.2 Distinguish between management and leadership.****Management**

Management is the process of getting things done by exercising the responsibility resulting from a particular position. ✓✓  
Any other relevant information regarding management.

**Leadership**

Leadership is about inspiring people to become achievers. Leaders are generally born with special innate characteristics or personality traits. ✓✓ **(Max: 4)**  
Any other relevant information regarding leadership

**Answer may be in tabular form.****7.3 Description of Leadership / Management styles (ANY THREE)****7.3.1 Autocratic style / Authoritarian Leadership style/Boss centered: ✓✓ (2)**

- The leader gives directives and instructions as a way of communicating with subordinates. ✓✓
- He makes all the decisions alone with little or no consideration of the needs of subordinates. ✓✓
- Subordinates are told what to do and how to do it without being given the opportunity to give inputs or make suggestions. ✓✓
- This kind of leadership style can be used when implementing the decisions of management. ✓✓

- Can be used when the manager has all the information needed to solve the problem. √√
- Should be used with maximum caution because it can de-motivate subordinates (followers). √√
- This management style may lead to crisis situations within the organisation. √√
- Any relevant information regarding the autocratic style.

### COMMENT/APPLICATION

- This style of management can be used by management when implementing policies of the business enterprise and a government legislation. √√
- Used when dealing with employees who are not cooperative in the workplace. √√
- Used under crisis situations. √√
- Any other relevant answer relating to the autocratic style.

**Type: 2**  
**(any 5 facts x 2) (10)**  
**Comment/Application (2)**  
**Max: 10**

### 7.3.2 Laissez-faire / Free rein Leadership Style/Subordinate centered: √√ (2)

- The leader is not part of the decision-making but allows employees to make all the decisions within the limits of the policy. √√
- The leader only gets involved when requested. √√
- The leader remains responsible and accountable for the employees' decisions and actions. √√
- This may lead to frustration on the part of employees because they lack experience and have not earned the trust of the leader. √√
- This style is appropriate when the leader is empowering his employees through the delegation of duties. √√
- Any relevant information regarding the autocratic style.

### COMMENT / APPLICATION

- This style works well when the employees are knowledgeable, experienced and highly skilled in analysing situations and offering solutions. √√
- Any other relevant answer relating to laissez faire.

**Type: 2**  
**(any 5 facts x 2) (10)**  
**Comment / Application (2)**  
**Max: 10**

### 7.3.3 Participative Leadership Style/Democratic style/Consultative style/Consensus Style. √√ (2)

- The leader involves the subordinates in decision-making, policy formulation and problem solving. √√

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- The leader seeks the opinion and ideas of the subordinates; however the leader remains accountable and has the authority to make the final decision. √√
- This leadership style improves employee motivation and helps the leader to win the support of the subordinates who are made to feel part of the team. √√
- Better decisions are made. √√
- This style is time-consuming especially when discussing different ideas. √√
- Some leaders are reluctant to use this style because they might view it as a sign of weakness to ask for advice from subordinates. √√
- Any relevant information regarding the Participative Leadership Style/Democratic style/Consultative style/Consensus Style..

**COMMENT / APPLICATION**

This approach to management is useful under the following circumstances :

- When the leader and the subordinates contribute towards decisions. √√
- When the leader has the expertise and he needs to consult with the subordinates. √√
- The leader wants to build motivation amongst employees and therefore involves them in the decision-making process. √√
- Any other relevant answer relating to participative style.

**Type: 2**  
**(any 5 facts x 2) (10)**  
**Comment/Application 2**  
**Max: 10**

**7.3.4 Charismatic Leadership Style: √√ (2)**

- The leader uses personal charm, inspiration and emotion rather than power and authority to influence or lead subordinates. √√
- The leader serves as a role model and people follow him/her. √√
- The leader has vision and is able to communicate well with others. √√
- The leader praises subordinates, even for little success achieved. √√
- Charismatic leaders are intolerant of challenges and they perceive themselves as irreplaceable. √√
- This leader has good values and may lead the company to greater success. √√
- This style is commonly used by politicians, religious leaders and business teams. √√
- Any other relevant information relating to the charismatic leadership style. √√

**COMMENT/APPLICATION**

- This type of management style is used when the management has identified low morale amongst its employees.
- Used as a method to motivate employees.
- Any other relevant answer on charismatic style.

**Type: 2**  
**(any 5 facts x 2) (10)**  
**Comment/Application 2**  
**Max: 10**

**7.3.5 Transformational Leadership : √√ (2)**

- The leader has vision, passion and injects enthusiasm in his subordinates to enable them to succeed. √√
- The leader cares about his subordinates. √√
- The leader develops a vision for the organisation and sells it to his subordinates and convinces them to follow the vision. √√
- Any other relevant answer on transformational leadership.

**COMMENT/APPLICATION**

- This leadership style can be used to motivate and inspire subordinates. √√
- This leadership style is suitable when an organisation is undergoing transformation √√
- Any other relevant answer on transformational leadership.

**Type: 2**  
**(any 5 facts x 2) (10)**  
**Comment / Application 2**  
**Max: 10**

**7.3.6 Situational Leadership Style: √√ (2)**

- This leadership style depends on the following factors :
- Forces within the organisation. √√
- Forces within the subordinates. √√
- Distant factors from outside the organisation may personally affect the leader and his performance. √√
- Highly motivated workers allow the leader to assume the role of facilitator. √√
- Workers who constantly need guidance and motivation make the leader assume the role of an autocratic leader. √√
- The success of this leadership style depends on the kind of relationship that exists between the leader and his subordinates. √√

**COMMENT/APPLICATION:**

- The application of this style depends on the particular situation / circumstance that prevails within the organisation. √√
- Any other relevant answer on situational leadership.

**7.3.7 Super leaders style: √√**

- One who leads others to lead themselves . √√
- Somebody who acts as a teacher, coach, mentor. √√
- Any other relevant information regarding the superleader style. √√

**Comment/Application**

- Take the lead with new appointees. √√
- And any other relevant answer regarding the super leadership style.

**Type: 2**  
**(any 5 facts x 2) (10)**  
**Comment/Application 2**  
**Max: 10**

**NOTE: Only 3 styles. Therefore submaximum is 3 x 10 = 30**

#### 7.4 Conclusion:

- The above discussion clearly indicates that different leadership styles are influenced by the nature of the organisation and the expertise of the subordinates. ✓
- The personality of the leader plays an integral part in the type of leadership style administered. ✓
- Any other relevant conclusion relating to Management / Leadership.

(any 2 x 1) (2)

**Subtotal 39: Max 32**

**NOTE: ANY OTHER THREE RELEVANT MANAGEMENT AND LEADERSHIP STYLES ARE ACCEPTABLE.**

**Breakdown of mark allocation:**

Details	Maximum	Reduced to	Subtotal	Total
Introduction			<b>3</b>	
Management and leadership	4		<b>4</b>	
<b>ANY THREE ONLY</b> Management Style 1	Type 2	Max 10	<b>30</b>	<b>Max 32</b>
	Description 10			
	Comment / Application 2			
Management Style 2	Type 2	Max 10		
	Description 10			
	Comment / Application 2			
Management Style 3	Type 2	Max 10		
	Description 10			
	Comment / Application 2			
Conclusion			<b>2</b>	
<b>INSIGHT *(LASO)</b>				
Layout				<b>2</b>
Analysis, Interpretation				<b>2</b>
Synthesis				<b>2</b>
Originality, Examples				<b>2</b>
<b>TOTAL MARKS</b>				<b>40</b>

**\*LASO – For each component.**

**Allocate 2 marks if all requirements are met.**

**Allocate 1 mark if only some requirements are met.**

**Allocate 0 marks where requirements are not met at all.**

**QUESTION 8**

**Jabula Supermarket has certain business and management functions which are performed by the managers of the various departments within the organisation. At the annual general meeting, Mr N Nkosi, as the general manager, reports that the quality of performance within these business functions can contribute significantly to the success of the business enterprise.**

**Identify and discuss any FIVE business functions. Analyse how the quality of performance in these functions can contribute towards making the business more profitable. Include in your answer whether you agree with Mr Nkosi's statement. (LO 4 AS 4)**

**8.1 Introduction:**

- Businesses have to perform the eight business functions which are interrelated in order to be successful. ✓
- If business enterprises want to improve their competitive position then the need for quality becomes more important. ✓
- Businesses must have quality control systems in place to monitor performance. ✓

**NOTE WELL**

- **Reward one (1) mark where the business functions are mentioned.**

**(3 x 1) (3)****8.2 Business functions:****8.2.1 General management ✓✓ (2)**

- General management must develop a strategic plan. ✓✓
- It consists of the following activities: planning, organising, leading and control. ✓✓
- Any other relevant answer. (2)

**Effective quality performance:**

- Top management activities are measured largely by the final profitability figures. ✓✓
- The enterprise must strive to create a positive image in the minds of consumers. ✓✓
- Improvement can be achieved through the setting of high but realistic targets. ✓✓
- Surveys can be conducted to ascertain the image of the business. ✓✓
- Comparison of figures on profitability. ✓✓
- Strategic plan must be in place. ✓✓
- Reporting and feedback on the roll out plan. ✓✓

**(any 2 x 2) (4)**

**Identification (2)**  
**Description (1 x 2) (2)**  
**Quality performance (2 x 2) (4)**  
**Maximum (6)**

**8.2.2 Purchasing function** ✓✓ (2)

- Involved in all the purchasing of raw materials or goods of the correct quality, quantity, price, time and place. ✓✓ (2)

**Effective quality performance :**

- Unwise purchases of raw materials and capital goods may negatively impact on the final products. ✓✓
- There must be an identification and selection of reputable suppliers of goods. ✓✓
- Goods must satisfy the target market. ✓✓
- High turnover of goods means that the correct goods were purchased. ✓✓

**NB: Apply the same principles to Quality, Time, Supplier.**

(any 2 x 2) (4)

**Identification** (2)  
**Description (1 x 2)** (2)  
**Quality performance (2 x 2)** (4)  
**Maximum** 6

**8.2.3 Marketing function** ✓✓ (2)

- Making the public aware of what is available through advertising, etc. ✓✓
- Bring the goods within easy reach of the consumer through storage, distribution and advertising. ✓✓ (2)

**Effective quality performance:**

- Customers are well aware of products through marketing communication policy e.g. aggressive advertising of products. ✓✓
- New products must also be advertised to attract consumers.
- Vouchers/coupons can be included in the advertisement offering a discount on presentation. ✓✓

**NB: Apply same principles to price, product and distribution policy.**

(any 2 x 2) (4)

**Identification** (2)  
**Description (1 x 2)** (2)  
**Quality performance (2 x 2)** (4)  
**Maximum** 6

**8.2.4 Production function** ✓✓ (2)

- Acquiring the raw materials from the various sources. ✓✓
- Converting raw materials into finished products of a pre-determined standard. ✓✓ (2)

**Effective quality performance:**

- Goods must be produced at reasonable cost to remain competitive. √√
- Production cost calculation will help ensure that costs are contained. √√

**NOTE WELL: Apply the same principles to quality and time.****(any 2 x 2) (4)****Identification (2)****Description (1 x 2) (2)****Quality performance (2 x 2) (4)****Maximum 6****8.2.5 Financial function √√ (2)**

- Determine the need for funds. √√
- Acquire the funds from most suitable sources. √√ (2)

**Effective quality performance:**

- The funds must be effectively applied. √√
- Profitability ratios must be prepared by the financial manager and presented to management to compare and make decisions. √√
- This is also influenced by the credit collection policy, liquidity analysis and cash flow position. √√

**(any 2 x 2) (4)****Identification (2)****Description (1 x 2) (2)****Quality performance (2 x 2) (4)****Maximum 6****8.2.6 Human resources √√ (2)**

- To find the suitable person for the right job. √√
- To appoint a person to the position where his/her capabilities can be used to advantage of the business. √√ (2)

**Effective quality performance:**

- Continuous training and development of staff. √√
- Appropriate training and development programmes can lead to a highly Stable staff. √√
- This can lead to a low rate of staff turnover. √√

**(any 2 x 2) (4)****Identification (2)****Description (1 x 2) (2)****Quality performance (2 x 2) (4)****Maximum 6**

**8.2.7 Public relations** ✓✓ (2)

- Promote a positive image by liaising with the relevant stakeholders. ✓✓ (2)

**Effective quality performance:**

- Release regular press statements. ✓✓
- Through publicity, the business enjoys a positive image in society. ✓✓
- The business must attain a respectable position in society. ✓✓
- Other management functions are influenced by public relations e.g. improved customer relations. ✓✓
- Counter negative publicity. ✓✓ (any 2 x 2) (4)

<b>Identification</b>	<b>2</b>
<b>Description (1 x 2)</b>	<b>(2)</b>
<b>Quality performance (2 x 2)</b>	<b>(4)</b>
<b>Maximum</b>	<b>6</b>

**8.2.8 Administration** ✓✓ (2)

- Acquiring, collecting, processing, making available and safekeeping of information. ✓✓
- Decisions are based on information. ✓✓ (2)

**Effective quality performance:**

- Debtors' statements are posted timeously and debtors pay on due dates. ✓✓
- This improves the liquidity, cash flow and profitability position. ✓✓
- Apply same principles to creditors and stock. (any 2 x 2) (4)

<b>Identification</b>	<b>(2)</b>
<b>Description (1 x 2)</b>	<b>(2)</b>
<b>Quality performance (2 x 2)</b>	<b>(4)</b>
<b>Maximum</b>	<b>6</b>

**8.2.9 Risk management** ✓✓

- According to the King's Report on Corporate governance, it was proposed that the risk function be a management function on its own. ✓✓
- Deals with issues on how to avoid, reduce, eliminate or prevent risk occurrence / exposure. ✓✓
- The following processes are important in risk management, ie. Risk identification, risk analysis, risk control, and risk funding. ✓✓

**Effective quality performance:**

- The business must have systems in place to identify the risks the business is exposed to. ✓✓
- Every risk, even those that are regarded as small and worthless should be recorded. ✓✓
- The risk control measures ensures that business losses are minimised. ✓✓

## NSC – Memorandum

- Provision for fire escapes and evacuation procedures can prevent human injuries, casualties and deaths in the workplace. √√

(any 2 x 2) (4)

Identification (2)

Description (1 x 2) (2)

Quality performance (2 x 2) (4)

Maximum 6

### 8.2.10 Information Technology (IT) or Management Information System or Knowledge Systems. √√

- Managing information is important as the business environment is dynamic. √√
- Many decisions are based on historical data. √√

#### Comment/Application

- Timely availability of data is necessary. √√
- Decisions based on incorrect data may be costly. √√
- Easy electronic access to global information can help in making business decisions and help in international trade. √√

(any 2 x 2) (4)

Identification (2)

Description (1 x 2) (2)

Quality performance (2 x 2) (4)

Maximum 6

**NOTE: Maximum for any 5 business functions is 30**

**Disagree/Agree with Mr N Nkosi's statement. √√ (2)**

- Multi-tasking
- Multi-skilling
- Synergy
- Or any relevant answer relating to the impact of quality within business functions.

**NOTE WELL : Refer to insight.**

### 8.3 Conclusion

- The management functions mentioned above cannot operate in isolation.
- The functions are closely interrelated. √
- Quality performance of the business functions leads to an overall improvement and profitability of the enterprise. √
- Continuous monitoring and evaluation of the performance management systems must be in place. √

(any 2 x 1) (2)

**NOTE: Agree/disagree could be included in the conclusion. If so, conclusion must be increased to 4 marks**

**Subtotal 37: Max 32**

**Breakdown of mark allocation:**

Details	Maximum	Reduced to	Subtotal	Total
Introduction			3	
<b>ANY FIVE ONLY</b>	Identification 2	Max 6	<b>30</b>	<b>32</b>
	Description 2			
General Management	Quality Performance 4			
	Identification 2	Max 6		
	Description 2			
Purchasing Function	Quality Performance 4			
	Identification 2	Max 6		
	Description 2			
Marketing Function	Quality Performance 4			
	Identification 2	Max 6		
	Description 2			
Production Function	Quality Performance 4			
	Identification 2	Max 6		
	Description 2			
Financial Function	Quality Performance 4			
	Identification 2	Max 6		
	Description 2			
Human Resources Function	Quality Performance 4			
	Identification 2	Max 6		
	Description 2			
Public Relations Function	Quality Performance 4			
	Identification 2	Max 6		
	Description 2			
Administration Function	Quality Performance 4			
	Identification 2	Max 6		
	Description 2			
Risk Management Function	Quality Performance 4			
	Identification 2	Max 6		
	Description 2			
Information Technology Management Info. Syst. Knowledge Systems	Quality Performance 4			
Agree / Disagree			2	
* Conclusion			2	
<b>INSIGHT *(Layout)</b>				
Layout				2
Synthesis				2
Analysis, Interpretation				2
Originality, Examples, Recommendations				2
<b>TOTAL MARKS</b>				<b>40</b>

**\*LASO – For each component:**

**Allocate 2 marks if all requirements are met.**

**Allocate 1 mark if only some requirements are met.**

**Allocate 0 marks where requirements are not met at all.**

**\*\* If agree/disagree is part of conclusion allocate maximum marks of 4.**

**TOTAL SECTION C: 80**  
**GRAND TOTAL: 300**