



# basic education

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Department:  
Basic Education  
**REPUBLIC OF SOUTH AFRICA**

## **NATIONAL SENIOR CERTIFICATE**

**GRADE 12**

**BUSINESS STUDIES**

**FEBRUARY/MARCH 2012**

**MEMORANDUM**

**MARKS: 300**

**This memorandum consists of 25 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, e.g. the first Assessment Standard is 12.1.2.
3. Candidates' 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 when:
- The expression differs from that which appears in the memorandum
  - Another source is used
  - The answer is correct and original
  - It relates to another applicable LO or AS

**NOTE:** There are no alternative answers for SECTION A.

5. 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 allocated, for example, one mark instead of the maximum of two marks.)

6. **SECTION B**

- 6.1 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 applies to only questions where the number of facts is specified.
- 6.2 If two facts are written in one sentence, award the candidate FULL credit. Point 6.1 above still applies.
- 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

The heading and explanation are given separately to facilitate mark allocation.

6.5 In all questions that require candidates to 'name/list/mention' etc., the answers of the candidates may be in phrases and not necessarily in full sentences.

## 7. SECTION C

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

Introduction	<b>Maximum: 32</b>
Content	
Conclusion	
Insight	<b>8</b>
<b>TOTAL</b>	<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?)	<b>2</b>
Analysis and interpretation: (Learners' ability to break down the question to show understanding of what is being asked)	<b>2</b>
Synthesis: (Did the learner include only relevant parts to the answer? Are there decisions made from a combination of relevant points?)	<b>2</b>
Originality: (Was the learner able to illustrate in his/her own words the concepts with examples, recent information, current trends and developments?)	<b>2</b>
<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>

**NOTE:** 1. No marks will be allocated for contents repeated from the introduction and conclusion.  
2. The candidate forfeits marks for layout if the words INTRODUCTION and CONCLUSION are not stated.

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

7.4 The components of insight are indicated at the end of the suggested answer 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, A – Analysis, S – Synthesis, O – Originality) as in the table below.

<b>CONTENT</b>	<b>MARKS</b>
Facts	<b>32 (max.)</b>
L	<b>2</b>
A	<b>2</b>
S	<b>2</b>
O	<b>2</b>
<b>TOTAL</b>	<b>40</b>

**NOTE:** 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 subheadings. Remember, headings and subheadings are encouraged and contribute to insight (structuring/logical flow/ sequencing) and indicate clarity of thought. (See **MARK BREAKDOWN** at the end of each question.)

7.8 If the candidate identifies/interprets the question **INCORRECTLY**, then he/she may 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 a R.

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

10. Allocate **TWO** marks for complete sentences. Allocate **ONE** mark for phrases, incomplete sentences and vague answers.

11. Please note that with effect from 2012 (final examination) no marks will be allocated for indicating Yes (✓✓)/No (✓✓) in evaluation type questions requiring substantiation or motivation.

**SECTION A****QUESTION 1**

1.1	1.1.1	C	√√		
	1.1.2	D	√√		
	1.1.3	C	√√		
	1.1.4	D	√√		
	1.1.5	A	√√		
	1.1.6	C	√√		
	1.1.7	B	√√		
	1.1.8	A	√√		
	1.1.9	B	√√		
	1.1.10	B	√√	(10 x 2)	(20)
1.2	1.2.1	Balanced Scorecard (BSC)	√√		
	1.2.2	Non-verbal	√√		
	1.2.3	Premium	√√		
	1.2.4	Arbitration	√√		
	1.2.5	Staff development	√√	(5 x 2)	(10)
1.3	1.3.1	E	√√		
	1.3.2	A	√√		
	1.3.3	G	√√		
	1.3.4	D	√√		
	1.3.5	B	√√	(5 x 2)	(10)

**TOTAL SECTION A: 40****BREAKDOWN OF MARKS**

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

**SECTION B****QUESTION 2****2.1 LO1 AS5**

- Macro-environment. √√ (2)

**2.2 LO1 AS5**

- Developing training materials. √√
- Registering of learnership agreements. √√
- Liaising with the National Skills Authority. √√
- Ensuring quality control in training. √√
- Developing and implementing skills development plans. √√
- Reporting to the Director-General regarding skills training. √√
- Any other relevant answer related to the purpose of SETAs. (3 x 2) (6)

**2.3 LO1 AS3****2.3.1 EDUCATION**

- Build new schools for the community. √√
- Renovate old school buildings in the communities. √√
- Provide bursaries to needy learners. √√
- Any other relevant answer related to improvement in education. (2 x 2) (4)

**2.3.2 CRIME**

- Employ local people at the mine. √√
- Establish and support crime prevention structures/forums, e.g. sponsor cars to patrol crime hotspots. √√
- Install street lamps in the community. √√
- Any other relevant answer related to reduction of crime. (2 x 2) (4)

**2.3.3 HOUSING**

- Renovate dilapidated houses. √√
- Build houses for poor families. √√
- Provide housing subsidies to employees. √√
- Any other relevant answer related to the provision of housing. (2 x 2) (4)

**2.4****2.4.1 LO2 AS7**

- Johannesburg Securities Exchange (JSE) √√
- Also accept (Johannesburg Stock Exchange) √√ (2)

**2.4.2 LO2 AS7**

- Serves as a link between investors and entrepreneurs. √√
- Existing public company changes are monitored. √√
- Investors are kept informed through newspapers and other media by publishing share prices daily. √√
- Serves as a barometer of economic conditions. √√
- The activities of the stockbrokers are monitored. √√
- Shares can be bought by small investors making it possible for them to own a part of public companies. √√
- Enables financial institutions to invest their surplus funds in shares. √√
- Uses STRATE to facilitate share transactions. √√
- Any relevant answer related to the functions of the JSE. (4 x 2) (8)

**2.4.3 LO2 AS7**

- Free world shares traded at the highest price of 1 200 cents. √√
- Free world shares traded at the lowest price of 1 160 cents. √√
- The price of the share at the close of business was 1 180 cents. √√
- Shares prices decreased (DM). √√
- Accept answers on YM and PE. (3 x 2) (6)

**2.4.4 LO2 AS7**

- Comparison of different companies' performance. √√ (2)

**2.4.5 LO2 AS7**

- Unit trusts √√
- Banks √√
- Insurance companies √√
- Brokers √√

**NOTE:** 1. Accept any accredited/authorised financial service provider.  
2. If names/examples are used, allocate a max. of TWO marks for each way, e.g. Standard Bank, First National Bank, etc.

(Any 3 x 2) (6)

**2.4.6 LO2 AS7**

- The answer to this question will depend on the learner's choice of company and reasons forwarded.
- **EXAMPLE**  
AFROX √√
- The price of the shares of AFROX have been stable for the past 12 months. √√

**Name of company (2)****Reason (2)****Max. 4**

2.5

2.5.1 **LO2 AS4**

- Tertiary Sector ✓✓

(2)

2.5.2 **LO2 AS4**

- Manage your workload and your time ✓✓
- Train your staff to manage their time ✓✓
- He has not looked back. ✓✓
- Customised travel packages ✓✓
- Impressive client list ✓✓
- Passion for tourism. ✓✓
- Youthful zest for life. ✓✓
- Unfailing belief in himself. ✓✓
- Natural planner. ✓✓
- Self-driven person. ✓✓
- Results-orientated. ✓✓
- Positive outlook. ✓✓
- Clear business focus on profitability. ✓✓
- Critically assesses his own performance to achieve excellence. ✓✓

**NOTE:** No marks will be allocated for examples quoted from outside the case study. (Any 5 x 2) (10)

**[60]****BREAKDOWN OF MARKS**

<b>QUESTION 2</b>	<b>MARKS</b>
<b>2.1</b>	<b>2</b>
<b>2.2</b>	<b>6</b>
<b>2.3.1</b>	<b>4</b>
<b>2.3.2</b>	<b>4</b>
<b>2.3.3</b>	<b>4</b>
<b>2.4.1</b>	<b>2</b>
<b>2.4.2</b>	<b>8</b>
<b>2.4.3</b>	<b>6</b>
<b>2.4.4</b>	<b>2</b>
<b>2.4.5</b>	<b>6</b>
<b>2.4.6</b>	<b>4</b>
<b>2.5.1</b>	<b>2</b>
<b>2.5.2</b>	<b>10</b>
<b>TOTAL</b>	<b>60</b>

**QUESTION 3**3.1 **LO4 AS4**

- Makes the new employee feel at ease in the workplace. ✓✓
- Introduces new employee to management and colleagues. ✓✓
- Introduces the new employee to various departments of an organisation. ✓✓
- Communicates rules, regulations and the code of conduct to the new employee. ✓✓
- New employees familiarise themselves with their new work environment, business and its products and services. ✓✓
- Any other relevant answer related to purpose of induction. (4 x 2) (8)

**3.2 LO3 AS4**

- Unethical advertising can be referred to as misleading advertising. √√
- Accept any appropriate definition of unethical advertising √√

**EXAMPLES**

- Using false or deceptive advertising. √√
- Unfairly criticising competitor's goods. √√
- Misusing people with disabilities in advertisements. √√
- Giving goods deceptive names. √√
- Any other relevant example on unethical advertising.

**Definition (2)**  
**Examples (2 x 2)(4)**  
**Max. 6**

**3.3****3.3.1 LO3 AS10**

- Harassment of employees by supervisors/threatened with dismissals. √√
- Poor communication between managers and employees of Chauke Brick and Sand Suppliers/the general manager rarely sees or talks to employees. √√
- Chauke Brick and Sand Suppliers has no grievance handling procedures in place/does not listen to their grievances. √√
- Employees work too long hours (11 hours a day) including all public holidays. √√
- Poor working conditions at Chauke Brick and Sand Suppliers/workplace is very dusty/employees do not wear face masks. √√
- Lack of job security at Chauke Brick and Sand Suppliers/threatened with dismissals/employees to face dismissals. √√
- No wellness programme is in place in the workplace. √√
- Workers spend too much time away from home. √√
- Any other relevant answer related to causes of stress at Chauke Brick and Sand Suppliers.

**NOTE:** The answer must be linked to the case study. (Any 5 x 2) (10)

**3.3.2 LO3 AS10**

- Management at Chauke Brick and Sand Suppliers should implement stress management training for employees √√ e.g. training programmes in stress management. √
- Management must put wellness programmes in place to ensure good health for workers √√ e.g. recreation facilities. √
- Working environment must be safe and healthy √√ e.g. use of face masks. √
- Working hours of employees should be reduced to acceptable level √√ e.g. adhering to the Basic Conditions of Employment Act. √
- Management should improve communication with employees √√ e.g. involve employees in decision-making. √
- Boost the morale of the employees √√ e.g. team-building exercises. √
- Any other relevant answer related to ways in which Chauke Brick and Sand Suppliers management can reduce employee stress.

**Heading (2)**  
**Example (1)**  
**(5 x 3)(15)**

3.4

3.4.1 **LO4 AS3**

- R48 000 ✓ - (3 800 + 1 354 + 1 800 + 65 + 35) ✓
- R40 946 ✓

**NOTE:** 1. If the candidate gives the correct answer only, allocate full marks.  
2. If the candidate gets the steps correct but the answer is wrong, allocate a maximum of 1 mark. (3)

3.4.2 **LO4 AS3**

**Gross Salary:** Salary of employee before deductions are made. ✓✓

**Net Salary:** Salary of employee after deductions are made (the amount that the worker takes home). ✓✓ (2 + 2) (4)

3.4.3 **LO4 AS3**

- Medical Aid fund ✓✓
- Trade union membership fee ✓✓ (2 x 2) (4)

3.5 **LO4 AS6**

- There is a negative impact on the business if poor quality goods/services are made, ✓✓ e.g. more rejects are produced. ✓
- Minimum down-time/work stoppages, ✓✓ good maintenance. ✓
- Large businesses are technology orientated, ✓✓ e.g. products/services can be of a higher quality. ✓
- Methods of control can be implemented so that fewer defective products can be produced ✓✓ e.g. increasing the number of inspection points.
- Giving workers incentives to improve productivity ✓✓ e.g. bonuses or tokens of appreciation. ✓
- Supervisors are able to control the quality of goods and services, ✓✓ e.g. employ experienced supervisors. ✓
- Giving clear instructions beforehand, ✓✓ e.g. using a preventative rather than a corrective approach. ✓
- Any other relevant answer related to how quality of performance can impact on the production function.

**NOTE:** There is no limit on the number of factors that must be explained.

**Heading (2)**

**Example (1)**

**Max. 10**

**[60]**

**BREAKDOWN OF MARKS**

QUESTION 3	MARKS
3.1	8
3.2	6
3.3.1	10
3.3.2	15
3.4.1	3
3.4.2	4
3.4.3	4
3.5	10
<b>TOTAL</b>	<b>60</b>

**QUESTION 4****4.1 LO3 AS7**

- Financial implications √√
- Risks √√
- Morals/Values √√
- Ethics √√
- Culture √√
- Religion √√
- Family ties √√
- Relocation √√
- Any other relevant answer related to factors influencing career choices.

(4 x 2) (8)

**4.2 LO3 AS3**

- Good governance √√
- Sustainability √√
- Independence √√
- Innovation √√
- Fairness √√
- Social transformation – requirements specified √√
- Board of Directors – leadership √√
- Shareholder specifications √√
- Transparency √√
- Accountability and audit conditions √√

(Any 4 x 2) (8)

**4.3 LO2 AS6**

- Tables √√
- Diagrams √√
- Graphs √√
- Pie charts √√
- Business reports √√
- Any other relevant answer related to non-verbal presentation.

(3 x 2) (6)

**Feedback**

- Be positive or negative/both √√
- Could be formal/informal √√
- Display some humour √√
- Written or verbal √√
- Constructive feedback on changes to be made √√
- Be democratic √√
- Thank/Acknowledge participants for their input √√
- Encourage participation √√
- Integrate the feedback √√
- Do not take it personally √√
- Any other relevant answer related to proper handling of feedback

(3 x 2) (6)

**Max. 12**

4.4 **LO3 AS8**

- **Yes** √√
- Employee's effectiveness and productivity is improved. √√
- Teamwork enhances morale and motivates employees. √√
- Employees are given a chance to take part in the decision-making process. √√
- Teamwork increases the sense of loyalty and commitment to the organisation by employees. √√
- Team members get to know each other better, which leads to mutual respect and trust. √√
- Teamwork promotes the image and the reputation of the business. √√
- Any other relevant answer related to advantages of teamwork in the workplace.
- **No** √√
- Too much time is wasted on discussion of strategies. √√
- Teamwork leads to conflict in the workplace. √√
- If there is no cooperation amongst team members, the organisation will be unable to achieve its objectives. √√
- People from different cultures may find it difficult to work together. √√
- Any other relevant answer related to disadvantages of teamwork in the workplace.

**NOTE:** Yes and No principle applied – mark up to max. of 8  
If only Yes/No = 0 marks

**Yes/No (2)**  
**Reasons (Any 3 x 2) (6)**  
**Max. 8**

## 4.5

4.5.1 **LO3 AS5****Situational leadership** √√

- Analyse situations and can change style to match with different situations. √√

**OR**

**Transactional leadership** √√

- Subordinates know their roles and the manager offers appropriate rewards. √√

**OR**

**Laissez-faire** √√

- Allows employees to make decisions/also gives direction to workers. √√

**OR**

**Transformational** √√

- Focus is on what the manager accomplishes. √√
- The manager was able to develop a new vision and coach Robbie to work towards this vision. √√

**OR**

**Super leaders** √√

- Develop workers to become leaders.

**OR**

**Consultative leadership style** √√

- Consulted with Robbie before making a decision. √√
- Manager holds the final authority to make decisions. √√

**NOTE:** Mark only one leadership style.

**Leadership style (2)**  
**Example from case study (2)**  
**Max. 4**

4.5.2 **LO3 AS5**

- **No** ✓✓
- Every situation is unique and a leader must adapt. ✓✓
- Any other relevant motivation regarding the use of more than one leadership style.

**OR**

- **Yes** ✓✓
- It depends on the nature and function of the job/company. ✓✓
- Any other relevant motivation relating to the use of one leadership style.

**NOTE:** Yes and No principle applied – mark up to max. of 4  
If only Yes/No = 0 marks

**Yes/No (2)**  
**Motivation (2)**  
**Max. 4**

4.5.3 **LO3 AS5****Leader** ✓✓

- More influential than managers. ✓✓
  - More inspiring. ✓✓
  - Discussed and adjusted Robbie's vision. ✓✓
  - The leader motivated Robbie to register for a course in Accounting. ✓✓
- (2 + 2) (4)

**OR****Manager** ✓✓

- Manager usually motivates employees to use their skills to the best of their abilities. ✓✓
  - Directed Robby in developing new skills. ✓✓
  - Manager showed Robbie challenges in his career path. ✓✓
- (2 + 2) (4)

**NOTE:** 1. Not both  
2. Must be linked to the case study

**Heading (2)**  
**Example from case study (2)**  
**Max. 4**

4.6 **LO1 AS5**

- **A** Primary sector ✓✓  
Ngondwana Forestry (Pty) Ltd grows trees. ✓✓
  - **B** Secondary sector ✓✓  
Thabo Manufacturers Ltd manufactures the raw materials into a more useable form for human consumption. ✓✓
  - **C** Public company. ✓✓  
The name Siphon Wholesalers ends with Ltd. ✓✓
- (12)  
**[60]**

**BREAKDOWN OF MARKS**

<b>QUESTION 4</b>	<b>MARKS</b>
<b>4.1</b>	<b>8</b>
<b>4.2</b>	<b>8</b>
<b>4.3</b>	<b>12</b>
<b>4.4</b>	<b>8</b>
<b>4.5.1</b>	<b>4</b>
<b>4.5.2</b>	<b>4</b>
<b>4.5.3</b>	<b>4</b>
<b>4.6</b>	<b>12</b>
<b>TOTAL</b>	<b>60</b>

**TOTAL SECTION B: 180****SECTION C****QUESTION 5 LO1 AS2****5.1 Introduction**

- A strategy is a creative plan for success. ✓
- The strategic plan is developed from the creative plan for success. ✓
- Phakamane is responsible for the drawing up of a strategic plan. ✓
- Any other relevant introduction related to the business environment and development/implementation of strategies. (3 x 1) (3)

**5.2 Strengths**

- Manufacture quality office equipment. ✓✓
- Highly skilled labour ✓✓
- Phakamani has efficient marketing skills. ✓✓
- She has a degree in Marketing. ✓✓
- Vast experience in manufacturing of all kinds of furniture. ✓✓
- Manufacturing and selling desks and chairs. ✓✓
- Modern machinery. ✓✓ (Any 4 x 2) (8)

5.3

CHALLENGE	STRATEGY
- Lack of motivated workers. √√	- Offer incentives for good work done e.g. bonuses, shopping vouchers, awards. √√
- Poor team spirit. √√	- Team building, coaching and mentoring, conflict resolution. √√
- High absenteeism of employees. √√	- Draw up contract with employee considering policy of no-work-no- pay, insist on doctors' notes, etc. √√
- High turnover rate of worker employment. √√	- Review recruitment policy, send workers on training courses. √√
- High transport costs √√	- Outsourcing. √√
- Lack of skills in operating modern machinery. √√	- Offer on the job training for machine operators. √√
- Expanding to overseas markets. √√	- Advertise the products/improve supply chain. √√
- Manufacturing and selling of printers. √√	- Identify workers for further training. √√
- Franchise operation. √√	- Identify suitable marketing opportunities. √√
- Loss of highly skilled labour to competitors. √√	- Identify workers for further training/recruitment drive. √√
- Competitors selling similar products at a cheaper price. √√	- Source out quality raw materials at a cheaper price. √√
(Any 6 x 2) (12)	(Any 6 x 2) (12)

**NOTE:** The strategies must be linked to the challenges.

5.4 **Evaluation of strategies**

- The implementation of strategies must be evaluated to determine whether the strategies were successful or not. √√
- Analyse present situation. √√
- Compare the business environment and company position. √√
- Review control measures. √√
- Review those strategies that were not successful and implement alternatives. √√
- Set specific dates to conduct research and report periodically. √√
- Any other relevant answer related to the evaluation of strategies. √√

(3 x 2)(6)

**5.5 Recommendation**

**Yes (diversify) √√**

**Justification**

- Greater turnover and a greater profit. √√
- More job opportunities √√
- Any other relevant answer related to diversification.

**OR**

**No (no diversification) √√**

**Justification**

- Intensify marketing campaign for existing products. √√
- Any other relevant factor which supports staying in present business/against diversification.

**Yes/No (2)**  
**Justification (1 x 2) (2)**  
**Max. 4**

**5.6 Conclusion**

- In order for the strategic plan to be successful, workers must adopt a positive attitude. √√
- Strategic planning and implementation is a continuous process that needs to be revised on an ongoing basis. √√
- Any other relevant conclusion related to strategic planning and implementation.

(1 x 2) (2)

**BREAKDOWN OF MARK ALLOCATION**

<b>DETAILS</b>	<b>MAXIMUM</b>	<b>TOTAL</b>
5.1 Introduction	3	
5.2 Strengths	8	
5.3 Challenges	12	
5.3 Strategies	12	
5.4 Evaluation of strategies	6	
5.5 Recommendation	4	
5.6 Conclusion	2	
<b>INSIGHT</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 of the requirements are met.

Allocate 0 marks where requirements are not met at all.

**QUESTION 6 LO2 AS8****6.1 Introduction**

- Various factors need to be considered before deciding on the form of ownership. ✓
- The factors are important because they have an impact on the success or failure of the business. ✓
- The form of ownership determines the size of enterprise. ✓
- Any other relevant introduction related to forms of ownership. (3 x 1) (3)

**6.2****6.2.1 Success and failure factors**

<b>FACTOR</b>	<b>SUCCESS</b>	<b>FAILURE</b>
- Management	- Partners are actively involved in the management of the business. ✓✓ - Combined management skills by partners may lead to success of the business. ✓✓ - Any other relevant answer related to impact of management.	- Lack of commitment by one partner in business management may lead to failure. ✓✓ - Quick decision-making cannot take place since all partners have to agree. ✓✓ - Any other relevant answer related to impact of management. <b>Max. 6</b>
- Capital	- A larger amount of capital can be raised as compared to a sole trader due to unlimited membership. ✓✓ - Capital can be increased, reduced or withdrawn without legal procedures. ✓✓ - Any other relevant answer related to impact of capital.	- Fewer members may limit capital for business expansion. ✓✓ - Any other relevant answer related to impact of capital. <b>Max. 6</b>
- Legislation	- Simple and inexpensive formation procedure. ✓✓ - Unlimited liability encourages partners to work harder. ✓✓ - Any other relevant answer related to impact of legislation.	- An oral agreement may create problems for partners in future which can affect its success. ✓✓ - A partnership is not compelled to audit its financial statements which minimise opportunities for financial support. ✓✓ - Partners are jointly and severally liable for business debts. A partnership may fail if one partner incurs debts which the business cannot repay. ✓✓ - Any other relevant answer related to impact of legislation. <b>Max. 6</b>
- Taxation	- Partnership on its own does not pay tax. ✓✓ - Partners running small businesses enjoy tax concession from the government. ✓✓ - Profit generated may be used for expansion or division to partners. ✓✓ - Any other relevant answer related to impact of taxation.	- Failure to comply with tax regulations by one or more partners may lead to business closure. ✓✓ - Individual tax paid by partners on income earned is higher than fixed tax rate percentage paid by companies/close corporations. ✓✓ - Any other relevant answer related to impact of taxation. <b>Max. 6</b>

**NOTE:** Maximum of 6 marks for success or failure or both.

(4 x 6) (24)

6.2.2 **YES** ✓✓

(2)

**Advantages of a close corporation**

- A close corporation has a simple establishment procedure. ✓✓
- Liability to its members is limited. ✓✓
- Financial statements of a CC need not to be audited. ✓✓
- It is easy to transfer ownership of a CC. ✓✓
- All members are actively involved in the management of the business. ✓✓
- A close corporation is not compelled to hold annual general meetings. ✓✓
- Small close corporations enjoy tax concession from the government. ✓✓
- Any other relevant answer related to advantages of a close corporation.

**Yes (2)**  
**(5 x 2)(10)**  
**Max. 12**

6.2.3 **NO** ✓✓

(2)

**Disadvantages of a close corporation**

- New close corporations cannot be registered. ✓✓
- Capital of a CC only limited to what ten people can contribute. ✓✓
- Close corporations may find it difficult to borrow money from financial institutions as it is not compelled to audit its financial statements. ✓✓
- Quick decision-making cannot take place without consensus by all members. ✓✓
- A close corporation pays income tax at a fixed rate set by SARS. ✓✓
- Any other relevant answer related to disadvantages of a close corporation.

**No (2)**  
**(5 x 2)(10)**  
**Max. 12**

6.3 **Conclusion**

- From the above discussion it is clear that the success or the failure of business depend largely on the extent of control of the above-mentioned factors. ✓✓
- The business may not have total control on some of these factors. ✓✓
- Any other relevant conclusion related to partnership/forms of ownership.

(1 x 2) (2)

**BREAKDOWN OF MARK ALLOCATION**

DETAILS	MAXIMUM	TOTAL
6.1 Introduction	3	<b>Max. 32</b>
6.2.1 Success and failure factors	24	
6.2.2 Yes Advantages of CC <b>OR</b>	2 10	
6.2.3 No Disadvantages of CC	2 10	
6.3 Conclusion	2	
<b>INSIGHT</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 of the requirements are met.

Allocate 0 marks where requirements are not met at all.

**QUESTION 7 LO3 AS6****7.1 Introduction**

- Conflict is a natural clash or disagreement or differences of opinion regarding values between employees, management and team members. √√
- It results in a situation where each partner wants to win but is not willing to compromise. √
- Any other appropriate definition of conflict. (3 x 1) (3)

**7.2 Discussion of statement**

- Conflict occurs when there are two or more values/opinions upon which there is no agreement. √√
- Conflict takes place between employees operating at different levels of management in an organisation. √√
- Conflict must be resolved very quickly by management through various ways. √√
- Conflict helps employees to benefit positively out of their differences. √√
- Can also hamper the creativity of employees. √√
- Any other relevant discussion related to the statement on conflict.

**NOTE:** Yes and No principle applied – mark up to max. of 4  
If only Yes/No = no marks

(2 x 2) (4)

**NOTE (7.1 and 7.2):** If definition is part of the discussion of the statement, allocate a maximum of (3 + 4) = 7 marks.

**7.3 Causes of conflict****Weak leadership** √√

- Leadership which makes inconsistent decisions or is uninformed. √
- May give rise to unhappiness with employees. √
- Workers may become disillusioned with management. √

**Poor communication/miss-communication** √√

- If employees are not kept well informed of developments in the workplace or are not involved in the decision-making process. √
- If employees don't understand what is expected of them, it would lead to errors being made by employees, resulting in conflict. √

**Social factors/Personality clashes** √√

- Different cultures or lack of information/knowledge about other employee beliefs usually lead to different working relationships. √

**Lack of teamwork** √√

- When one team member believes that his/her opinion is better than that of his/her colleagues (team members). √

**Distrust** √√

- When a supervisor does not understand the work of a subordinate and subordinates perceives his/her supervisor to be unsympathetic. √

**Scarce/Limited resources in the workplace** √√

- If all departments in an organisation do not have access to the same resources, it could lead to conflict in the workplace. √

**Gender bias/discrimination** √√

- Discrimination in salaries based on gender/race causes conflict. √
- Any other relevant answer relating to the causes of conflict.

**Heading (4 x 2) (8)****Explanation (4 x 1) (4)****Max. 12**

**7.4 Types of conflict****Inter-organisational conflict (between organisations) √√**

- Conflict between an organisation and its supplier. √

**Conflict between colleagues on the same management level √√**

- Conflict between a supervisor in one department and a supervisor in another department. √

**Conflict between a manager and a subordinate √√**

- A manager who is not happy with an employee who is not doing enough in his/her work. √

**Inter-group conflict √√**

- Conflict between team members who are arguing about the best method to approach a different task. √

**Interpersonal conflict √√**

- Conflict between colleagues caused by disagreement about opinions. √

**Approach-approach (+ and +) √√**

- Two positives e.g. getting a salary increase or a company car. √

**Approach-avoidance (+ and -) √√**

- One positive and one negative e.g. continuing to be stressed/frustrated at work  
**OR**  
quitting the job. √

**Avoidance-avoidance (- and -) √√**

- Two negatives e.g. unfit and staying on drugs. √
- Any other relevant type of conflict.

**Heading (2 x 2) (4)**  
**Explanation (2 x 1) (2)**  
**Max. 6**

**7.5 Evaluation****7.5.1 Ways of handling/minimising conflict by management**

- Pay employees fair and reasonable salaries. √√
- Ensure that the organisation adheres to legislation such as the Basic Conditions of Employment Act and Employee Equity Act. √√
- Allow employees to take part in the decision – making process of the organisation. √√
- Organisations must have a good communication system in place and give regular feedback to employees on issues relating directly to them. √√
- Hold regular staff development sessions with employees to reduce conflict. √√
- Put all policies and procedures in place and communicate these policies to all employees. √√
- Have a code of ethics in place. √√
- Ensure that workplace forums are in place, so that problems can be identified and addressed as soon as possible (organisations which employ more than 100 workers). √√
- Any other relevant answer related to the ways of handling/minimising conflict by management. (3 x 2) (6)

**7.5.2 Ways of handling/minimising conflict by workplace forums**

- Committed to employee welfare. √√
- Involved in collective bargaining. √√
- Consult with employers and employees. √√
- Take care of the interest of the workers. √√
- Develop better working relationships between employees and employers. √√
- Any other relevant answers related to ways of handling/minimising conflict by workplace forums. (3 x 2) (6)

**7.5.3 Ways of handling/minimising conflict by trade unions**

- Be pro-active in identifying crisis situations. √√
- Embark on agreement regarding wage increases. √√
- Implement policies that would increase employment. √√
- Improve working conditions. √√
- Promote skills development, education and training of workers. √√
- Ensure job security of members. √√
- Endeavour to improve member's financial welfare by securing benefits such as pension, medical aid, housing allowance and other fringe benefits. √√
- Ensure fair treatment of workers in the workplace. √√
- Participate in decision-making of the government. √√
- Negotiate working hours, overtime rates, leave and sick leave that would benefit workers. √√
- Any other relevant ways of handling conflict by trade unions. (3 x 2) (6)

**7.6 Conclusion**

- Management should consider/regard conflict as a process to be well managed/handled but not avoided. √√
- Unresolved conflict could impact on the organisation negatively and could result in unethical/unprofessional behaviour and practices which could affect the image and reputation of the organisation. √√
- Any other conclusion related to conflict. (1 x 2) (2)

**BREAKDOWN OF MARK ALLOCATION**

<b>DETAILS</b>	<b>MAXIMUM</b>	<b>TOTAL</b>
7.1 Introduction	3	<b>Max. 32</b>
7.2 Discussion of statement	4	
7.3 Causes of conflict	12	
7.4 Types of conflict	6	
7.5.1 Ways of handling/minimising conflict by management	6	
7.5.2 Ways of handling/minimising conflict by workplace forum	6	
7.5.3 Ways of handling/minimising conflict by trade unions	6	
7.6 Conclusion	2	
<b>INSIGHT</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 of the requirements are met.

Allocate 0 marks where requirements are not met at all.

**QUESTION 8 LO4 AS3****8.1 Introduction**

- Labour Relations Act regulates the fundamental rights of employers and employees. ✓✓
- Contributes to economic development and social justice. ✓✓
- Standardises labour practices in business organisations. ✓✓
- Any other relevant introduction related to the Labour Relations Act and Basic Conditions of Employment Act (3 x 1) (3)

**8.2 Basic Conditions of Employment Act****8.2.1 Nature**

- Establishing/Enforcing basic conditions in the workplace. ✓✓
- To promote economic and social development. ✓✓
- Any other relevant answer related to the nature of the Basic Conditions of Employment Act. (1 x 2) (2)

**Purpose**

- Workers are expected to work 45 hours (5 days) per week and 48 hours (6 days) per week. √√
  - Wages for Sundays and public holidays must be double the normal hourly wage rate. (Excluding shift workers and some industries, e.g. hospitality) √√
  - Annual leave – workers must be allowed 21 working days' leave or on a pro-rata basis. √√
  - Maternity leave – at least four months. √√
  - Family responsibility leave – entitled to 3/5 days per year. √√
  - Any other relevant answer related to the purpose of BCEA. (3 x 2) (6)
- Max. 8**

**8.2.2 How it is implemented**

- Prescribing conditions in writing. √√
- Introducing structures such as the CCMA. √√
- Enforcing basic conditions of employment by labour inspectors which ensure that the organisations adhere to the Act. √√
- Imposing fines/penalties for non-compliance. √√
- Any other relevant answer related to how the Act is implemented. (2 x 2) (4)

**8.2.3 Evaluation (from employer/employee perspective)****Positive impact** √√

- Creating job opportunities. √√
- More economic growth. √√
- Better working conditions for all workers. √√
- Workers are not exploited and subject to abuse. √√
- Any other relevant answer related to the positive impact of BCEA.

**OR/AND****Negative impact** √√

- Workers are restricted from working beyond the maximum of 58 hours per week. √√
  - Does not apply to workers who work less than 24 hours per month. √√
  - Business managers are bound by company policy on how to handle workers. √√
  - Any other relevant answer related to positive and negative impact of BCEA. (4 x 2) (8)
- Max. 8**

**8.3 Labour Relations Act****8.3.1 Nature**

- To provide the framework where the employees/trade unions/employers can collectively bargain for wages and other working conditions. √√
- To advance economic development and labour peace. √√
- Any other relevant answer related to nature of LRA (1 x 2) (2)

**Purpose**

- Employees can be informed about their right to strike. √√
- To formulate industrial policies. √√
- Giving effect to obligations to be met by South Africa as a member of the International Labour Organisation (ILO). √√
- Forces companies to register with the Department of Labour.
- Any other relevant answer related to the nature and purpose of LRA.

(3 x 2) (6)

**Max. 8****8.3.2 How it is implemented**

- Collective bargaining √√
- Trade-union activities √√
- Compliance reports √√
- Labour inspectors √√
- Any other relevant answer related to how Act is implemented.

(2 x 2) (4)

**8.3.3 Evaluation****Positive impact**

- Unfair wages/situations are limited. √√
- Economic growth. √√
- Workers are involved in decision-making. √√
- Trade unions play a major role. √√
- Strikes are reduced to cycles where recognition agreements are signed. √√

**OR/AND****Negative impact**

- Employees in senior management positions should not be part of unions. √√
- Too many strikes (legal/illegal). √√
- Trade unions can get too powerful. √√
- Indefinite striking leads to loss of production/profits. √√
- More expenses for the business. √√
- Any other relevant answer related to evaluation of impact of LRA.

(4 x 2) (8)

**Max. 8****8.4 Conclusion**

- Since these two Acts have been implemented, employees as well as employers are benefiting in the workplaces. √√
- In South Africa there is an increasing awareness of contraventions in workplaces and also employees are being treated fairly. √√
- Any other relevant conclusion related to the Labour Relations and Basic Conditions of Employment Acts

(1 x 2) (2)

**NOTE:** If the evaluation of both these Acts are discussed together, allocate a maximum of 16 marks according to the mark allocated per subtopic .

**BREAKDOWN OF MARK ALLOCATION**

<b>DETAILS</b>	<b>MAXIMUM</b>	<b>TOTAL</b>
8.1 Introduction	3	<b>Max. 32</b>
<b>Basic Conditions of Employment Act</b>		
8.2.1 Nature and purpose	8	
8.2.2 How it is implemented	4	
8.2.3 Evaluation	8	
<b>Labour Relations Act</b>		
8.3.1 Nature and purpose	8	
8.3.2 How it is implemented	4	
8.3.3 Evaluation	8	
8.4 Conclusion	2	
<b>INSIGHT</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 of the requirements are met.

Allocate 0 marks where requirements are not met at all.

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