BUSINESS STUDIES

NOVEMBER 2011

POSSIBLE ANSWERS

MARKS: 300

This memorandum consists of 28 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 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.

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

5. Please take due 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'.
   NB: This applies to only questions where the numbers of facts are 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

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6.5 In all questions that require candidates to 'name/list/mention' etc, 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 the essays is as follows:

<table>
<thead>
<tr>
<th>Introduction</th>
<th>Maximum: 32</th>
</tr>
</thead>
<tbody>
<tr>
<td>Content</td>
<td></td>
</tr>
<tr>
<td>Conclusion</td>
<td></td>
</tr>
<tr>
<td>Insight</td>
<td>8</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>40</strong></td>
</tr>
</tbody>
</table>

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?) | 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? Are there decisions made from a combination of relevant points?) | 2 |
| Originality: examples, recency of information, current trends and developments | 2 |

**TOTAL FOR INSIGHT:** 8  
**TOTAL MARKS FOR FACTS:** 32  
**TOTAL MARKS FOR ESSAY (8 + 32)** 40

**NOTE:**

1. No marks will be 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.

<table>
<thead>
<tr>
<th>CONTENT</th>
<th>MARKS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Facts</td>
<td>32 (max.)</td>
</tr>
<tr>
<td>L</td>
<td>2</td>
</tr>
<tr>
<td>A</td>
<td>2</td>
</tr>
<tr>
<td>S</td>
<td>2</td>
</tr>
<tr>
<td>O</td>
<td>2</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>40</strong></td>
</tr>
</tbody>
</table>

**NOTE:** The mark allocation for insight may vary for each essay.

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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 B √√
      1.1.3 A √√
      1.1.4 A √√
      1.1.5 B/C √√ (The nature of the business may be a bank)
      1.1.6 B √√
      1.1.7 C √√
      1.1.8 D √√
      1.1.9 A √√
      1.1.10 D √√

      (10 x 2) (20)

1.2   1.2.1 SWOT analysis √√
      1.2.2 Board of directors √√
      1.2.3 Code of ethics √√
      1.2.4 Skills Development Act √√
      1.2.5 10 hours √√

      (5 x 2) (10)

1.3   1.3.1 D √√
      1.3.2 F √√
      1.3.3 E √√
      1.3.4 C √√
      1.3.5 A √√

      (5 x 2) (10)

TOTAL SECTION A: 40

BREAKDOWN OF MARKS

<table>
<thead>
<tr>
<th>QUESTION 1</th>
<th>MARKS</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.1</td>
<td>20</td>
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<tr>
<td>1.2</td>
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</tr>
<tr>
<td>1.3</td>
<td>10</td>
</tr>
<tr>
<td>TOTAL</td>
<td>40</td>
</tr>
</tbody>
</table>
### QUESTION 2

#### 2.1 2.1.1

**LO1 AS5**

Tertiary sector/ Formal sector/Private sector. √√

(1 x 2) (2)

#### 2.1.2

**LO1 AS5**

<table>
<thead>
<tr>
<th>CHALLENGE</th>
<th>ENVIRONMENT</th>
<th>EXTENT OF CONTROL</th>
</tr>
</thead>
<tbody>
<tr>
<td>Started a Taxi service√</td>
<td>Micro environment/ √</td>
<td>Full control</td>
</tr>
<tr>
<td></td>
<td>Market environment √</td>
<td>Limited control √</td>
</tr>
<tr>
<td>Bought four Taxis√</td>
<td>Micro environment</td>
<td>Full control/ delay the purchase of taxis√</td>
</tr>
<tr>
<td></td>
<td>Market environment</td>
<td>Limited control/ Research</td>
</tr>
<tr>
<td></td>
<td>Macro environment √</td>
<td>the best deal. √</td>
</tr>
<tr>
<td></td>
<td></td>
<td>No control √</td>
</tr>
<tr>
<td>Increase in interest rate by the Reserve Bank. √</td>
<td>Macro business environment. √</td>
<td>No control / Limited / e.g. lobby with government and other stakeholders. √</td>
</tr>
<tr>
<td>New competitor (Green Light Taxi services). √</td>
<td>Market business environment. √</td>
<td>Limited / e.g. Has an influence in this environment/lower tariffs. √</td>
</tr>
<tr>
<td>Government departments cancelled bookings. √</td>
<td>Market business environment. √</td>
<td>Limited control / e.g. Can influence to a certain extent/special discounts for government departments. √</td>
</tr>
<tr>
<td>Borrowed money from the bank. / Loan√</td>
<td>Micro environment</td>
<td>Full control</td>
</tr>
<tr>
<td></td>
<td>Market environment</td>
<td>Limited control</td>
</tr>
<tr>
<td></td>
<td>Macro environment √</td>
<td>No control. e.g. engage partners for venture capital. √</td>
</tr>
<tr>
<td>Decline in sales turnover. √</td>
<td>Micro business environment. √</td>
<td>Full control / e.g. advertise aggressively. √</td>
</tr>
</tbody>
</table>

(2 x 3) (6)

**NOTE:** 1. THE CHALLENGE, ENVIRONMENT AND THE EXTENT OF CONTROL MUST BE LINKED.

2. ACCEPT RELEVANT STRATEGIES/PRACTICAL WAYS TO OVERCOME CHALLENGES.

3. IF THE ENVIRONMENT IS INCORRECT NO MARKS SHOULD BE AWARDED FOR THE EXTENT OF THE CONTROL.

#### 2.2

**LO3 AS10**

- Coaching and mentoring √√ e.g. proper guidance to employees. √
- Conducting performance appraisal √√ e.g. recognising and appreciating good work done by employees. √
- Incentives and rewards √√ e.g. paying fair wages and salaries/ offering a bonus. √
- Offering market related salary packages. √√ e.g. providing allowances to employees for housing, medical, etc. √
- Counselling √√ e.g. referring affected employees to professionals for assistance. √
- Motivating √√ e.g. providing employees with job security. √
- Team building √ e.g. taking employees out for team building exercises √
- Rehabilitating √ e.g. referring employees who have problems with drugs and/or alcohol to rehabilitation centres. √
- Undertaking staff development programs/in-service training √ e.g. training in new technology. √
- Good mental and physical health √ e.g. providing recreational facilities. √
- Better working conditions √ e.g. adequate lights √
- Open communication policies √ by engaging employees. √
- Management styles √ e.g. mentoring √
- Proper planning √ e.g. strategic plans. √
- Clear policies √ e.g. proper directions given. √
- No discrimination of workers √ e.g. treats all workers equally. √
- Redesigning jobs / Business process engineering √ e.g. simplifying tasks. √
- Any other relevant answer related to how businesses help to reduce stress levels of the employees.

Facts/Heading 2
Examples/Explanation 1
(Any 4 x 3)(12)

NOTE: AWARD A MAXIMUM ONE MARK FOR EXAMPLE RELATING TO ONE FACT

2.3.1

LO4 AS3/LO3 AS7
- BCom degree/ Qualifications/ Job specification. √√
- A certificate in financial planning. √√
- Family ties. √√
- Minimum of one year management experience in financial management. √√
- Contract vs permanent employment. √√
- Relocation from one city to another city. √√
- Financial implications, e.g. salary. √√
- Responsibility/ Job description. √√
- Risks. √√
- Morals and ethics. √√
- Religion. √√
- Gender. √√
- Career pathing. √√
- Affirmative action. √√
- Infrastructure. √√
- Any other relevant answer related to factors to be considered when applying for a job.

(Any 3 x 2) (6)

2.3.2

LO4 AS3
YES √√

Motivation:
- Supports inclusivity. √√
- Does not discriminate/ no bias on the basis of gender, race or religion. √√
- Any other relevant answer related to the Employment Equity Act.

Yes (2)

Motivation (Any 2 x 2) (4)

Max. 6

NOTE: 1. AWARD ZERO MARKS FOR YES WITHOUT MOTIVATION.
2. AWARD FULL MARKS IF MOTIVATION IS POSITIVE AND ILLUSTRATED/INTEGRATED IN THE ANSWER.
3. AWARD A MAXIMUM OF FOUR MARKS IF YES/NO IS NOT INDICATED.

2.3.3 LO4 AS3

Option 1
- Constitute the selection committee. ✓✓
- The human resources manager forms part of the interview panel. ✓✓
- CVs must be scrutinised. Any applicant who does not meet the basic requirements should be rejected. ✓✓
- Best candidates are short-listed. ✓✓
- The short-listed candidates are invited for interviews and competency tests. ✓✓
- Short-listed candidates are interviewed. ✓✓
- Questions are asked to the candidates to establish their competency. ✓✓
- Some business organisations/enterprises conduct psychometric tests. ✓✓
- Results are then analysed and the best candidate is selected. ✓✓
- Unsuccessful candidates are informed. ✓✓
- The background and reference check on appointed candidate is carried out with his/her permission. ✓✓
- If the result from the background check is favourable, the candidate is offered the job. ✓✓
- If the results are not favourable, the process must be repeated/second candidate may be considered. ✓✓

Option 2
- Recruitment. ✓✓
- Selection. ✓✓
- Short-listing. ✓✓
- Reference check. ✓✓
- Interviews. ✓✓
- Aptitude test. ✓✓
- Medical test. ✓✓
- Competency test. ✓✓
- Psychometric test. ✓✓
- Placement. ✓✓
- Induction. ✓✓
- Training. ✓✓

Option 3
Award three marks for each step in option 2 when it is explained. (Maximum 14)

Any (7 x 2) (14)

NOTE: 1. STEPS DO NOT HAVE TO FOLLOW A PARTICULAR SEQUENCE.
2. THE QUESTION DOES NOT REQUIRE RETRENCHMENT AND SUCCESSION PLANNING.

2.4

2.4.1 LO1 AS3
- People with HIV/AIDS have the right not to reveal their status (privacy). ✓✓
- It was unethical as the dancer who revealed the HIV/AIDS status of the other dancer/did so without his consent. ✓✓
- Protected by the Bill of Rights in the constitution. ✓✓
- Breach of trust/confidentiality amongst colleagues. ✓✓
2.4.2 LO1 AS3

- Higher absenteeism/more days for sick leave. √√
- Time out to attend funerals/visit affected families. √√
- Low staff morale/psychological impact. √√
- Tension at the workplace/stigma attached. √√
- Training of new staff or replacement/high staff turnover. √√
- Businesses incurring more expenses/costs of implementation of wellness programmes/ higher medical costs. √√
- Business should try to be supportive to their employees by conducting workshops and discussing issues relating to HIV/AIDS. √√
- Productivity is lowered. √√
- Consumer market shrinking/buying power reduced. √√
- Any other relevant answer on the impact of HIV/AIDS on South African businesses.

Any (4 x 2) (8)

NOTE: THE NUMBER OF FACTS NEEDED IS NOT SPECIFIED.

<table>
<thead>
<tr>
<th>BREAKDOWN OF MARKS</th>
</tr>
</thead>
<tbody>
<tr>
<td>QUESTION 2</td>
</tr>
<tr>
<td>2.1.1</td>
</tr>
<tr>
<td>2.1.2</td>
</tr>
<tr>
<td>2.2</td>
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<tr>
<td>2.3.1</td>
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<td>2.3.2</td>
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<tr>
<td>2.3.3</td>
</tr>
<tr>
<td>2.4.1</td>
</tr>
<tr>
<td>2.4.2</td>
</tr>
<tr>
<td>TOTAL</td>
</tr>
</tbody>
</table>

QUESTION 3

3.1 LO2 AS8

- Easy to establish and dissolve. √√
- Inexpensive to establish. √√
- Sharing of responsibilities and risks. √√
- Makes provision for partners to make quick decisions/can easily adapt to various economic challenges. √√
- Few legal requirements. √√
- Direct control over your business matters. √√
- More capital can be gained. √√
- Creditworthiness is higher because partners are jointly and severally responsible for liabilities of the partnership. √√
- Allows for specialisation / Combination of different skills. √√
- Can be easily converted to another form of ownership/ Close Corporation or Company. √√
- Any other relevant answer related to advantages of a partnership. (Any 3 x 2) (6)

3.2 **LO2 AS4**
- Ability to take calculated risks. √√
- Good organisational, leadership and management skills. √√
- Creativity and ability to be innovative. √√
- Ability to take advantage of profitable opportunities. √√
- Energy, goal orientation and self motivation. √√
- Good interpersonal skills and ability to listen and work with others. √√
- Good communication skills. √√
- Confidence and belief in their capabilities. √√
- Having a good knowledge of the target market. √√
- Positive outlook. √√
- Combines factors of production. √√
- Manages resources effectively. √√
- Good future planning. √√
- Any other relevant answer related to the entrepreneurial qualities/characteristics of a successful business.

NOTE: BEWARE OF REPETITION OF THE SAME QUALITIES USING DIFFERENT EXPRESSIONS.

(Any 5 x 2)(10)

3.3 **LO3 AS8**
- Each member knows his/her role and responsibilities. √√
- There is mutual trust amongst team members. √√
- The members respect the opinions/contributions of other members. √√
- Members take decisions together. √√
- There are open communication lines between members on a regular basis. √√
- Members have clear and achievable goals. √√
- Support one another. √√
- Clear understanding of tasks and deadlines. √√
- Have necessary skills and respects each other skills. √√
- Common desire to achieve goals. √√
- Members must practice loyalty to the organisation. √√
- Members share the success of the team. √√
- Any other relevant answer related to characteristics/qualities of a successful team. (Any 4 x 2) (8)

3.4 **LO3 AS6**
- Lack of communication between employer and employee √√ e.g. management makes changes without informing employees. √
- Differences in goals and objectives √√ e.g. differences in values/vested interest. √
- Personnel matters √√ e.g. unhealthy working conditions/stressful working environment. √
Unequal treatment of employees √√ e.g. where management favours certain employees. √
- Personality clashes √√ e.g. where people of different personalities fail to work together. √
- Discrimination in the workplace √√ e.g. discrimination against workers based on gender, race or religion. √
- Differences in values √√ e.g. an employee who refuses to work overtime because he wants to attend to his personal matters √
- Different management styles √√ e.g. autocratic v/s democratic. √
- Insufficient/unclear policies √√ e.g. uncertainty amongst workers. √
- Competing for resources √√ e.g. limited finances/equipment etc. √
- Unfair distribution of resources √√ e.g. favouritism √
- Poor interpersonal relations between colleagues. √√ e.g. members, groups, departments, other businesses and suppliers. √
- Pressures from different stakeholders. √√ e.g. Shareholders vs. unions. √
- Any other relevant answer related to the causes of conflict.

3.5
3.5.1 LO2 AS7
Shares:
- Medium OR High risk investment √√
Fixed deposit:
- Low risk √√

3.5.2 LO2 AS7
Investment in shares
30 000 x R10 = R 300 000
30 000 x R15 = R 450 000
R 450 000 √ – R 300 000 √ = R 150 000 √√

Investment in fixed deposit
R 200 000 x 15
100
R 30 000 √ x 2 √
R 60 000 √√
- Shares (150 000 x 100) √ = 50% √√
300 000
- Fixed Deposit (60 000 x 100) √ = 30% √√
200 000

Best Return:
- Investment in shares √√

NOTE: 1. AWARD FULL MARKS IF THE ANSWER IS CORRECT (NO WORKINGS SHOWN), OTHERWISE ALLOCATE PART MARKS FOR THE UNDERSTANDING OF THE PROCESS/PROCEDURE UP TO A MAXIMUM OF 2 MARKS FOR EACH TYPE OF INVESTMENT.
2. IF THE LEARNER ONLY WRITES 50% (SHARES) AND 30% (FIXED DEPOSIT) AND INDICATES THAT THE BEST RETURN IS IN SHARES AWARD MAXIMUM OF 16 MARKS.
3. IF THERE ARE NO WORKINGS AND THE RETURNS ARE INCORRECT ALLOCATE ZERO MARKS.
4. IF ONLY THE BEST INVESTMENT IN SHARES IS GIVEN AS AN ANSWER ALLOCATE TWO MARKS.

3.5.3 LO2 AS7
- Unit Trust \( \checkmark \)
- Stokvel \( \checkmark \)
- Bonds \( \checkmark \)
- Retirement Annuity \( \checkmark \)
- Offshore Investment, e.g. Forex \( \checkmark \)
- Short term investment \( \checkmark \)
- Endowment \( \checkmark \)
- Debentures \( \checkmark \)
- Fixed property \( \checkmark \)
- Antiques/Work of art \( \checkmark \)
- Notice deposits \( \checkmark \)
- Buying commodities e.g. minerals, platinum, gold, diamonds, etc.
- Sinking fund \( \checkmark \)
- Any relevant answer related to types/forms of investment. (Any 2 x 2) (4)

NOTE: MARK SHARES AND FIXED DEPOSIT WRONG

<table>
<thead>
<tr>
<th>BREAKDOWN OF MARKS</th>
<th>QUESTION 3</th>
<th>MARKS</th>
</tr>
</thead>
<tbody>
<tr>
<td>3.1</td>
<td>6</td>
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<td></td>
</tr>
<tr>
<td>TOTAL</td>
<td>60</td>
<td></td>
</tr>
</tbody>
</table>

[60]

QUESTION 4

4.1 LO3 AS2

OPTION 1
- Identify the problem/Define the problem. \( \checkmark \)
- Assess the cause of the problem
- Collect as much information as possible about the problem. \( \checkmark \)
- Identify possible solutions to the problem/alternatives. \( \checkmark \)
- Facilitate a discussion amongst the persons involved with the problem/analyse the alternative solutions \( \checkmark \)
- Select the best solution. \( \checkmark \)
- Develop an action plan. \( \checkmark \)
- Implement the suggested solution. \( \checkmark \)
- Monitor the implementation and evaluate the chosen solution to the problem

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Accept "Ignore the problem"

OPTION 2
- Analyse the conflict
- Determine the conflict – management strategy
- Pre-negotiation
- Negotiation
- Post-negotiation

OPTION 3
Accept grievance/disciplinary procedure steps

(Any 5 x 2) (10)

NOTE: STEPS DO NOT HAVE TO BE IN ANY PARTICULAR ORDER.

4.2  LO1 AS 2
4.2.1 Divestiture/ Defensive strategy ✓✓ (2)
4.2.2 Backward integration ✓✓
Accept vertical integration (2)
NOTE: Only the word "integration" equals one mark
4.2.3 Market development/ intensive strategy ✓✓ (2)
4.2.4 Horizontal diversification/diversification/ conglomerate ✓✓ (2)
4.2.5 Market penetration/intensive ✓✓

4.3  LO4 AS3
- Increase bargaining power by canvassing for more members. ✓✓
- Discourage discrimination in the workplace/ ensure that workers are treated fairly. ✓✓
- Secure better benefits for members ✓✓
- Protect the rights of employees in the workplace. ✓✓
- Resolve grievances and settle disputes in the workplace. ✓✓
- Negotiate and bargain for wage increases/ collective bargaining. ✓✓
- Represent their members at grievance and disciplinary hearings/Represent the workers at the workplace. ✓✓
- Improve and negotiate better working conditions for workers. ✓✓
- Maintenance and the promotion of the interests of its members.
- To express the views and the aspirations of the employees through workplace forums. ✓✓
- To promote, support and unite trade unions / to organise and unite the employee workforce of the various industries into one strong body. ✓✓
- Any other relevant answer related to functions of trade unions. (Any 4 x 2) (8)

NOTE: ALLOCATE ONE MARK EACH FOR EXAMPLES GIVEN ONLY: UP TO A MAXIMUM OF 2 MARKS PER FUNCTION.
ADVANTAGES OF INSURANCE ON MORTGAGE BOND
- Service providers require collateral as a surety/compulsory for mortgage bonds √
- Insurance provides indemnity to the Pillays for losses they may suffer due to fire, natural disasters etc. √
- The Pillays are protected from losses as a result of ill-health(temporary/permanent employment), death, disability etc. √
- Improves credit ratings if previous premiums on mortgage bonds are up to date. √
- The rates offered by the bank may be more competitive. √
- Any other relevant answer related to advantages of insurance on mortgage bonds.

NOTE: ACCEPT "SECURITY" IF IT IS NOT REPEATED IN THE PREVIOUS EXAMPLES/FACTS.

YES (2)

Advantages (3 x 2) (6)
Max. (8)

OR

NO √√
- Insurance on a bond is for a limited period. √√
- Insurance premiums are sometimes too high. √√
- Insurance increases expenses of individuals/businesses. √√
- Other insurances (endowment) could be ceded as collateral. √√
- Insurance covers for a risk which may or may not happen, which could be a loss to individuals. √√
- Save and buy a house for cash. √√
- Rent until the Pillays have enough money. √√
- The value of the property could be much higher than the bond itself. √√
- Mortgage insurance do not offer any cash value when surrendered. √√
- Insurance agents demand various commission rates which result in inconsistencies in premiums paid. √√
- Savings could earn guaranteed returns via interest. √√
- Any other relevant answer related to disadvantages of insurance when taking out policies on mortgage bonds.

NO (2)

Disadvantages (3 x 2) (6)
Max. (8)

NOTE:
1. THE ANSWERS MUST BE LINKED AND APPLICABLE TO MORTGAGE BONDS.
2. YES/NO WITHOUT REASONS: ALLOCATE ZERO MARKS
4.5 LO3 AS4

**Pricing of goods in rural areas**
- Prices of goods and services in the rural areas are higher than those in the urban areas. \( \checkmark \)
- Little or no competition (no other sellers) / some businesses are the only suppliers of goods and services, therefore they charge higher prices. \( \checkmark \)
- Lack of infrastructure results in businesses having no competition. \( \checkmark \)
- Lack of monitoring by regulatory bodies on legislated/recommended prices. \( \checkmark \)
- Most businesses hire transport to buy stock from far places which result in them charging higher prices. \( \checkmark \)
- Any other relevant answer related to the pricing of goods in rural areas.

**Recommendations**
- Constant monitoring by regulatory bodies especially when prices are fixed.
- Government should improve infrastructure in rural areas. \( \checkmark \)
- Businesses in rural areas should be encouraged to charge fair and market related prices for goods and services. \( \checkmark \)
- Businesses should gain customer loyalty and patronage by avoiding unethical practices. \( \checkmark \)
- Any other relevant answer related to how businesses can address pricing of goods in rural areas.

**Discussion** Any (2 x 2) (4)
**Recommendation** Any (1 x 2) (2)

---

**Sexual harassment**
- This refers to any sexual advance, gestures or remarks that cause a person to feel intimidated/threatened at work. \( \checkmark \)
- It includes request for sexual favours in return for employment benefits. \( \checkmark \)
- It includes physical/verbal advances or jokes e.g. touching in a sexually expressive manner. \( \checkmark \)
- Refers to violation of basic human rights normally by person misusing his/her position of authority against the other. \( \checkmark \)
- Any other relevant answer related to sexual harassment.

**Recommendations**
- Implement complaints and disciplinary procedures. \( \checkmark \)
- Educate employers on sexual harassment matters. \( \checkmark \)
- Formulate a policy regarding sexual harassment. \( \checkmark \)
- Create a good working condition where all employees' rights and dignity are respected. \( \checkmark \)
- After internal enquiries, serious cases/matters on sexual harassment should be reported to appropriate institutions such as the South African Police Services. \( \checkmark \)
- Ensures compliance with the law. \( \checkmark \)
- Any other relevant answer related to how businesses can address sexual harassment.

**Discussion** Any (2 x 2) (4)
**Recommendation** Any (1 x 2) (2)

Max.  \( (12) \)
4.6
4.6.1 **LO2 AS6**
Bar graph \(\checkmark\)
NOTE: DO NOT ACCEPT "HISTOGRAM"
(2)

4.6.2 **LO2 AS6**
June \(\checkmark\)
(2)

**Motivation:**
- It is winter season during June. \(\checkmark\)
- Many people buy jackets because of the cold weather. \(\checkmark\)
- Many retail shops could offer sales discounts. \(\checkmark\)
- Jackets could be in fashion. \(\checkmark\)
- Highest sales (R90 000) in June. \(\checkmark\)
- Any other relevant motivation for highest sales in June. (Any 2 x 2)(4)

Max. (6)

4.6.3 **LO2 AS6**
- Sell products that could be adapted for use in different seasons/versatile products. \(\checkmark\)
- Diversification of products. \(\checkmark\)
- Offer sales discount / market penetration\(\checkmark\)
- Intensify marketing efforts. \(\checkmark\)
- Expand business to other areas that experience cold weather/ market development\(\checkmark\)
- Redefine target market. \(\checkmark\)
- Any other relevant strategy (type/practical way) on improving sales during September. (Any 2 x 2)(4)

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[60]

**TOTAL SECTION B:** 180
SECTION C

QUESTION 5  LO1 AS4

5.1 Introduction
- Many consumers overspend when buying on credit. √
- The National Credit Act was put in place to improve the debt of both business and consumers. √
- The Act ensures that we are using credit in a way that adds value to our lives. √
- If we are not careful it is easy to let debt get the better of us. √
- Any other relevant introduction related to the National Credit Act. (Any 3 x 1) (3)

5.2 Purpose of the National Credit Act
- Protects the consumer against unfair credit agreements. e.g. charging exorbitant interest rates well above the maximum stipulated by law. √√
- Introduces a single functional system of regulating that will apply to all credit activities. √√
- Ensures that all credit providers and credit consumers are treated equally. √√
- Encourages responsible borrowing. √√
- Justifiable rights and responsibilities for consumers and credit providers. √√
- Careless granting of credit by service providers to consumers is discouraged. √√
- The NCA regulates the interest rate to be charged by service providers to consumers. √√
- Makes provision for the establishment of National Credit Regulator (NCR). √√
- Make provision for the establishment of a credit register (database). √√
- Any other relevant answer related to the purpose of the Act (NCA). (Any 3 x 2) (6)

5.3 Business/service provider
5.3.1 The advantages of the National Credit Act to Businesses/Service providers
- More prudent buying. √√
- The whole credit process is transparent. √√
- Lower bad debts. √√
- Better cash flow. √√
- Protects businesses against non-paying consumers. √√
- Increases cash sales. √√
- Gains goodwill and loyalty of the consumer. √√
- Leads to more customers through credit sales as they are now protected from abuse. √√
- Any other answer relevant to the advantages of the National Credit Act to businesses/service providers. (Any 3 x 2) (6)

5.3.2 The disadvantages of the NCA to Businesses/Service providers
- Decrease in credit sales due to customer loss/ economic decline (downturn). √√
- May be restricted in getting generous overdraft facilities. √√
- Creditors may not pester consumers to agree to a credit agreement telephonically or through visits at home. √√
- More working capital is needed. √√
- Businesses are now struggling to survive because they depend on customers who had easy access to credit / only creditworthy customers. √√
- Misinterpretation of the act may lead to decline in profit. e.g. increased bad debts. √√
5.4 Consumer/clients

5.4.1 Advantages of the NCA to consumers/clients
- Protect consumers against unfair credit practices. √√
- Protect customers from receiving credit that they are not able to repay. √
- Relieve consumers who do not understand the risks involved and therefore become over indebted. √√
- Protects customers by restricting trading hours for direct sales. √√
- Provides for debt counselling. √√
- Any other relevant answer related to the advantages of NCA to consumers.  (Any 3 x 2) (6)

5.4.2 Disadvantages of the NCA to consumers/clients.
- Customers who are blacklisted cannot access credit. √√
- May lead to a drop in the standard of living. √√
- Customers are not always informed why their credit application is turned down. √√
- Any other relevant answer related to the disadvantages of the NCA to customers.  (Any 3 x 2)(6)

5.5 Consumer rights in terms of the Credit Act
- The right to apply for credit. √√
- Protection against discrimination in respect of credit. √√
- Obtain reasons for credit being refused. √√
- Information in an official language (choice of two). √√
- Information in plain and understandable language. √√
- Receive documents as required by the Act. √√
- Confidential treatment of information. √√
- Right to access and challenge credit records and information
- Any other relevant answer related to consumer rights.  (Any 3 x 2)(6)

5.6 What can be done if a consumer's application for credit is declined?
- A credit provider needs to provide you with a reason. √√
- The customer may request a written reason for decline. √√
- Can reapply for credit. √√
- Provide information to support the reasons for the decline. √√
- Any other relevant answer related to measures that could be undertaken when an application for credit is declined.  (Any 2 x 2)(4)

5.7 Conclusion
- Customers have the responsibility to take ownership of credit by honouring the payment. √√
- This Act allows and enables responsible lending and eliminates reckless borrowing.√√
- Any other relevant conclusion related to NCA.  (Any 1 x 2)(2)
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### INSIGHT

| Layout                                               | 2       |       |
| Analysis, interpretation                             | 2       |       |
| Synthesis                                            | 2       |       |
| Originality, examples                                | 2       |       |

### TOTAL MARKS

| TOTAL MARKS                                          | 40      |       |

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

**NOTE:** A FACT MAY BE RELEVANT IN MORE THAN ONE SUB-TOPIC. E.G. PURPOSE AND ADVANTAGES: AWARD MARKS ACCORDINGLY.
QUESTION 6 LO 2 AS 5

6.1 Introduction
- Businesses are socially responsible for promoting human rights and inclusivity in the workplace as well as protecting the environment. √
- Promoting human rights, inclusivity and protecting the environment will promote a good image for the business. √
- Sustainability of any business enterprise depends largely on its ability to address Human Rights, Inclusivity and environmental issues. √
- Any other relevant introduction related to Human rights, inclusivity and environmental issues. (Any 3 x 1) (3)

6.2 Human Rights
6.2.1 Nature of human rights
- Human rights refer to the basic rights to which all citizens are entitled to. √√
- In South Africa, basic human rights are protected by the Bill of Human Rights as stipulated in the Constitution. √√
- It includes the right to be treated in a dignified manner, freedom of speech, privacy, etc. √√
- Human Rights are the framework of good relations and welfare of society. √√
- Any other relevant answer related to nature of Human Rights. (Any 4 x 2) (8)

6.2.2 Evaluation
- Employ more employees with disabilities. √√
- Employ more employees from different cultural groups. √√
- Implement more skills development programmes for their workers. √√
- Make donations to various organisations. √√
- Help disadvantaged people to be more productive by implementing practical courses. √√
- Treat all employees equally and fairly. √√
- Pay employees fair remuneration. √√
- Ensure freedom of association in the workplace. √√
- Implement fair, consistent and transparent disciplinary measures. √√
- Honour basic human rights as outlined in the Constitution of South Africa. √√
- Provide a safe and pleasant work environment. √√
- Implement human rights policy. √√
- Ensure that workers are not discriminated against. √√
- Any other relevant answer related to how NWU can address human rights. (Any 4 x 2) (8)

6.3 Inclusivity
6.3.1 Nature of inclusivity
- Aims to redress the past imbalances by ensuring that no one is discriminated against. √√
- Employers must follow a policy of equal opportunities for all employees. √√
- Inclusivity ensures that nobody is excluded on the basis of gender, race, disability and/or sexual orientation. √√
- The Employment Equity Act and the BBBEE Act were put in place by the government to promote inclusivity. √√
- Any other relevant answer related to nature of inclusivity. (Any 4 x 2) (8)
6.3.2 **Evaluation**
- Including more workers with disabilities. √
- Making the workplace to be representative of the South African society. √
- Addressing gender issues. √
- Providing equal opportunities for women in the workplace. √
- Eliminating unfair business practices. √
- Respecting employee's rights. √
- Making appointments and promotions on the basis of merit without any kind of discrimination. √
- Implementing an affirmative action strategy. √
- Implementing the Employment Equity Act which promotes equal opportunity and fair treatment for all employees. √
- Implementing the Skills Development Act to equip employees with necessary skills especially from previously disadvantaged groups. √
- Any other relevant answer related to how NWU can promote inclusivity. (Any 4 x 2)(8)

6.4 **Environmental issues**
6.4.1 **Nature of environmental issues**
- Environmental issues refer to how businesses use its natural resources. √
- The business has responsibility to protect the environment, e.g. not to pollute the environment. √
- All businesses must be environmental friendly. √
- Emphasis on global warming. √
- Disposal of toxic waste. √
- Any other relevant answer related to nature of environmental issues. (Any 4 x 2)(8)

6.4.2 **Evaluation**
- Donate money or expertise to nature conservation programmes/involvement in social responsibility programmes by donating funds for nature conservation. √
- Ensure environmental sustainability. √
- Develop alternative sources of energy. √
- Comply with all environmental laws. √
- Take active steps to decrease and control pollution. √
- Comply with legislation regarding the environment. √
- Take an active role in restoring and protecting the environment. √
- Implement recycling programmes involving community members. √
- Involvement in social responsibility programmes by donating funds for nature conservation. √
- Any other relevant answer related to how NWU can implement environmental initiatives. (Any 4 x 2)(8)

6.5 **Conclusion**
- Human rights issues, inclusivity and environmental issues should be addressed by businesses for its continued existence. √
- Businesses which are not socially or environmentally responsible may lose its share in the market. √
- Any other relevant conclusion related to the implementation of human rights, inclusivity and environmental issues. (Anv 1 x 2)
### BREAKDOWN OF MARKS

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#### INSIGHT

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**TOTAL MARKS**

|                  | 40      |

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

**NOTE:** IF THE LEARNER WRITES DOWN STRATEGIES GIVEN IN THE CASE STUDY ALLOCATE A MAXIMUM OF ONE MARK PER FACT.
QUESTION 7  LO3 AS 5

7.1 Introduction
- Good leaders have to apply specific management and leadership styles to a particular situation. √
- This depends on the type of workers/employees the leader deals with. √
- Highly skilled and unskilled workers require different management and leadership styles. √
- Any other relevant introduction related to management and leadership styles.  
  (Any 3 x 1)(3)

7.2 Analysis of statement

OPTION 1:
Agree with the statement. √√  

Motivation
- Leaders give direction to the business. √√
- Good leaders help businesses to work towards the achievement of business goals and objectives. √√
- Leaders make decisions which help the business to grow/expand. √√
- Any other relevant motivation related to how good management and good leadership will influence businesses and organisations to become more successful.  
  (Any 1 x 2)(2)

OR

- Disagree with the statement. √√  

Motivation
- Business could be well established. √√
- No competition. √√
- Products could be in high demand. √√
- Business could have strong brand loyalty. √√
- Strong financial situation. √√
- Well informed target market. √√
- Any other relevant motivation related to disagreement on the statement of leadership and management contribution to successful business performance and achievement of goals and objectives.  
  (Any 1 x 2)(2)

OPTION 2

NOTE: ALLOCATE FOUR MARKS (2X2) WHEN THE MOTIVATION IS GIVEN AND WHERE THERE IS NO “YES” OR “NO”

7.3 Evaluation of Leadership/Management styles
7.3.1 Autocratic/Boss centred/Authoritarian leadership/management style.
- The leader makes all the decisions alone. √√
- The leader has little or no consideration for the needs of subordinates. √√
- Subordinates are told what to do and how to do it without being given the opportunity to make inputs or suggestions. √√
- The leader gives directives/instructions as a way of communicating with subordinates. √√
- It is used when the manager has all the information to solve the problem. √√
This leadership style if not used correctly, may lead to crisis situations within the organisation. √√
- Leaders must use this style carefully because it may de-motivate subordinates
- Any other relevant answer related to Autocratic/Boss centred/Authoritarian leadership/management style.

**Application**
- When dealing with uncooperative employees in the workplace. √√
- Implementing policies of the organisation. √√
- During crisis situations in the workplace. √√
- Implementing government legislation. √√
- Any other relevant answer relating to the application of Autocratic/Boss centred/Authoritarian leadership/management style.

**Discussion** (Any 4 x 2) (8)
**Application** (Any 2 x 2) (4)
Max. 12

### 7.3.2 **Laissez-faire/free reign leadership/management style**
- The leader is not part of the decision making process, but allows employees to make all the decisions within the framework/limits of the policy. √√
- The leader gets involved when requested. √√
- The leader is responsible and accountable for the employees’ decisions and actions. √√
- Employees are left on their own with minimal interference. √√
- This may lead to frustration on the part of employees when they lack experience or have not earned the trust of the leader. √√
- Any other relevant answer related to Laissez-faire/free reign leadership/management style.

**Application**
- This leadership style can be used when the leader is empowering his/her employees through the delegation of duties. √√
- Useful when employees are knowledgeable and experienced. √√
- It works well in situations where employees are highly skilled in analysing situations and offering solutions. √√
- Any other relevant answer related to the application of Laissez-faire/free reign Leadership/management style

**Discussion** (Any 4 x 2) (8)
**Application** (Any 2 x 2) (4)
Max. 12

### 7.3.3 **Charismatic Leadership/management style**
- Useful when personal charm, inspiration and emotion rather than power and authority are used to influence or lead subordinates. √√
- The leader serves as a role model and subordinates follow him/her. √√
- The leader has a vision and is able to communicate well with others. √√
- Subordinates are praised even for little success achieved. √√
- The leader has good values and directs the company to greater success. √√
- Commonly used by politicians, religious leaders and business teams. √√
- Charismatic leaders are intolerant of challenges and they regard themselves as irreplaceable. √√
- Any other relevant answer related to Charismatic Leadership/management style.
Application
- It is applied when management has identified low morale amongst its employees. √√
- The leadership style can be applied to motivate and inspire subordinates. √√
- It is suitable when an organisation is undergoing changes. √√
- Any other relevant answer related to the application of Charismatic leadership/management style. Discussion (Any 4 x 2) (8)
  Application (Any 2 x 2) (4)
  Max. 12

7.4 Conclusion
- Different leadership/management styles are influenced by the nature of the organisation and expertise of the employees. √√
- The personality of the leader plays an important part in the type of the leadership style to be used. √√
- Any other relevant answer related to conclusion of management and leadership styles. (Any 1 x 2)(2)

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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. [40]

NOTE: 1. THE DISCUSSION AND APPLICATION COULD BE INTEGRATED
2. CANDIDATES SHOULD BE AWARDED MARKS WHEN EXAMPLES ARE USED TO DEMONSTRATE UNDERSTANDING.
QUESTION 8  LO4 AS6

8.1 Introduction
- Top management is ultimately responsible for quality of performance. √
- Senior executives need to be able to guide and direct everyone in the business to improve performance. √
- Quality cannot be achieved by one person in a business working towards a particular goal. √
- Everyone employed in a business has a role to play in realising the goal of quality performance. √
- Any other relevant introduction related to quality of performance within business functions. (Any 3 x 1) (3)

8.2 Quality of performance within the production function
- Providing high performing, trouble-free products and services. √√
- The production or operating processes of a business must be done correctly for the first time, every time. √√
- Products and services must be produced at the lowest possible cost to allow for profit maximisation. √√
- Clearly communicating the roles and responsibilities of the production workforce. √√
- Products must meet customers' requirements by being safe, reliable and durable. √√
- Having good after-sales services and warrantees. √√
- Empowering workers so that they can take pride in their workmanship. √√
- Getting accreditation from the SABS/ISO 9001 thus ensuring that quality products are being produced. √√
- Specifying the product or service standards and taking note of the factors that consumers use to judge quality. √√
- Monitoring processes and finding the root causes of production problems. √√
- Implementing quality control systems to ensure that quality products are consistently being produced. √√
- Machines and equipment must be optimally utilised. √√
- Accurate calculation of production costs. √√
- Any other relevant answer related to quality of performance within the production function. (Any 5 x 2)(10)

8.3 Quality of performance within the marketing function
- Acquiring a greater market share. √√
- Winning customers by satisfying their needs / wants and building positive relationships. √√
- Adhering to ethical advertising practices when promoting products and services. √√
- Identifying competitive edge. √√
- Differentiating products. √√
- Constantly reviewing value issues. √√
- Communicating effectively with customers to get feedback from customers about their experiences of the products and services sold. √√
- Co-ordinating distribution with the production and advertising strategies. √√
- Using pricing techniques to ensure a competitive advantage. √√
Measuring the gaps between customer expectations and their actual experiences so that problems regarding quality of products can be diagnosed and addressed. √√
- Making adjustments and changes to products and services based on feedback received from customers. √√
- Using aggressive advertising campaigns to sustain the market share. √√
- Any other relevant answer related to quality of performance within the marketing function. (Any 5 x 2)(10)

8.4 Quality of performance within the purchasing function
- The purchasing and procurement department has the responsibility for obtaining goods and services that will help the business meet its performance goals. √√
- Ensuring that purchases are of the right quality and price, of the correct quantities and are available at the right time and place. √√
- Identifying suitable suppliers who will be able to source and deliver goods and services. √√
- Maintaining and implementing an effective stock control system. √√
- Ensuring that suppliers are paid on time. √√
- Involving suppliers in strategic planning, product design, material selection and quality control process. √√
- Ensuring that there is no break in production or shortages due to stock outs. √√
- Minimising cash flow problems due to overstocking. √√
- Building relationships with suppliers so that they are in alignment with the business’s vision, mission and values. √√
- Having a thorough understanding of supply chain management. √√
- Any other relevant answer related to the quality of performance within the purchasing function. (Any 5 x 2)(10)

8.5 Quality of performance within the general management function
- Developing, implementing and monitoring effective strategic plans. √√
- Efficient organisation and allocation of business resources to allow for the successful achievement of long-term and short-term plans. √√
- Ensuring that structured standards and norms are in place so that control mechanisms can be implemented. √√
- Learn about and understand changes in the business environment on an ongoing basis. √√
- Set direction and establish priorities for their business. √√
- Communicate shared vision, mission and values effectively. √√
- Be prepared to set an example of the behaviour they expect from employees – in terms of ethics as well as productivity. √√
- Ensure that employees have the resources needed to do their work (effective allocation of resources). √√
- Be proactive and always seek to improve comparative advantage over competitors. √√
- Any other relevant answer related to the quality of performance within general management. (Any 5 x 2)(10)
8.6 Conclusion
- Businesses must always focus on satisfying customers needs. √√
- Maintain quality of performance in its overall business operations. √√
- Keep abreast with current business development. √√
- Any other relevant conclusion related to the quality of performance within the above-mentioned business functions. (Any 1 x 2)(2)

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<th>Details</th>
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<tr>
<td>Introduction</td>
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<td>Quality performance within Marketing</td>
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<td>Quality performance within General Management</td>
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<tr>
<td>Conclusion</td>
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**INSIGHT**
- Layout                                       | 2       |
- Analysis, interpretation                      | 2       |
- Synthesis                                     | 2       |
- Originality, examples                         | 2       |

**TOTAL MARKS** 40

LASO – For each component
Allocate 2 marks if all requirements are met.
Allocate 1 mark if only some of the requirements are met.
Allocate 0 marks where requirements are not met at all. [40]

NOTE: CANDIDATES SHOULD BE AWARDED MARKS WHEN EXAMPLES ARE USED TO DEMONSTRATE UNDERSTANDING.

TOTAL SECTION C: 80
GRAND TOTAL: 300