

MARKING GUIDELINES

EXAMINATION NATIONAL SENIOR CERTIFICATE	
GRADE	12
DATE	MAY/JUNE 2026
SUBJECT	BUSINESS STUDIES
PAPER	1
MARK TOTAL	150
DURATION (HOURS)	2
NUMBER OF PAGES	33



SOUTH AFRICAN COMPREHENSIVE ASSESSMENT INSTITUTE
SUID-AFRIKAANSE KOMPREENSIEWE ASSESSERINGSINSTITUUT

FINAL APPROVED MARKING GUIDELINES	
DATE OF MEETING	
UMALUSI MODERATOR	
CHIEF MARKER	
INTERNAL MODERATOR	



NOTES TO MARKERS

PREAMBLE

The notes to markers are provided for quality assurance purposes to ensure the following:

- a) Fairness, consistency and reliability in the standard of marking.
- b) Facilitation of the moderation of candidates' scripts at the different levels.
- c) Streamlining of the marking process considering the broad spectrum of markers.
- d) Implementation of appropriate measures in the teaching, learning and assessment of the subject at schools/institutions of learning.

1. For marking and moderation purposes, the SACAI procedures are being followed.
(Please refer to the SACAI Policy Document, [Annexure PM 2.10.5])
2. Candidates' responses must be in full sentences for SECTIONS B and C. However, this would depend on the nature of the question.
3. A comprehensive marking guideline has been provided but this is by no means exhaustive. Due consideration should be given to an answer that is correct but:
 - uses a different expression from that which appears in the marking guideline
 - comes from another source
 - is original
 - uses a different approach

NOTE: There is only ONE correct answer in SECTION A.

4. Take note of other relevant answers provided by candidates and allocate marks accordingly. (In cases where the answer is unclear or indicates some understanding, part-marks should be awarded, for example, one mark instead of the maximum of two marks.)
5. The word *Sub max* is used to facilitate the allocation of marks within a question or sub-question.
6. The purpose of circling marks (guided by *max* in the breakdown of marks) on the right-hand side is to ensure consistency and accuracy in the marking of scripts as well as for calculation/moderation purposes.
7. Subtotals to questions must be written in the right-hand margin. Circle the subtotals as indicated by the allocation of marks. This must be guided by *max* in marking guideline/breakdown of marks. Only the total for each question should appear in the left-hand margin next to the appropriate question number.
8. In an indirect question, the theory as well as the response must be relevant and related to the question.



9. Incorrect numbering of answers to questions or sub questions in SECTIONS A and B will be severely penalised. Therefore, correct numbering is strongly recommended in all sections.
10. No additional credit must be given for repetition of facts. Indicate with a 'R'.
11. Note that no marks will be awarded for indicating Yes/No in evaluation type questions requiring substantiation or motivation. (Applicable for SECTIONS B and C).
12. The differentiation between 'evaluate' and 'critically evaluate' can be explained as follows:

12.1 When 'evaluate' is used, candidates are expected to respond in either a positive/negative manner or take a neutral (positive and negative) stance, e.g. **Positive:** *'COIDA eliminates time and costs spent ✓ on lengthy civil court proceedings.'* ✓

12.2 When 'critically evaluate' is used, candidates are expected to respond in either a positive/negative manner or take a neutral (positive and negative) stance. In this instance candidates are also expected to support their responses with more depth, e.g. *'COIDA eliminates time and costs spent ✓ on lengthy civil court proceedings ✓, because the employer will not be liable for compensation to the employee for injuries sustained during working hours as long as it can be proved that the business was not negligent.'* ✓

NOTE: The above could apply to 'analyse' as well.

13. The allocation of marks must be informed by the nature of the question, cognitive verb used, mark allocation in the marking guideline and the context of each question.

Cognitive verbs, such as:

- 13.1** Name, state, mention, outline, motivate, recommend, suggest, advise (list not exhaustive) do not usually require much depth in candidates' responses. Therefore, the mark allocation for each statement/answer appears at the end.
- 13.2** Describe, explain, discuss, elaborate, compare, distinguish, differentiate, justify, devise, analyse, evaluate, critically evaluate (list not exhaustive) require a greater depth of understanding, application and reasoning. Therefore, the marks must be allocated more objectively to ensure that assessing is conducted according to established norms so that uniformity, consistency and fairness are achieved.



14. SECTION B

14.1 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 only to questions where the number of facts is specified.

14.2 If two facts are written in one sentence, award the candidate FULL credit. Point 14.1 above still applies.

14.3 If candidates are required to provide their own examples/views, brainstorm this at the marking centre to finalise alternative answers.

14.4 Use of the cognitive verbs and allocation of marks:

14.4.1 If the number of facts is specified, questions that require candidates to 'describe/discuss/explain' may be marked as follows:

- Fact 2 marks (or as indicated in the marking guideline)
- Explanation 1 mark

The 'fact' and 'explanation' are given separately in the marking guideline to facilitate mark allocation.

14.4.2 If the number of facts required is not specified, the allocation of marks must be informed by the nature of the question and the maximum mark allocated in the marking guideline.

14.5 ONE mark may be awarded for answers that are easy to recall, requires one-word answers or is quoted directly from a scenario/case study. This applies to SECTION B and C in particular (where applicable).

15. SECTION C

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

Introduction	Maximum: 36
Content	
Conclusion	
Insight	4
TOTAL	40



15.2 Insight consists of the following components:

Layout/Structure	Is there an introduction, a body and a conclusion?	2
Analysis and interpretation	Is the candidate able to break down the question into the headings/sub-headings and interpret it correctly to show understanding of what is being asked? - All headings/sub-headings are correctly used: Award 1 mark for analysis. 18 to 36 marks for facts: Award 2nd mark for analysis.	2
TOTAL FOR INSIGHT:		4
TOTAL FOR FACTS:		36
TOTAL MARKS FOR ESSAY:		40

- NOTE:**
- No marks will be awarded for contents repeated from the introduction and conclusion.
 - The candidate forfeits marks for layout if the words **INTRODUCTION** and **CONCLUSION** are not stated.
 - No marks will be allocated for layout if the headings **INTRODUCTION** and **CONCLUSION** are not supported by an explanation.

15.3 Indicate insight in the left-hand margin with a symbol e.g. ('L, A').

15.4 The breakdown of marks is indicated at the end of the suggested answer/marketing guidelines to each question.

15.5 Mark all relevant facts until the SUB MAX/MAX mark in a subsection has been attained. Write SUB MAX/MAX after maximum marks have been obtained.

15.6 At the end of each essay indicate the allocation of marks for facts and marks for insight as follows: (L – Layout, A – Analysis) as in the table below:

CONTENT	MARKS
F (Facts)	36 (Max)
L (Layout)	2
A (Analysis)	2
TOTAL	40



- 15.7** 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.)
- 15.8** If the candidate identifies/interprets the question INCORRECTLY, then he/she may still obtain marks for layout.
- 15.9** If a different approach is used by candidates, ensure that the answers are assessed according to the mark allocation/subheadings as indicated in the marking guideline.
- 15.10**
- 15.10.1** Award TWO marks for complete sentences. Award ONE mark for phrases, incomplete sentences and vague answers.
- 15.10.2** With effect from November 2015, the TWO marks will not necessarily appear at the end of each completed sentence. The ticks (✓) will be separated and indicated next to each fact, e.g. *'Product development is a growth strategy where businesses aim to introduce new products ✓ into existing markets.'* ✓
This will be informed by the nature and context of the question, as well as the cognitive verb used.
- 15.11** With effect from November 2017, the maximum of TWO (2) marks for facts shown as headings in the memo, will not necessarily apply to each question. This would also depend on the nature of the question.



SECTION A: (COMPULSORY)

QUESTION 1

1.1

1.1.1 C ✓✓

1.1.2 B ✓✓

1.1.3 A ✓✓

1.1.4 A ✓✓

1.1.5 D ✓✓

(5x2)(10)

1.2

1.2.1 collective bargaining ✓✓

1.2.2 conglomerate ✓✓

1.2.3 specification ✓✓

1.2.4 quality ✓✓

1.2.5 administration ✓✓

(5x2)(10)

1.3

1.3.1 D ✓✓

1.3.2 I ✓✓

1.3.3 F ✓✓

1.3.4 B ✓✓

1.3.5 A ✓✓

(5x2)(10)

TOTAL SECTION A: [30]



SECTION B

Mark **ONLY** the **FIRST TWO** questions.

QUESTION 2: BUSINESS ENVIRONMENTS

2.1 Pillars of the Broad-Based Black Economic Empowerment/BBEE Act

- Management control ✓
- Ownership ✓
- Enterprise and supplier development/ESD ✓
- Skills development ✓
- Socio-economic development/Social responsibility ✓

NOTE: Mark the first TWO (2) only.

(2x1)(2)

2.2 Rights of employees in terms of the Labour Relations Act/LRA

- Employees have the right to join a trade union of their choice. ✓✓
- Establish a workplace forum where a business has 100 or more employees to resolve work-related issues. ✓✓
- Request trade union representatives to represent and assist employees during the grievance procedures/disciplinary hearings. ✓✓
- Employees may embark upon legal strikes as a remedy for grievances. ✓✓
- Trade union representatives may take reasonable time off work with pay, to attend to trade union duties. ✓✓
- Refer unresolved workplace disputes to the Commission for Conciliation, Mediation and Arbitration (CCMA). ✓✓
- Refer unresolved CCMA disputes to the Labour Court for an appeal. ✓✓

[Any other relevant answer related to the rights of employees in terms of the LRA.]

Max. (4)

2.3 Sector Education and Training Authorities/SETAs

2.3.1 Roles of SETAs from the scenario

- The SETA approved the workplace skills plan of NC. ✓
- They also monitor the actual training by service providers. ✓

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

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

(2x1)(2)



2.3.2 How the Sector Education and Training Authorities (SETAs) are funded

- Skills Development levies are paid by employers to SARS ✓ as a collecting agency for the government. ✓
- Employers who have a salary bill that exceeds R500 000 per annum, ✓ should pay one percent (1%) of their annual salaries as a levy. ✓
- The different SETAs receive 80% of the levy for organisational expenses ✓ and the remaining 20% is paid to the National Skills Fund. ✓
- Donations/grants received ✓ from the public/businesses/CSI programmes. ✓
- Surplus funds received ✓ from government institutions. ✓
- Funds received ✓ from rendering their services. ✓

[Any other relevant answer related to how the SETAs are funded.] **Max. (4)**

2.4 Types of defensive strategies

Divestiture/Divestment ✓✓

- The business disposes/sells some assets/divisions that are no longer profitable/productive/functional/relevant. ✓
- Selling off divisions/product lines with slow growth potential./Paying off debts by selling unproductive assets. ✓
- The business decreases the number of shareholders by selling ownership. ✓
- Shareholders withdraw their investment share in another business (divesting). ✓

[Any other relevant answer related to divestiture/divestment as a type of defensive strategy.]

Strategy (2)
Description (1)
Submax. (3)



Retrenchment ✓✓

- The business terminates the employment contracts of employees for operational/structural/restructuring reasons. ✓
- Decreasing the number of product lines./Closing certain departments resulting in some workers becoming redundant/obsolete. ✓
- This is an aggressive strategy where management takes bold decisions by letting go of employees to reduce operational expenses. ✓
- Through retrenchment, the business can reduce prices/offer discounts/incentives for customers/consumers. ✓

[Any other relevant answer related to retrenchment as a type of defensive strategy.]

Strategy (2)
Description (1)
Submax. (3)

Liquidation ✓✓

- The business sells all assets to pay creditors due to a lack of capital. ✓
- Selling of all assets due to the inability to repay creditors/bankruptcy. ✓
- Selling the entire business to pay shareholders a fair price for their shares upon the closure of the business. ✓
- The process of liquidation allows creditors to apply for forced liquidation to have their claims settled. ✓
- It is an unpleasant process of bringing business activities to an end/last resort to repay creditors. ✓

[Any other relevant answer related to liquidation as a type of defensive strategy.]

Strategy (2)
Description (1)
Submax. (3)
Max. (6)

NOTE: Mark the first TWO (2) only.



2.5 Ways in which businesses can comply with the Compensation for Occupational Injuries and Diseases Amendment Act/COIDA

- Display a summary of COIDA in the workplace ✓ where it is visible to all employees. ✓
- Organise training on COIDA with all relevant stakeholders ✓ so that employees know their rights in the context of COIDA. ✓
- Provide and enhance the capacity ✓ to protect and promote health and a safety in the workplace. ✓
- Register with the Compensation Board ✓ and Compensation Commissioner. ✓
- Pay the required levies ✓ to the Compensation Fund. ✓
- Report all accidents, injuries, illnesses and fatalities ✓ to the Compensation Commissioner as they occur. ✓

[Any other relevant answer related to ways in which businesses can comply with the COIDA.]

Max. (6)

2.6 SWOT analysis of OD

STRENGTH	WEAKNESS
----------	----------

- Oak Designing sells oak furniture and is well

- They do, however, experience difficulty

OPPORTUNITY	THREAT
-------------	--------

- Therefore, many competitors are leaving

- There are regular power



known for their quality
products and skilled staff.
✓

with
maintaining
optimum
stock
levels. ✓

and re-locating
elsewhere. ✓

outages
in the
area. ✓

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

**2. Only award
marks for
responses that
are quoted from
the scenario.**

**3. Mark only ONE
answer per
SWOT elements.**

Max. (4)



2.7 Impact of the Consumer Protection Act/CPA

Positives/Advantages

- Enables businesses to resolve disputes fairly ✓ through the National Consumer Commission (NCC)/Consumer Court/Industrial ombudsmen. ✓
- Allows businesses to build a good image ✓ when they ensure that consumer rights are effectively promoted and not violated. ✓
- Protects businesses ✓ if they are regarded as consumers. ✓
- Safeguards businesses ✓ against dishonest competitors. ✓
- Businesses may gain increased customer loyalty ✓ and improve profitability because of compliance with the CPA. ✓
- There is a significant drop in court cases against businesses, ✓ as businesses consciously and actively prevent consumer rights violations. ✓

[Any other relevant answer related to the positive impact/advantages of the CPA on businesses.]

AND/OR

Negatives/Disadvantages

- The implementation of the CPA is time-consuming, expensive, prescriptive and administratively burdensome, ✓ especially the implementation processes and procedures required by the CPA. ✓
- Consumers can take advantage of businesses ✓ and return goods when it is not necessary to do so. ✓
- Businesses may lose their competitive advantage ✓ as confidential and classified information may become available to competitors. ✓
- Training costs of the business increases as staff need to be trained on the implications of the CPA, ✓ and businesses often need to employ legal specialists that are knowledgeable of the CPA to conduct such training. ✓
- Businesses experience significant increases in administration costs/financial strain ✓ because legal/sales contracts need to be reworded/edited in plain language that is easily understandable by consumers. ✓

[Any other relevant answer related to the negative impact/disadvantages of the CPA on businesses.]

Max. (6)



2.8 Steps in strategy evaluation

- Examine/assess the underlying basis of a business strategy. ✓✓
- Look forward and backwards into the implementation process. ✓✓
- Compare the expected performance with the actual performance. ✓✓
- Measure the business performance to determine the reasons for deviations and analyse these reasons. ✓✓
- Take corrective action so that deviations may be corrected. ✓✓
- Set specific dates for control and follow up. ✓✓
- Draw up a table/list of the advantages and disadvantages of a strategy. ✓✓
- Decide on the desired outcome as envisaged. ✓✓
- Consider the impact of the strategic implementation in the internal and external environments of the business. ✓✓

[Any other relevant answer related to the steps in strategy evaluation.]

Max. (6)

[40]



QUESTION 3: BUSINESS OPERATIONS

3.1 Aspects that should be included in an induction programme

- Safety regulations and rules. ✓
- Overview of the business. ✓
- Tour of the premises/business. ✓
- Information on the business products/services. ✓
- Meeting with senior management who will explain the company's vision/mission/values/job analysis/daily tasks. ✓
- Introduction to key people and immediate colleagues. ✓
- Conditions of employment, for example, working hours/leave application process/perks/disciplinary procedures. ✓
- Discussion of the employment contract and conditions of service. ✓
- Discussion of personnel policies, for example, making private phone calls/using the internet. ✓

[Any relevant answer related to the aspects that should be included in an induction programme.]

NOTE: Mark the first FOUR (4) only.

(4x1)(4)

3.2 Placement procedure as a human resources activity

- The business should outline specific responsibilities/expectations/requirements of the new position. ✓✓
- Determines the successful candidate's strengths/weaknesses/skills/interests/competencies by subjecting the candidate to various psychometric tests. ✓✓
- Determines the relationship between the position and the competencies of the new employee. ✓✓

[Any other relevant answer related to the placement procedure as a human resources activity.]

Max. (4)

3.3 Recruitment

3.3.1 Sources of internal recruitment from the scenario

- intranet ✓
- business newsletter ✓

NOTE: Mark the first TWO (2) only.

(2x1)(2)



3.3.2 Advantages of internal recruitment for businesses

- The business retains existing employees ✓ through promotions/transfers from inside the business. ✓
- Opportunities for promotion reward good work ✓ and motivate current employees. ✓
- Staff morale and productivity increase ✓ if suitable staff members are promoted regularly. ✓
- Current employees ✓ understand the operations/functions of the business. ✓
- The business knows the personality, ✓ strengths and weaknesses of the candidate. ✓
- The recruitment process is faster/less expensive ✓ if the candidates are known to the business. ✓

[Any other relevant answer related to the advantages of internal recruitment for businesses.]

Max. (6)

3.4 Legal requirements of an employment contract

- An employment contract is an agreement between the employer and the new employee, and is legally binding. ✓✓
- The employer and employee must agree to any changes to the contract. ✓✓
- Aspects of the employment contract can be renegotiated during employment. ✓✓
- No party may unilaterally change aspects of the employment contract. ✓✓
- The employer and the new employee must both sign the contract. ✓✓
- The employment contract should include a code of conduct and a code of ethics. ✓✓
- It may not contain any requirements that conflict/do not comply with the BCEA. ✓✓
- Conditions of employment/duties/responsibilities/roles of the employees must be stipulated clearly. ✓✓
- The remuneration package/including benefits must be clearly indicated. ✓✓

[Any other relevant answer related to the legal requirements of an employment contract.]

Max. (4)



3.5 Difference between quality management and quality performance

QUALITY MANAGEMENT	QUALITY PERFORMANCE
Techniques/tools/methods used to design/improve the quality of a product. ✓✓	The total performance of each department is measured against the specified standards. ✓✓
Can be used for accountability within each of the business functions. ✓✓	Can be obtained if all departments work together towards the same quality standards. ✓✓
Aims to ensure that the quality of products/services is consistent./Focuses on the means to achieve consistency. ✓✓	Quality is measured through physical product/statistical output of processes/surveys of the users and/or buyers/consumers of products/services. ✓✓
Any other relevant answer related to quality management.	Any other relevant answer related to quality performance.
Submax. (2)	Submax. (2)

- NOTE:** 1. The answer does not have to be in table format.
 2. The difference does not have to link, but must be clear.
 3. Award a maximum of TWO (2) marks if the difference is not clear. Mark EITHER quality management OR quality performance only.

Max. (4)

3.6 Business functions from the scenario

BUSINESS FUNCTIONS	MOTIVATIONS
1. Purchasing function ✓✓	They place orders timeously and ensure regular follow-ups with suppliers. ✓
2. Marketing function ✓✓	NT also uses aggressive advertising campaigns to increase their customer base. ✓
Submax. (4)	Submax. (2)

- NOTE:** 1. Mark the first TWO (2) only.
 2. Award marks for the business function even if the motivations are incomplete.
 3. Do not award marks for motivations if the business function were incorrectly identified.
 4. Accept responses in any order.

Max. (6)



3.7 Role of quality circles as part of continuous improvement to processes and systems

- Solve problems related to quality ✓ and implement improvements. ✓
- Investigate/Identify problems ✓ and suggest management solutions. ✓
- Ensure that there is no duplication of activities/tasks ✓ in the workplace. ✓
- Make suggestions for improving systems ✓ and processes in the workplace. ✓
- Improve the quality of products/services/productivity ✓ through regular reviews of quality processes. ✓
- Monitor/Reinforce strategies ✓ to improve the smooth running of business operations. ✓
- Reduce costs of redundancy ✓ in the long run. ✓
- Discuss ways of improving ✓ the quality of work/workmanship. ✓
- Contribute to the improvement and development ✓ of the organisation. ✓
- Improve employees' loyalty and commitment ✓ to the business and its goals. ✓

[Any other relevant answer related to the role of quality circles as part of continuous improvement to processes and systems.]

Max. (4)

3.8 Impact of continuous skills development/education and training as a total quality management/TQM element on large businesses

Positives/Advantages

- Large businesses have a human resources department ✓ dedicated to skills training and development. ✓
- Human resources experts ensure that training programmes are relevant/applicable ✓ to increased customer satisfaction. ✓
- Ability to afford ✓ specialised/skilled employees. ✓
- Large businesses conduct skills audits to establish the competency/education levels of staff performing work ✓ that could affect the quality of products/services/processes positively. ✓
- May be able to hire qualified trainers ✓ to train employees on a regular basis. ✓

[Any other relevant answer related to the positive impact/advantages of continuous skills development/education and training as a TQM element on large businesses.]

AND/OR

**Negatives/Disadvantages**

- Poor communication systems in large businesses ✓ may prevent effective training from taking place. ✓
- Trained employees may leave for better jobs ✓ after they gained more skills. ✓
- Demotivates employees ✓ if they do not receive recognition/ acknowledgement for training. ✓
- Employees may not be aware of the level of competency ✓ they should meet to achieve their targets. ✓
- It may be difficult to monitor/evaluate ✓ the effectiveness of training. ✓

[Any other relevant answer related to the negative impact/disadvantages of continuous skills development/education and training as a TQM element on large businesses.]

Max. (6)**[40]**



QUESTION 4: MISCELLANEOUS TOPICS

BUSINESS ENVIRONMENTS

4.1 Provisions of the Basic Conditions of Employment Act/BCEA

- Regulations of working time/ordinary hours of work/overtime/meal intervals and rest periods/Sunday work/public holiday ✓
- Leave/annual/sick/family responsibility/maternity/paternity/parental ✓
- Particulars of employment and remuneration ✓
- Termination of employment ✓
- Prohibition of employment of children and forced labour ✓

NOTE: Mark the first THREE (3) only.

(3x1)(3)

4.2 Purpose of the National Credit Act/NCA

- Promotes the social and financial interests of South African consumers, and by extension the South African economy. ✓✓
- Ensures that consumers of credit are well informed about the details included in their credit contracts. ✓✓
- Promotes the responsible granting of credit by credit providers. ✓✓
- Ensures that credit is equally available to all qualifying consumers. ✓✓
- Protects both lenders and borrowers from negligent lending practices that may result in over-indebtedness for consumers. ✓✓
- Ensures that the credit bureau/credit providers/debt counsellors are registered to avoid consumer exploitation. ✓✓

[Any relevant answer related to the purpose of the NCA.]

Max. (4)



4.3 Challenges of business environments and the extent of control

	CHALLENGES (4.3.1)	BUSINESS ENVIRONMENTS (4.3.2)	EXTENT OF CONTROL (4.3.3)
1.	Buffalo Suppliers is not delivering raw hides on time to them. ✓	Market environment ✓	Some/Limited/Less/Partial control ✓
2.	LC can no longer export their products due to in an increase in the exchange rate. ✓	Macro environment ✓	No control ✓
3.	The management does not set clear annual targets. ✓	Micro environment ✓	Full control ✓
	Max. (3)	Max. (3)	Max. (3)

- NOTE:**
1. Mark the first THREE (3) challenges only.
 2. If the business environment is not linked to the challenge, mark the challenge only.
 3. Award marks for the business environments even if the extent of control is not indicated/incorrect.
 4. The extent of control must be linked to the business environment.
 5. Do not award marks for the extent of control if the business environment is not mentioned.
 6. Accept responses in any order.

4.4 Application of the power of buyers as a force of Porter's Five Forces model

- A few powerful buyers are often able to dictate their terms/prices to the business. ✓✓
- Assess how easy it is for buyers/customers to drive prices down/decrease prices. ✓✓
- Determine the number of buyers/the importance of each buyer to the business and the cost of switching to other products. ✓✓
- Buyers buying in bulk can bargain/negotiate for prices in their favour. ✓✓
- Conduct market research to gather more information about its buyers/customers. ✓✓

[Any other relevant answer related to how businesses could apply the power of buyers as a force of Porter's Five Forces model to analyse their position in the market environment.]

Max. (4)



BUSINESS OPERATIONS

4.5 Examples of fringe benefits

- Medical Aid Fund/Health Insurance Fund ✓
- Pension Fund ✓
- Provident Fund ✓
- Funeral benefits ✓
- Car/travel/housing/cell phone/clothing allowance ✓
- Performance-based incentives ✓
- Issuing of bonus shares ✓
- Staff discount/free or low-cost meal/canteen facilities ✓

NOTE: Mark the first TWO (2) only.

(2x1)(2)

4.6 Salary determination methods from statements

4.6.1 Time-related ✓✓

(2)

4.6.2 Piecemeal ✓✓

(2)

4.7 Role of the interviewee during the interview

- Greet the interviewer by name with a solid handshake and a friendly smile. ✓✓
- Listen carefully to the questions before responding. ✓✓
- Make eye contact and have good posture/body language. ✓✓
- Show confidence and have a positive attitude/be assertive. ✓✓
- Be inquisitive and show interest in the business. ✓✓
- Ask clarity-seeking questions about the position offered. ✓✓
- Show respect and treat the interview with its due importance. ✓✓
- Be honest about mistakes and explain how you dealt with them. ✓✓
- Know your strengths and weaknesses and be prepared to discuss them. ✓✓
- Thank the interviewer for the opportunity given to be part of the interviews. ✓✓

[Any other relevant answer related to the role of the interviewee during the interview.]

Max. (4)



4.8 Impact of total quality management/TQM if poorly implemented

- Setting unrealistic deadlines ✓ that may not be achieved. ✓
- Employees may not be adequately/efficiently trained, ✓ resulting in poor quality products. ✓
- The decline in productivity ✓ because of stoppages/delays. ✓
- Businesses may not be able to make necessary changes ✓ to satisfy the needs of customers. ✓
- The reputation of the business may suffer ✓ because of faulty products. ✓
- Customers will have many alternatives to choose from, ✓ and the impact could lead to losses for the businesses. ✓
- Investors might withdraw investment if there is a decline in profits.
- Bad publicity due ✓ to poor quality products supplied. ✓
- The decline in sales ✓ when unhappy customers increasingly return product/s. ✓
- High staff turnover ✓ because of poor skills development/training. ✓

[Any other relevant answer related to the impact of TQM if poorly implemented by businesses.]

Max. (6)

4.9 Quality indicators of the general management function

- Develop/implement/monitor/maintain effective strategic plans. ✓✓
- Efficient organisation/allocation of business/organisational resources to provide for the achievement of long-term and short-term plans. ✓✓
- Structured standards and norms should be in place so that control mechanisms can be implemented. ✓✓
- Effectively communicate a shared vision, mission, and values. ✓✓
- Set direction and establish priorities for their business. ✓✓
- Lead by example/set an example of the behaviour that is expected from employees regarding ethics/professionalism/productivity/work ethic. ✓✓
- Ensure that all departments/the business meet(s) their deadlines/targets/achieve goals. ✓✓

[Any other relevant answer related to the quality indicators of the general management function.]

Max. (4)

[40]

TOTAL SECTION B: [80]



SECTION C

Mark **ONLY** the **FIRST** answer.

QUESTION 5: BUSINESS ENVIRONMENTS (BUSINESS STRATEGIES)

5.1 Introduction

- Businesses need to identify, develop and implement business strategies to improve performance. ✓
- Intensive strategies require businesses to make additional efforts to improve the performance of existing products in the market. ✓
- Diversification strategies are used by businesses to expand operations into markets that are not currently explored. ✓
- The PESTLE analysis enables businesses to understand the external factors, which then informs the development of strategies to deal better with these challenges. ✓

[Any other relevant introduction related to the strategic management process/types of intensive strategies/advantages of diversification strategies/ways in which businesses can deal with challenges posed by the technological and social PESTLE factors.]

(Any 2x1)(2)

5.2 Strategic management process

Option 1

- Have a clear vision, mission statement and measurable/realistic/achievable objectives in place. ✓✓
- Identify strengths/weaknesses/opportunities/threats by conducting environmental scanning/situational analysis. ✓✓
- Use available tools/methods for environmental scanning, which may include a SWOT analysis/Porter's Five Forces model/PESTLE analysis/industrial analysis tools. ✓✓
- Formulate alternative strategies to respond to business challenges. ✓✓
- Develop/create (an) action plan(s), including the tasks to be completed/deadlines to be met/resources to be procured, etc. ✓✓
- Organise the business resources and motivate staff. ✓✓
- Implement selected strategies by communicating it effectively/efficiently/correctly to all stakeholders. ✓✓
- Continuously evaluate/monitor/assess/measure strategies to take corrective action. ✓✓

[Any other relevant answer related to the strategic management process.]

OR



Option 2

- Review/analyse/re-examine the vision/mission statement. ✓✓
- Conduct (an) environmental analysis/environmental scanning using models such as SWOT analysis/Porter's Five Forces model/PESTLE analysis. ✓✓
- Formulate a strategy such as a/an integration/intensive/diversification/defensive strategy. ✓✓
- Implement a strategy, using a template such as an action plan. ✓✓
- Control/evaluate/monitor the implemented strategy to identify gaps/deviations/differences in implementation. ✓✓
- Take corrective action to ensure goals/objectives/aims are met. ✓✓

[Any other relevant answer related to the strategic management process.]

Max. (12)

5.3 Types of intensive strategies

Market penetration ✓✓

- The business focuses on selling existing/current products ✓ into the existing/current market to increase their market share. ✓
- Market research on existing/current consumers/customers ✓ is used to determine how to improve the marketing mix of the business. ✓
- Aggressive marketing campaigns such as lowering/reducing prices ✓ to attract potential/existing clients are used by the business. ✓
- The business does not modify existing/current products ✓ or launch new products during market penetration. ✓

[Any other relevant answer related to market penetration as a type of intensive strategy.]

Strategy (2)
Explanation (4)
Submax. (6)

AND



Market development ✓✓

- The business uses this growth strategy to sell its existing/current products ✓ in new markets/geographical areas. ✓
- Consumers/customers are targeted in a potential market ✓ that is outside of its normal/regular/current target market. ✓
- The business increases sales of existing/current products ✓ through the development of new markets. ✓
- Prices are restructured/reviewed ✓ to cater to customers/consumers of all income levels. ✓

[Any other relevant answer related to market development as a type of intensive strategy.]

Strategy (2)
Explanation (4)
Submax. (6)

AND

Product development ✓✓

- The business uses this growth strategy to introduce new products ✓ into existing/current markets. ✓
- New ideas/products are generated/produced by the business ✓ for existing/current markets. ✓
- The business conducts test marketing/market research ✓ to establish whether new products will be accepted by existing customers. ✓
- New products may be different/of a higher quality ✓ than those of competitors. ✓

[Any other relevant answer related to product development as a type of intensive strategy.]

Strategy (2)
Explanation (4)
Submax. (6)
Max. (14)

NOTE: Mark the first THREE (3) only.



5.4 Advantages of diversification strategies

- Increase in sales/revenue/income ✓ and business growth. ✓
- Sustained profitability from different product lines ✓ during times of fluctuating economic activity. ✓
- Increase in the number of products being sold ✓ to existing/new customers/consumers. ✓
- Establish additional new markets ✓ in unrelated markets/industries. ✓
- Gain more technological capabilities ✓ through product modification. ✓
- Improve brand/image/brand awareness ✓ of the business. ✓
- Reduce the risk ✓ of relying only on one product for sales / revenue / income. ✓
- Retain its competitive advantage ✓ by meeting the needs of current/new customers/expanding into new unexplored markets. ✓
- Remain relevant/functional/operational ✓ in the context of ever-changing business environments. ✓

[Any other relevant answer related to the advantages of diversification strategies.]

Max. (12)

5.5 Ways in which businesses can deal with challenges posed by the PESTLE factors

Technological

- Conduct continuous research on the latest available technology/equipment in the market. ✓✓
- Train existing/appoint new employees to maintain/use new equipment/technology. ✓✓
- Compare prices/select suitable suppliers for new equipment/machinery/technology at reasonable prices. ✓✓
- Businesses must be geared for online trading/e-commerce. ✓✓

[Any other relevant answer related to ways in which businesses can deal with the challenges posed by the technological factor of the PESTLE analysis.]

Submax. (4)



Social

- Sell substitute products at lower prices due to low levels of income distribution./Employ people from the local community. ✓✓
- Learn local/indigenous languages/hire employees who are well conversant with the local/indigenous language of customers. ✓✓
- Work together with community police forums and improve security in the business. ✓✓
- Develop/produce/incorporate/innovate new products that aim to address the lifestyle attitudes/trends of customers. ✓✓

[Any other relevant answer related to ways in which businesses can deal with the challenges posed by the social factor of the PESTLE analysis.]

Submax. (4)

Max. (8)

5.6 Conclusion

- Successful businesses conduct the strategic management process in order to identify suitable business strategies that will enable them to remain profitable and sustainable. ✓✓
- Businesses usually conduct extensive sales promotion and marketing campaigns when applying various types of intensive strategies. ✓✓
- Diversification strategies allow businesses opportunities to improve their brand identity and boost brand image. ✓✓
- Dealing with challenges posed by the technological and social factors of the PESTLE analysis will avoid businesses suffering a decline in profitability. ✓✓

[Any other relevant conclusion related to the strategic management process/types of intensive strategies/advantages of diversification strategies/ways in which businesses can deal with challenges posed by the technological and social PESTLE factors.]

(Any 2x1)(2)

[40]



QUESTION 5: BREAKDOWN OF MARK ALLOCATION		
Details	Maximum	Total
Introduction	2	MAX. 36
Strategic management process	12	
Types of intensive strategies	14	
Advantages of diversification strategies	12	
Ways businesses can deal with challenges posed by PESTLE factors: • Technological • Social	8	
Conclusion	2	
INSIGHT		
Structure/Layout		2
Analysis/Interpretation		2
TOTAL MARKS		40



QUESTION 6: BUSINESS OPERATIONS (QUALITY OF PERFORMANCE)

6.1 Introduction

- A quality management system is a structured framework that outlines an organisation's processes, procedures and responsibilities for achieving quality objectives and ensuring consistent delivery of products or services that meet customer and regulatory requirements. ✓
- The public relations and financial function are responsible for the image and the money matters of a business respectively. ✓
- Businesses should continuously analyse customers' needs and develop strategies to satisfy their customers. ✓
- Total quality management helps to design, produce and provide quality products at a lower cost. ✓

[Any other relevant introduction related to the benefits of a good quality management system/quality indicators of the public relations function/financial function/impact of total client/customer satisfaction on large businesses/ways in which TQM can reduce the cost of quality.]

(Any 2x1)(2)

6.2 Benefits of a good quality management system

- Effective customer services are rendered, resulting in increased customer satisfaction. ✓✓
- Time and organisational resources such as finance/raw materials/labour are used efficiently. ✓✓
- Productivity increases through proper/effective time management/using high quality resources. ✓✓
- Products/Services are constantly improved resulting in increased levels of customer satisfaction. ✓✓
- Enhances the ability of the business to achieve its vision/mission/goals. ✓✓
- Business has a/improves its competitive advantage over its competitors. ✓✓
- Regular training will continuously improve the quality of employees' skills/knowledge/competencies. ✓✓
- Employers and employees will have a healthy working relationship resulting in happy/productive workers./Improves the employee morale/productivity within the businesses. ✓✓
- Increased market share/more customers improve profitability. ✓✓
- Improves business image as there are fewer defects/returns. ✓✓
- Improves the financial sustainability of the business as customers are retained. ✓✓

[Any other relevant answer related to the benefits of a good quality management system.]

Max. (12)



6.3 Quality indicators of the public relations function

- Address negative publicity quickly/instantly ✓ to ensure less/little/no incidents regarding negative publicity. ✓
- Provide regular/positive ✓ press releases. ✓
- Implement sustainable ✓ Corporate Social Investment (CSI) programmes. ✓
- Provide good results of/positive feedback from public surveys ✓ on the business image. ✓
- High standards ✓ of internal publicity/appearance of buildings/professional telephone etiquette. ✓
- Deliver quality products/services ✓ that promote the brand/image with key stakeholders/customers/suppliers/government/service providers. ✓
- Compliance with recent legislation, ✓ for example, BBBEE compliance/ implementing employment equity plans. ✓

[Any other relevant answer related to the quality indicators of the public relations function.]

Submax. (6)

Quality indicators of the financial function

- Analyse/Apply/Devise/Implement strategies ✓ to increase profitability. ✓
- Obtain/Acquire capital ✓ from the most suitable/available/reliable sources. ✓
- Negotiate better interest rates ✓ to keep the financial cost down/reduce financial costs. ✓
- Draw up/implement budgets correctly ✓ to ensure sufficient application of monetary resources. ✓
- Update financial records regularly ✓ to ensure timely/accurate tax payments. ✓
- Implement financial control measures/systems/processes ✓ to prevent fraud. ✓
- Implement credit-granting/debt collecting policies ✓ to monitor cash flow. ✓

[Any other relevant answer related to the quality indicators of the financial function.]

Submax. (6)

Max. (12)



6.4 Impact of total client/customer satisfaction as a TQM element on large businesses

Positives/Advantages

- Large businesses use market research/customer surveys ✓ to measure/monitor customer satisfaction/analyse customers' needs. ✓
- Continuously promote/foster ✓ a positive business image. ✓
- Strive to understand and fulfil customer expectations ✓ by aligning cross-functional teams across critical processes. ✓
- May lead to higher customer retention/loyalty ✓ and businesses may be able to charge higher prices. ✓
- Large businesses may be able to gain access ✓ to the global market. ✓

[Any other relevant answer related to the positive impact/advantages of total client/customer satisfaction as a TQM element on large businesses.]

AND/OR

Negatives/Disadvantages

- Employees who seldom come into contact with customers ✓ often do not have a clear idea of what will satisfy their needs. ✓
- A large business that is characterised as a monopoly has increased bargaining power ✓ and therefore does not pursue customer satisfaction/ does not have to satisfy/meet customer needs. ✓
- Not all employees may be involved/committed ✓ to total client satisfaction. ✓
- Reaction time to changing consumer demand ✓ may be influenced by a delay in market research/information. ✓
- Large businesses that become complacent ✓ with existing customer satisfaction. ✓/Target market may experience ✓ limited long-term growth potential. ✓

[Any other relevant answer related to the negative impact/disadvantages of total client/customer satisfaction as a TQM element on large businesses.]

Max. (12)



6.5 Ways in which total quality management/TQM can reduce the cost of quality

- Introduce quality circles to discuss ways of improving the quality of work/workmanship. ✓✓
- Schedule activities to eliminate duplication of tasks. ✓✓
- Share responsibility for quality output amongst management and workers. ✓✓
- Train employees at all levels, so that everyone understands their role in quality management. ✓✓
- Develop work systems that empower employees to find new ways of improving quality. ✓✓
- Work closely with suppliers to improve the quality of raw materials/inputs. ✓✓
- Improve communication about quality challenges/deviations, so that everyone can learn from experience. ✓✓
- Reduce investment on expensive, but ineffective inspection procedures in the production process. ✓✓
- Implement pro-active maintenance programmes for equipment/machinery to reduce/eliminate breakdowns. ✓✓

[Any other relevant answer related to ways in which TQM can reduce the cost of quality.]

Max. (10)

6.6 Conclusion

- Continuous research on improving quality would allow for the use of a good quality management system by all employees. ✓✓
- The quality indicators of the public relations function and the financial function should be analysed to make managers aware of how quality in their department will contribute to overall success of the business. ✓✓
- Focusing on total client/customer satisfaction allows businesses to overcome competitors and ensure continuous growth and expansion in the long run. ✓✓
- Total quality management reduces the cost of quality which enable lower product prices that will lead to an increase in profitability and market share for businesses. ✓✓

[Any other relevant conclusion related to the benefits of a good quality management system/quality indicators of the public relations function/financial function/impact of total client/customer satisfaction on large businesses/ways in which TQM can reduce the cost of quality.]

(Any 2x1)(2)

[40]



QUESTION 6: BREAKDOWN OF MARK ALLOCATION		
Details	Maximum	Total
Introduction	2	MAX. 36
Benefits of a good quality management system	12	
Quality indicators of business functions: • Public relations function • Financial function	12	
Impact of total client/customer satisfaction as a TQM element on large businesses	12	
Ways in which TQM can reduce the cost of quality	10	
Conclusion	2	
INSIGHT		
Structure/Layout		2
Analysis/Interpretation		2
TOTAL MARKS		40

TOTAL SECTION C: [40]

GRAND TOTAL: [150]