

MARKING GUIDELINES

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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) Facilitate the moderation of candidates' scripts at the different levels.
- c) Streamline the marking process considering the broad spectrum of markers.
- d) Implement 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 is provided but this is by no means exhaustive. Due consideration should be given to an answer that is correct but:
 - uses a different expression from that which appears in the marking guideline
 - comes from another source
 - original
 - a different approach is used

NOTE: 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. Sub-totals to questions must be written in the right-hand margin. Circle the sub-totals as indicated by the allocation of marks. This must be guided by *max* in memo/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 an “R”.
11. Note that no marks will be awarded for indicating Yes/No in evaluation type questions requiring substantiation or motivation (Applicable to 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 or 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 or negative) stance. In this instance candidates are 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 this 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 cognitive verbs and allocation of marks:

14.4.1 If the number of facts is specified, questions that require candidates to *describe/discuss/explain* must 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, require one-word answers or are 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	<p>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?</p> <ul style="list-style-type: none"> • 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:

1. No marks will be awarded for contents repeated from the introduction and conclusion.
2. The candidate forfeits marks for layout if the words **INTRODUCTION** and **CONCLUSION** are not stated.
3. No marks will be allocated for layout if the headings **INTRODUCTION** 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-maximum indicated, especially if candidates do not make use of the same sub-headings. Remember, headings and sub-headings are encouraged and contribute to insight (structuring/logical flow/sequencing) and indicate clarity of thought. (See 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 marking guidelines, will not necessarily apply to each question. This will also depend on the nature of the question.

SECTION A: (COMPULSORY)

QUESTION 1

1.1

1.1.1 B ✓✓

1.1.2 A ✓✓

1.1.3 A ✓✓

1.1.4 D ✓✓

1.1.5 C ✓✓

(5x2) (10)

1.2

1.2.1 learnerships ✓✓

1.2.2 economic ✓✓

1.2.3 strategic management ✓✓

1.2.4 placement ✓✓

1.2.5 quality assurance ✓✓

(5x2) (10)

1.3

1.3.1 F ✓✓

1.3.2 H ✓✓

1.3.3 I ✓✓

1.3.4 G ✓✓

1.3.5 B ✓✓

(5x2) (10)

TOTAL SECTION A: [30]

SECTION B

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

QUESTION 2: BUSINESS ENVIRONMENTS

2.1 Types of intensive strategies

- Market penetration ✓
- Market development ✓
- Product development ✓

NOTE: Mark the first THREE (3) only.

(3x1) (3)

2.2 Role of SETAs in supporting the SDA

- Develop skills plans in line with the National Skills Development Strategy. ✓✓
- Draw up skills development plans for their specific economic sectors. ✓✓
- Approve workplace skills plans and annual training reports. ✓✓
- Allocate grants to employers, education and training providers. ✓✓
- Pay out grants to companies that are complying with the requirements of the Skills Development Act. ✓✓
- Monitor/Evaluate the actual training by service providers. ✓✓
- Promote and establish learnerships. ✓✓
- Register learnership agreements/learning programs. ✓✓
- Provide training material for skills development facilitators. ✓✓
- Provide accreditation for skills development facilitators. ✓✓
- Oversee training in different sectors of the South African economy. ✓✓
- Promote learnership and learning programs identifying suitable workplaces for practical work experience. ✓✓
- Collect levies and pay out grants as required. ✓✓
- Report to the Director General. ✓✓

[Any other relevant answer related to the role of SETAs in supporting the SDA.] **Max (6)**

2.3 Types of defensive strategies

2.3.1 Divestment/Divestiture ✓✓

(2)

2.3.2 Other type of defensive strategy

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 costs/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)
Explanation (1)
Sub max (3)

Liquidation ✓✓

- The business sells all assets to pay creditors due to a lack of capital/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)
Explanation (1)
Sub max (3)

NOTE: 1. Mark the first ONE (1) only.

2. Do not award marks for divestment/divestiture.

Max (3)



2.4 Steps in strategy evaluation

- Examine/Assess the underlying basis ✓ of a business strategy. ✓
- Look forward and backwards ✓ into the implementation process. ✓
- Compare the expected results ✓ to determine the reasons for deviations and analyse these reasons. ✓
- 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 ✓ 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.]

NOTE: Accept the steps in any order.

Max (6)

2.5 Compensation for Occupational Injuries and Diseases Amendment Act/COIDA

2.5.1 Ways in which a business complies with COIDA from the scenario

- DD provides a healthy working environment for their employees. ✓
- They also ensure that their machines are in a good working condition. ✓

**NOTE: 1. Mark the first TWO (2) only.
2. Award marks only for responses quoted from the scenario.**

(2x1) (2)



2.5.2 Penalties businesses may face for non-compliance with COIDA

- Businesses that do not comply with COIDA may receive a compliance order from the Labour Court ✓ that forces the business to comply with COIDA. ✓
- Businesses that neglect to comply with COIDA may receive large fines for refusing to lodge claims ✓ and may even be given a jail sentence or imprisonment that will be dependent on the severity of the non-compliance. ✓
- Businesses can be forced to make large payments if they did not implement the necessary precautions to reduce accidents or fatalities ✓, nor promote health and safety in the workplace. ✓
- Businesses may be forced to pay recovery costs ✓ required by the compensation fund. ✓
- Employees may take a business to court ✓ for not registering with the Commissioner of the Compensation Fund. ✓

[Any other relevant answer related to the penalties that businesses may face for non-compliance with COIDA.]

Max (4)

2.6 Impact of the CPA on businesses

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 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 increase 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. ✓
- Documentation, such as sales contracts ✓ must be edited, upgraded and simplified. ✓
- This places additional financial strain on the business ✓ because consumers have the right to receive contracts in a language that is easy to understand. ✓
- Businesses experience significant increases in administration costs ✓ because legal contracts need to be reworded 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)

2.7 Ways in which businesses could deal with challenges posed by the PESTLE factors

2.7.1 Environmental

- Chemicals/Ingredients should be indicated on labels/packaging to inform customers of possible side effects/correct use of products/disclose the ingredients/origin of the product to consumers. ✓✓
- Implement cost-effective measures to dispose of waste. ✓✓
- Implement recycling measures to prevent pollution of the environment/Use packaging that is reusable/recyclable/bio-degradable. ✓✓
- Engage in environmentally sustainable practices such as the conservation/preservation of natural resources. ✓✓

[Any other relevant answer related to ways in which businesses could deal with the challenges posed by environmental as a PESTLE factor.]

Max (4)



2.7.2 Political

- Research/Apply recent government policies. ✓✓
- Network/lobby with the NGOs/CBOs and all consumer rights organisations. ✓✓
- Trade with countries that have favourable trade agreements with the government only. ✓✓
- Investigate/Adhere to/Comply with the National Competition Policy. ✓✓

[Any other relevant answer related to ways in which businesses could deal with the challenges posed by political as a PESTLE factor.]

Max (4)

[40]



QUESTION 3: BUSINESS OPERATIONS

3.1 Aspects that should be included in an employment contract

- Personal details of the employee. ✓
- Details of the business/employer such as the name/address. ✓
- Job title/position. ✓
- Job description such as duties/working conditions/responsibilities. ✓
- Job specification such as formal qualifications/experience/willingness to travel. ✓
- Date of employment/commencement of employment. ✓
- Place where the employee will spend most of his/her working time/ conduct work activities. ✓
- Hours of work such as normal time/overtime. ✓
- Remuneration such as weekly/biweekly/fortnightly/monthly pay. ✓
- Benefits/fringe benefits/perks/allowances. ✓
- Leave such as sick/maternity/annual/adoption leave/family responsibility leave. ✓
- Employee deductions such as compulsory/non-compulsory. ✓
- Period of contract/details of termination. ✓
- Probation period. ✓
- Signatures of both the employer and employee. ✓
- List of documents that form part of the contract, such as appointment letter/code of conduct/ethics. ✓
- Disciplinary policy such as rules and disciplinary procedure for unacceptable behaviour. ✓

[Any other answer related to the aspects that should be included in an employment contract.]

NOTE: Mark the first FOUR (4) only.

(4x1) (4)



3.2 Role of the interviewee during an 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 job/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 an interview.]

Max (6)

3.3 Salary determination methods from the scenario

SALARY DETERMINATION METHODS	MOTIVATIONS
1. Piecemeal ✓✓	Michael, the sales agent, is paid for the number of doors he sells. ✓
2. Time-related ✓✓	Neha, the administrative clerk, is paid for the number of hours she spends at work. ✓
Sub-max (4)	Sub-max (2)

- NOTE:**
1. Mark the first TWO (2) only.
 2. The answer does not have to be in table format.
 3. Do not award marks for motivations if the salary determination method is incorrectly identified.

Max (6)



3.4 Implications of the Employment Equity Act on the human resources function

- The human resources manager must provide equal opportunities ✓ and promote equality in the workplace. ✓
- The human resources manager must report to the Department of Labour ✓ on the progress regarding the implementation of the employment equity plan. ✓
- Compile employment equity plans ✓ that indicate how they will implement affirmative action. ✓ /Ensures that the human resources function promotes affirmative action ✓ and establishes employment equity plans. ✓
- Assign a manager to ensure that the employment equity plan ✓ will be implemented/regularly monitored. ✓
- Ensure that affirmative action ✓ promotes diversity in the workplace. ✓

[Any other relevant answer related to the implications of the Employment Equity Act on the human resources function.]

Max (4)

3.5 Quality indicators of the purchasing function

- Businesses should buy raw materials in bulk at lower prices. ✓✓
- Ensure that required quantities are delivered at the right time and place. ✓✓
- Selecting reliable suppliers that render the best quality raw materials/capital goods at reasonable prices. ✓✓
- Placing orders timeously and ensuring regular follow-ups so that goods are delivered on time. ✓✓
- Effective coordination between purchasing and production departments so that purchasing staff understand the requirements of the production process. ✓✓
- Implementing and maintaining stock control systems to ensure the security of stock. ✓✓
- Establishing sound professional relationships with suppliers, so that they are in alignment with the vision/mission/values of the business. ✓✓

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

Max (4)



3.6 Roles of quality circles

3.6.1 Roles of quality circles from the scenario

- The management always requests quality circles to contribute towards the improvement and development of the business. ✓
- Quality circles also ensure that there is no duplication of tasks in the workplace. ✓

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

2. Award marks for responses that are quoted from the scenario only.

(2x1) (2)

3.6.2 Other roles 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. ✓
- Make suggestions ✓ for improving processes and systems 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. ✓
- Discuss ways of improving ✓ the quality of work/workmanship. ✓
- Reduce costs of redundancy/wasteful efforts ✓ in the long run. ✓
- Increase the demand ✓ for products/services of the business. ✓
- Create harmony ✓ and high performance in the workplace. ✓
- Build a healthy working relationship ✓ between the employer and employee. ✓
- Improve employees' loyalty and commitment ✓ to the business and its goals. ✓
- Improve employees' communication ✓ at all levels of the business. ✓
- Develop a positive attitude/sense of involvement ✓ in decision-making processes of the services offered. ✓

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

NOTE: Do not award marks for responses that were quoted in QUESTION 3.6.1

Max (4)



3.7 Ways in which 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 in expensive ✓, but ineffective inspection procedures in the production process. ✓
- Implement proactive 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 (6)

3.8 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. ✓✓
- The business has a/improves its competitive advantage over its competitors. ✓✓
- Regular training will continuously improve the quality of employees' skills and knowledge. ✓✓
- 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 (4)

[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 TWO (2) only. (2x1) (2)

4.2 Forces of the Porter’s Five Forces model from statements

4.2.1 Threat/Barriers of new entrants to the market. ✓✓ (2)

4.2.2 Bargaining power of suppliers/Power of suppliers. ✓✓ (2)

4.3 Business environments and extent of control

BUSINESS ENVIRONMENTS	EXTENT OF CONTROL
1. Micro-environment ✓	Full control ✓
2. Market environment ✓	Some/Limited/Less/Partial control ✓
3. Macro environment ✓	No control ✓
Sub max (2)	Sub max (2)

**NOTE: 1. Mark the first TWO (2) only.
 2. Award marks for the business environment even if the extent of control is not indicated or incorrect.
 3. The extent of control must be linked to the business environment.
 Max (4)**



4.4 Types of diversification strategies

Concentric diversification ✓✓

- The business adds new products/services that are related to existing/current products/services but will appeal to new customers. ✓
- Occurs when a business wants to increase/expand/progress its product range and markets. ✓
- The business creates a new product that is technologically similar to existing/current products that are aimed at new customers/markets. ✓
- Occurs when a business uses existing infrastructure/organisational resources/expertise to create products with some degree of similarity but with clear differentiation from existing/current products. ✓

[Any other relevant answer related to concentric diversification as a type of diversification strategy.]

Strategy(2)
Discussion (1)
Sub max (3)

AND/OR

Horizontal diversification ✓✓

- The business adds new products/services that are unrelated to existing/current products, but that may appeal to existing customers. ✓
- Occurs when a business acquires/merges with a business that is at the same production stage, but it may offer a different product. ✓
- The business extends the production of products/services above/beyond the market/industry in which it currently operates. ✓
- Occurs when the business increases its development potential/extends its brand and significantly reduces risk as the new products are aimed at existing customers. ✓

[Any other relevant answer related to horizontal diversification as a type of diversification strategy.]

Strategy(2)
Discussion (1)
Sub max (3)

AND/OR



Conglomerate diversification ✓✓

- The business adds new products/services that are unrelated to existing products that may appeal to new groups of customers. ✓
- Occurs when the business operates multiple product lines/business entities for entirely different industries/consumers/customers. ✓
- The business grows into new products/services and markets. ✓
- Occurs when the business can increase overall product/service flexibility/proficiency by extending activities to unexplored/unfamiliar markets. ✓

[Any other relevant answer related to conglomerate diversification as a type of diversification strategy.]

Strategy(2)
Discussion (1)
Sub max (3)

NOTE: Mark the first TWO (2) only.

Max (6)

4.5 Ways in which businesses can apply enterprise and supplier development/ESD as a pillar of the BBBEE Act

- Businesses should be encouraged to invest in and support black-owned Small Medium and Micro Enterprises (SMMEs). ✓✓
- Create jobs as ESD promotes and supports local manufacturing. ✓✓
- Make monetary contributions to BBBEE compliant businesses and SMMEs, such as loans/donations/investments. ✓✓
- Businesses should make non-monetary contributions to BBBEE compliant businesses and SMMEs such as advisory services/consulting services/entrepreneurial programmes. ✓✓

[Any other relevant answer related to ways in which businesses can apply enterprise and supplier development/ESD as a pillar of the BBBEE Act in the workplace.]

Max (4)

BUSINESS OPERATIONS

4.6 Aspects that should be included in an induction programme

- Safety regulations and rules. ✓
- Overview of the business. ✓
- Tour of the premises/business. ✓
- Information about 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 such as working hours/leave application process/ perks/disciplinary procedures. ✓
- Discussion of the employment contract and conditions of service. ✓
- Discussion of personnel policies, such as making private phone calls/ using the internet. ✓

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

NOTE: Mark the first FOUR (4) only.

(4x1) (4)

4.7 Impact of external recruitment on businesses

Positives/Advantages

- New candidates bring new talents/ideas/experiences/skills/knowledge ✓ into the business. ✓
- It may help the business to meet affirmative action/EEA ✓ and BBBEE targets. ✓
- There is a larger pool of candidates ✓ from which to choose. ✓
- There is a better chance of getting suitable candidates with the required skills/qualifications/competencies/experience ✓ who do not need much training/development that could reduce costs. ✓
- Minimises unhappiness/conflict amongst current/existing employees ✓ who may have applied for the post. ✓
- Overall efficiency/productivity may occur ✓ if the new worker actively adds value to the business. ✓

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

AND/OR

Negatives/Disadvantages

- External sources can be expensive ✓ such as recruitment agencies' fees/advertisements in newspapers/magazines. ✓
- The selection process may result in an ineffective/incompetent candidate ✓ being chosen. ✓
- Information on CVs/referees ✓ may not be reliable/may be falsified. ✓
- The recruitment process takes longer/is more time-consuming and expensive ✓ as background checks must be conducted. ✓
- New candidates generally take longer ✓ to adjust to a new work environment. ✓
- In-service training may be needed ✓ that decreases productivity during the time of training/increases costs of the business. ✓
- Unsuitable applications ✓ may slow down the selection process. ✓

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

Max (6)



4.8 Business functions from the scenario

BUSINESS FUNCTIONS	MOTIVATIONS
1. Production function ✓✓	They utilise their kitchen machinery and equipment optimally. ✓
2. Public relations function ✓✓	AB provides regular press releases to all stakeholders. ✓
Sub max (4)	Sub max (2)

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

2. The answer does not have to be in table format.

3. Do not award marks for motivations if the business function was incorrectly identified.

Max (6)

4.9 Advantages of continuous skills development/education and training as a total quality management/TQM element

- 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 audit 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 regularly. ✓✓

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

Max (4)

[40]

TOTAL SECTION B: [80]

SECTION C

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

QUESTION 5: BUSINESS ENRONMENTS (LEGISLATION)

5.1 Introduction

- The National Credit Regulator is the regulatory body that monitors, administers and ensures adherence to the NCA. ✓
- Businesses must be aware of consumer rights as stipulated in the NCA and guard against the violation of these rights. ✓
- Businesses must be knowledgeable about the impact of the NCA on their business operations. ✓
- Businesses should seek legal advice from legal experts to ensure compliance with the NCA. ✓

[Any other relevant introduction related to the purpose of the NCA/rights of consumers in terms of the NCA/impact of the NCA on businesses/ways in which businesses can comply with the NCA.]

(2x1) (2)

5.2 Purpose of the National Credit Act

- 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 of the details included in their credit contracts. ✓✓
- Promotes the responsible granting of credit by credit providers to protect consumers against over-indebtedness. ✓✓
- 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 other relevant answer related to the purpose of the NCA.]

Max (8)



5.3 Rights of consumers in terms of the NCA

Consumers of credit have the right to:

- Apply for credit ✓ and to be free from discrimination of any form. ✓
- Obtain reasons for credit being refused ✓ by credit providers. ✓
- Receive protection ✓ of their personal information. ✓
- Receive pre-agreement documentation ✓ before concluding any credit transaction. ✓
- Fair and responsible credit marketing ✓ by credit providers. ✓
- Receive information ✓ in plain and understandable language. ✓
- Receive documentation ✓ as required by the NCA. ✓
- Access and challenge credit records and information ✓ held by the Credit Bureau. ✓
- Surrender/Return goods to the credit provider ✓ to settle the outstanding amount/debt. ✓
- Apply for debt review/counselling ✓ if the consumers cannot afford to repay their debts. ✓
- Receive protection from being held accountable for the use of their credit facility ✓ after they have reported the loss/theft. ✓
- Refuse a credit limit increase ✓ from credit providers. ✓

[Any other relevant answer related to the rights of consumers in terms of the NCA.]

Max (14)

5.4 Impact of the NCA on businesses

Positives/Advantages

- The NCA protects businesses ✓ against non-paying customers. ✓
- Businesses complete thorough credit checks and receive up-to-date documentation from the consumer ✓ as proof that they can afford the repayments/credit. ✓
- The information held by the credit bureau is made available to businesses so that they can verify the creditworthiness of consumers ✓ before granting credit. ✓
- Businesses that are authorised credit providers ✓ may attract more consumers. ✓
- The correct implementation of the NCA leads to more customers ✓ through credit sales as they are now protected against abuse and exploitation. ✓
- The entire credit process is transparent ✓, that is, both credit providers/creditors and consumers/debtors know their responsibilities in terms of the NCA. ✓

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

AND/OR



Negatives/Disadvantages

- The implementation of the NCA is time-consuming, expensive, prescriptive and administratively burdensome ✓, especially complex and expensive debt collection procedures. ✓
- Failing to comply with the NCA ✓ may result in legal action faced by the business. ✓
- Businesses need to ensure that all attempts have been exhausted to recover debt ✓ before blacklisting the consumer. ✓
- Businesses/Credit providers cannot collect a debt from consumers ✓ who are under debt review. ✓
- Businesses that grant credit recklessly ✓ cannot recover the debt. ✓
- The profit of businesses may decline ✓ because they can no longer depend on customers who had easy access to credit. ✓

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

Max (14)

5.5 Ways in which businesses can comply with the NCA

- Conduct credit checks with a registered credit bureau and/or consult the National Credit Register. ✓✓
- Businesses should be registered with the National Credit Regulator. ✓✓
- Submit annual compliance reports to the NCR. ✓✓
- Conduct affordability assessments to ensure that consumers can meet their obligations. ✓✓
- Comply with the necessary procedures regarding the provisions of the Financial Intelligence Centre Act (FICA). ✓✓
- Verify the identity of clients and report suspicious transactions/Train staff on their obligations in terms of FICA. ✓✓

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

Max (10)

5.6 Conclusion

- The NCA promotes/allows responsible lending by businesses and eliminates reckless borrowing by consumers. ✓✓
- Businesses should promote awareness/compliance of the consumer rights as stipulated in the NCA. ✓✓
- Understanding the impact of the NCA on the operations of businesses is critical in whether businesses will succeed. ✓✓
- Businesses should make all attempts to comply with the NCA as businesses may face penalties/consequences for non-compliance such as a compliance order/large fines/business licence being revoked. ✓✓

[Any other relevant conclusion related to the purpose of the NCA/rights of consumers in terms of the NCA/impact of the NCA on businesses/ways in which businesses can comply with the NCA.]

(1x2) (2)



QUESTION 5: BREAKDOWN OF MARK ALLOCATION		
Details	Maximum	Total
Introduction	2	MAX 36
Purpose of the NCA	8	
Rights of consumers in terms of the NCA	14	
Impact of the NCA on businesses	14	
Ways in which businesses can comply with the NCA	10	
Conclusion	2	
INSIGHT		
Layout		2
Analysis		2
TOTAL MARKS		40



QUESTION 6: BUSINESS OPERATIONS (HUMAN RESOURCES FUNCTION)

6.1 Introduction

- The recruitment procedure aims to attract/source the best possible applicants that possess the required skills/knowledge/qualifications/competencies/ experience to fill vacancies/available posts. ✓
- Fringe benefits are offered to employees regardless of their regular wages or salaries. ✓
- Induction is the process of introducing new employees into the workplace. ✓
- The termination of an employment contract must be in line with the stipulation of the BCEA. ✓

[Any other relevant introduction related to the recruitment procedure/impact of fringe benefits on businesses/advantages of induction for businesses/reasons for the termination of an employment contract.]

(2x1) (2)

6.2 Recruitment procedure as a human resources activity

- The human resources manager should evaluate the job/prepare a job analysis that includes the job specification/job description in order to identify recruitment needs. ✓✓
- The human resources manager should indicate the job specification/key performance areas to attract suitable candidates. ✓✓
- Choose the method of recruitment such as internal/external recruitment, to reach/target the suitable applicants/candidates. ✓✓
- If external recruitment is chosen, the relevant recruitment sources should be selected, such as recruitment agencies/tertiary institutions/newspapers/electronic media. ✓✓
- Vacancies can be internally advertised via internal email/word of mouth/posters/office notice boards. ✓✓
- External recruitment should be considered if internal recruitment is unsuccessful. ✓✓
- The advertisement should be prepared with the relevant information such as the name of the company, contact details, contact person. ✓✓
- Place the advertisement in the selected media that will ensure that the best candidates apply. ✓✓

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

Max (8)



6.3 Impact of fringe benefits on businesses

Positives/Advantages

- Attractive fringe benefit packages ✓ may result in higher employee retention/reduce employee turnover/low attrition rates. ✓
- Attract/Retain qualified/skilled/experienced employees ✓ who may positively contribute to the business goals/objectives. ✓
- Increase employee job satisfaction/loyalty/morale ✓ as employees may be willing to go the extra mile. ✓
- Improves productivity ✓ resulting in higher profitability. ✓
- Businesses save money ✓ as benefits are tax-deductible. ✓
- Fringe benefits can be used as leverage ✓ for salary negotiations. ✓

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

AND/OR

Negatives/Disadvantages

- Fringe benefits are additional costs ✓ that may result in cash flow problems for the business. ✓
- Administrative costs increase ✓ as benefits need to be correctly recorded for tax purposes. ✓
- Decrease business profits ✓ because incentive/package/ remuneration costs are higher. ✓
- Create conflict/Lead to corruption ✓ if fringe benefits are allocated unfairly. ✓
- Workers stay with the business only for fringe benefits ✓ and may not be committed/loyal to the tasks/business. ✓
- Businesses that offer employees different benefit plans may create resentment in those who receive fewer benefits ✓ and this could result in lower productivity. ✓
- Businesses that cannot offer fringe benefits ✓ fail to attract skilled workers. ✓
- Businesses have to pay advisors/attorneys to help them create benefit plans ✓ that comply with the law. ✓

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

Max (14)



6.4 Advantages of induction for businesses

- New employees who are familiar with the business's policies/ procedures ✓ may easily adapt to their new work environment. ✓
- New employees learn more about the business ✓ and understand their role in the business/expectations of the job. ✓
- Increased productivity/efficiency ✓ and quality of service/performance. ✓
- Minimises the need for ongoing training ✓ and development. ✓
- Improved/Better focused training may be provided ✓ based on the results obtained from the induction process. ✓
- New employees may feel part of the team ✓ resulting in positive morale/ motivation. ✓
- Reduces staff turnover ✓ as new employees have been inducted properly. ✓

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

Max (12)

6.5 Reasons for the termination of an employment contract

- The employer may dismiss an employee for a valid reason/s such as unsatisfactory job performance, misconduct. ✓✓
- The employer may no longer have work for redundant employees/ cannot honour the employment contract/is restructuring. ✓✓
- An employee could decide to leave for a better job opportunity by resigning voluntarily. ✓✓
- The employer may retrench some employees because of insolvency/ may not be able to pay the employees/operational reasons. ✓✓
- An employee may have reached the pre-determined age for retirement. ✓✓
- An employee could become incapacitated because of illness/ injuries. ✓✓
- The employer and employee may reach a mutual agreement. ✓✓
- The duration of the employment contract expires/comes to an end. ✓✓

[Any relevant answer related to the reasons for the termination of an employment contract.]

Max (12)

6.6 Conclusion

- Employees are the most valuable asset of the business, and therefore the success of the business is strongly influenced by sound recruitment procedure applied by the human resources function. ✓✓
- Fringe benefits can serve as an additional motivation for employees to work hard towards achieving business goals. ✓✓
- Businesses must prioritise the induction programme of new employees before they commence their workplace duties. ✓✓
- An employment contract can be terminated by either the employer or the employee and the implications of the termination should be considered by both parties. ✓✓

[Any other relevant conclusion related to the recruitment procedure/impact of fringe benefits on businesses/advantages of induction for businesses/reasons for the termination of an employment contract.]

(1x2) (2)

QUESTION 6: BREAKDOWN OF MARK ALLOCATION		
Details	Maximum	Total
Introduction	2	MAX 36
Recruitment procedure	8	
Impact of fringe benefits on businesses	14	
Advantages of induction for businesses	12	
Reasons for the termination of an employment contract	12	
Conclusion	2	
INSIGHT		
Layout		2
Analysis		2
TOTAL MARKS		40

TOTAL SECTION C: [40]

GRAND TOTAL: [150]