

MARKING GUIDELINES

EXAMINATION		NATIONAL SENIOR CERTIFICATE	
GRADE	12		
DATE	JUNE 2024		
SUBJECT	BUSINESS STUDIES		
PAPER	2		
MARK TOTAL	150		
DURATION (HOURS)	2		
NUMBER OF PAGES	26		



SOUTH AFRICAN COMPREHENSIVE ASSESSMENT INSTITUTE
SUID-AFRIKAANSE KOMPREENSIEWE ASSESSERINGSINSTITUUT



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 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
 - ❖ 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. 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 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 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:** *"COVIDA 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. *"COVIDA 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 Advise, name, state, mention, outline, motivate, recommend, suggest, (*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 Define, 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 assessment 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? <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-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 A ✓✓
- 1.1.2 B ✓✓
- 1.1.3 C ✓✓
- 1.1.4 C ✓✓
- 1.1.5 A ✓✓
- 1.1.6 B ✓✓
- 1.1.7 D ✓✓
- 1.1.8 B ✓✓
- 1.1.9 A ✓✓
- 1.1.10 D ✓✓ (10x2) (20)
-
- 1.2.1 poverty ✓
- 1.2.2 managers ✓
- 1.2.3 state owned companies ✓
- 1.2.4 forced combination ✓
- 1.2.5 dignity ✓ (5x1) (5)
-
- 1.3.1 D ✓
- 1.3.2 F ✓
- 1.3.3 E ✓
- 1.3.4 H ✓
- 1.3.5 A ✓ (5x1) (5)

TOTAL SECTION A: [30]

SECTION B

Mark only the answers to the first TWO questions.

QUESTION 2: BUSINESS VENTURES

2.1 Insurable risks

- ❖ Theft ✓
- ❖ Fidelity insurance ✓
- ❖ Burglary ✓
- ❖ Money in transit ✓
- ❖ Fire ✓
- ❖ Natural disaster/Storms/Wind/Rain/Hail ✓
- ❖ Damage to/Loss of assets/vehicles/ equipment/buildings/premises ✓
- ❖ Injuries on premises ✓

NOTE: Mark the first FOUR (4) only. (4x1) (4)

2.2 Forms of investment

2.2.1 Fixed deposit. ✓✓

2.2.2 RSA Retail Savings Bond/Government Retail Bonds. ✓✓ (2x2) (4)

2.3 Difference between insurance and assurance

INSURANCE	ASSURANCE
❖ Based on the principle✓ of indemnity.✓	❖ Based on the principle✓ of security/certainty. ✓
❖ The insured transfers the cost of potential loss✓ to the insurer at a premium. ✓	❖ The insurer undertakes to pay an agreed sum of money ✓ after a certain period has expired/on the insured person's death, whichever occurred first. ✓
❖ It covers a specified event✓ that may occur. ✓	❖ Specified event is certainty✓, but the time of the event is uncertain.✓
❖ Applicable to short-term✓ insurance. ✓	❖ Applicable to long-term ✓ insurance. ✓
❖ Might not pay out ✓ due to certain incidents/concurrency. ✓	❖ Will pay out ✓ due to certain incident/concurrency. ✓
❖ Any other relevant answer related to insurance.	❖ Any other relevant answer related to assurance.
Sub max (2)	Sub max (2)

- NOTE:**
1. The answer does not have to be in tabular format.
 2. The differences do not have to link but must be clear.
 3. Award a maximum of TWO (2) marks if the difference is not clear/Mark either insurance or assurance.

Max (4)

2.4 2.4.1 **Leadership theories/styles**

LEADERSHIP THEORY/STYLE	MOTIVATIONS
1. Leaders and followers ✓✓	The management of KCD command by example and reward positive behaviour . ✓
2. Transactional leadership style ✓✓	They also ensure that deadlines are met at short notice. ✓
Sub-max (4)	Sub-max (2)

NOTE: 1. Mark the first TWO (2) only.
 2. Only award marks for the motivation if the leadership theory/style is correctly identified.

Max (6)

2.4.2 **Role of personal attitude in successful leadership**

- ❖ Positive attitude releases ✓ leadership potential. ✓
- ❖ A leader's good/bad attitude can influence ✓ the success/failure of the business. ✓
- ❖ Leaders must know their strengths and weaknesses ✓ to apply their leadership styles effectively. ✓
- ❖ Great leaders understand that the right attitude ✓ will set the right atmosphere. ✓
- ❖ Leaders' attitude may influence ✓ employees'/teams' thoughts/behaviour. ✓
- ❖ Leaders should model the behaviour ✓ they want in team members. ✓
- ❖ Successful leaders consider the abilities/skills of team members ✓ to allocate tasks/roles effectively. ✓
- ❖ Enthusiasm produces confidence ✓ in a leader. ✓
- ❖ A positive attitude is critical for good leadership ✓ because good leaders will stay with the task regardless of difficulties/challenges. ✓
- ❖ Successful employees and leaders constantly desire to work ✓ and achieve personal/professional success. ✓
- ❖ Leaders with a positive attitude ✓ know there are always more to learn/space to grow. ✓
- ❖ Any other relevant answer related to the role of personal attitude in successful leadership.

Max(6)

2.5 **Impact of video conferencing as a type of visual aid**

Positive Impact/Advantages

- ❖ People can see and hear each other ✓ during their communication. ✓
- ❖ Can be used when a presenter wants to refer to documents ✓ such as graphs/relationships/diagrams and process steps. ✓
- ❖ Can be used for international ✓ meetings. ✓
- ❖ There is no need to spend time and money ✓ traveling to meetings. ✓
- ❖ Documents can be viewed on the screen ✓ at the same time. ✓



- ❖ Ideas and knowledge can be communicated √ quickly between all those at the meeting, and responses gathered. √
- ❖ Any other relevant answer related to the positive impact/advantages of video conferencing as a type of visual aid.

AND/OR

Negative Impact/Disadvantages

- ❖ Takes away the personal aspect √ of the conversation. √
- ❖ The environment/surroundings may limit people's ability √ to retain information effectively. √
- ❖ Difficult to get everyone simultaneously √ when scheduling a session. √
- ❖ People who use this equipment must be properly trained √ on how to use the equipment. √
- ❖ Conferencing facilities can be expensive √ and everyone attending the meeting needs access to suitable hardware and software. √
- ❖ There might be a slight delay between responses √ especially from one side of the planet to the other. √
- ❖ The video camera might not be able to see all parts of the room at the same time √ and some people might not be easy to see at the meeting. √
- ❖ Any other relevant answer related to the negative impact/disadvantages of video conferencing as a type of visual aid.

Max (6)

2.6 Situations in which the laissez-faire leadership style can be applied

- ❖ Subordinates are experts and know what they want√/can take responsibility for their actions. √
- ❖ The leader is very busy, √ and delegation of tasks will increase productivity.√
- ❖ Team members need to improve/develop√ leadership skills. √
- ❖ Suitable when highly experienced employees√ know more about the task than the leader. √
- ❖ Any other relevant answer related to situations in which the Laissez-faire leadership style can be applied in the workplace.

Max (4)

2.7 Future improvement to presenters based on feedback from presentations

- ❖ The presenter should revise objectives that were not achieved. √√
- ❖ Use humour appropriately. √√
- ❖ Always be prepared to update/keep the information relevant. √√
- ❖ Reflect on any problem/criticism and avoid it in future presentations. √√
- ❖ Information the presenter receives as feedback should be analysed and where relevant, incorporated/used to update/amend his presentation. √√
- ❖ Reflect on the time/length of the presentation to add/remove content. √√
- ❖ Increase/Decrease the use of visual aids or replace/remove aids that do not work well. √√
- ❖ Reflect on the logical flow of the format/slides/application of visual aids. √√
- ❖ Any other relevant answer related to future improvements to presenters based on feedback from presentations.

Max (6)

[40]

QUESTION 3: BUSINESS ROLES

3.1 Components of corporate social responsibility/CSR

- ❖ Environment ✓
- ❖ Ethical corporate social investment ✓
- ❖ Health and safety ✓
- ❖ Corporate governance ✓
- ❖ Business ethics ✓
- ❖ Employment equity ✓
- ❖ Supply chain/Distribution channel ✓
- ❖ Employees and customers ✓
- ❖ Community ✓

NOTE: Mark the first FOUR (4) only. (4x1) (4)

3.2 Types of unethical business practices

3.2.1 Unfair advertising ✓✓

3.2.2 Taxation/Tax evasion ✓✓ (2x2) (4)

3.3 Impact of corporate social responsibility/CSR

Positive Impact/Advantages

- ❖ Promotes customer loyalty ✓ resulting in more sales. ✓
- ❖ CSR projects promote teamwork ✓ within businesses. ✓
- ❖ The business enjoys the goodwill/support ✓ of communities. ✓
- ❖ CSR helps to attract investors ✓ because of increased profits/income. ✓
- ❖ Improves the health of its employees ✓ through focused CSR projects. ✓
- ❖ Assists in solving socio-economic issues ✓ like poverty/unemployment. ✓
- ❖ CSR projects may be used as a marketing strategy ✓ to promote their products. ✓
- ❖ Gives businesses tax advantages ✓ such as tax reduction/rebates. ✓
- ❖ Employees feel as if they are making a difference ✓ in working for the business. ✓
- ❖ May attract experienced employees ✓ /increase the pool of skilled labour which could increase productivity. ✓
- ❖ Positive/Improved image ✓ as the business looks after employees/conducts itself in a responsible way. ✓
- ❖ A business may have a competitive advantage, ✓ resulting in good publicity/an improved reputation. ✓
- ❖ The government is less likely to enforce issues ✓ through legislation to businesses that voluntarily participate in CSR projects. ✓
- ❖ It helps to retain staff/lower staff turnover ✓ as employees' health and safety are considered. ✓
- ❖ Businesses become more community-based ✓ by working closely with the community to roll out skills development projects. ✓
- ❖ Any other relevant answer related to the positive impact/advantages of corporate social responsibility/CSR on businesses.

AND/OR



Negative Impact/Disadvantages

- ❖ It is difficult to accurately measure the effectiveness ✓ of social investment. ✓
- ❖ Most managers are not trained/lack experience ✓ to handle social programmes. ✓
- ❖ Businesses find it difficult to adhere ✓ to legislation governing CSR. ✓
- ❖ Detailed reports must be drawn up, ✓ which can be time consuming. ✓
- ❖ CSR activities distract business focus ✓ from its core business functions. ✓
- ❖ Shareholders may receive less dividends, ✓ as some profits are spent on CSR. ✓
- ❖ Businesses may not be supported/ ✓ Customers may not buy their products/ services resulting in a decrease in sales. ✓
- ❖ Small and medium enterprises find it difficult ✓ to implement CSR programmes. ✓
- ❖ Social spending reduces business/economic efficiency ✓ which makes it less competitive. ✓
- ❖ Social involvement is funded from business profits ✓ which could have been used to the benefit of customers/reduce prices ✓.
- ❖ It can increase financial risk, ✓ as programmes cost money and may impact negatively on profits. ✓
- ❖ It is not easy to determine the exact needs ✓ of the communities, which may result in fruitless expenditure on CSR. ✓
- ❖ Employees may spend more time working on CSR projects ✓ instead of focusing on their core duties ✓.
- ❖ Providing goods/services that meet the needs of consumers is, ✓ according to some stakeholders, already socially responsible. ✓
- ❖ Some shareholders/stakeholders might withdraw their support ✓ from the business as they feel that social issues should be the government's responsibility. ✓
- ❖ Any other relevant answer related to the negative impact/disadvantages of corporate social responsibility/CSR on businesses.

Max (6)

3.4 Benefits of diversity in the workplace

- ❖ Diversity in the workplace enhances the ability of the business ✓ to solve problems/be innovative/to provide to diverse markets. ✓
- ❖ Employees value each other's diversity ✓ and learn to communicate across the borders of diversity. ✓
- ❖ Diversity in the workplace improves the moral ✓/motivation of the employees. ✓
- ❖ Employees show greater loyalty ✓ towards the business, because they are respected/accepted and understood. ✓
- ❖ Diversified workforce can provide businesses with a competitive
- ❖ advantage, ✓ due to better service delivery. ✓
- ❖ Diversified businesses ensure that their policy/practices ✓ empower employees to reach their full potential. ✓
- ❖ Parties evaluate the businesses ✓ on how they manage diversity in the workplace. ✓



- ❖ Diversified workforce stimulates debate/improves√ ways to get things done. √
- ❖ Employees represent different groups √ and can identify the needs of clients better. √
- ❖ Businesses with a diversified workforce might have a better business image √ that attracts more clients. √
- ❖ Any other relevant answer related to the benefits of diversity in the workplace.

Max (6)

3.5 Roles of health and safety representatives from the scenario

- 3.5.1 Label Designers and Manufacturers services the machinery used in the factory on a regular base. √

LDM still provides protective clothing for all employees. √

- NOTE:** 1. Mark the first TWO (2) only.
2. Only award marks for responsibilities that are quoted from the scenario

(2x1) (2)

3.5.2 Responsibility of employers in promoting human health and safety in the workplace

- ❖ Provide and maintain all the equipment √ that is necessary to perform the work. √
- ❖ Equipment must be used under the supervision √ of a designated trained worker. √
- ❖ Keep the systems up to date√ to ensure that there will be no harmful impact on the health and safety of workers. √
- ❖ Reduce/Remove dangers to workers√ and provide personal protective clothing. √
- ❖ Employers must know where potential dangers might be√ and take measures to eliminate or limit the harm. √
- ❖ Ensure that the workers' health is not damaged √ by hazards resulting from production/processing/storage/transportation of materials or equipment. √
- ❖ Workers must be informed /instructed/and supervised √ to limit potential dangers to them/Emergency exit door signs should be visible to all employees. √
- ❖ Comply with safety laws √ which seek to promote a healthy working environment. √
- ❖ Any other relevant answer related to any other responsibilities of the employer in promoting human health and safety in the workplace.

Max (4)

3.6 Abuse of worktime as a type of unethical business practice

- ❖ Employees abuse work time by arriving late/leaving early√ and taking longer lunch breaks. √
- ❖ Employees use working hours√ for personal gain. √



- ❖ Abuse of work time decreases productivity√ and loss of profits. √
- ❖ Businesses can lose customers√ and not meet work deadlines. √
- ❖ Any other relevant answer related to abuse of worktime as a type of unethical business practice.

Max (6)

3.7 Ways in which businesses can deal with difficult personalities

3.7.1 Complainer

- ❖ Listen to the complaints but do not acknowledge them. √√
- ❖ Interrupt the situation and move to the problem-solving process √√
- ❖ Any other relevant answer related to ways in which businesses can deal with a complainer as a type of difficult personality in the workplace.

Max (4)

3.7.2 Expert

- ❖ Be firm and assertive. √√
- ❖ Do not accuse them of being incorrect/Do not get caught in their game. √√
- ❖ Know your facts. √√
- ❖ Any other relevant answer related to ways in which businesses can deal with an expert as a type of difficult personality in the workplace.

Max (4)

[40]



QUESTION 4: MISCELLANEOUS TOPICS

BUSINESS VENTURES

4.1 Examples of compulsory insurance

- ❖ Unemployment Insurance Fund/UIF ✓
- ❖ Road Accident Fund/RAF; Road Accident Benefit Scheme/RABS ✓
- ❖ Compensation Fund/Compensation for Occupational Injuries and Diseases/COIDA ✓

NOTE: Mark the first TWO (2) only.

(2x1) (2)

4.2 Advantages of a non-profit company

- ❖ Profits are used solely for the primary objective of the organisation. ✓✓
- ❖ They provide social services to various communities. ✓✓
- ❖ Donors receive tax deductions. ✓✓
- ❖ Has continuity of existence. ✓✓
- ❖ The liability of the members is limited. ✓✓
- ❖ Most of the income of a non-profit company is free from income taxes. ✓✓
- ❖ Can receive grants /financial aid. ✓✓
- ❖ Surplus of income is retained to further the goals of the business. ✓✓
- ❖ Any other relevant answer related to the advantages of a non-profit company.

Max (4)

4.3 Functions of the Johannesburg Securities Exchange/JSE

- ❖ Gives opportunities to financial institutions ✓ such as insurance companies to invest their funds in shares. ✓
- ❖ Serves as a barometer/indicator ✓ of economic conditions in South Africa. ✓
- ❖ Keeps investors informed on share prices ✓ by publishing the share prices daily. ✓
- ❖ Acts as a link between investors ✓ and public companies. ✓
- ❖ Shares are valued and assessed ✓ by experts. ✓
- ❖ Small investors are invited to take part in the economy of the country ✓ through the buying/selling of shares. ✓
- ❖ Venture capital market ✓ is made available on the open market. ✓
- ❖ Mobilises the funds ✓ of insurance companies and other institutions. ✓
- ❖ Raises primary capital ✓ by encouraging new investments in limited companies. ✓
- ❖ Regulates the market ✓ for dealing with shares. ✓
- ❖ Plans, research and advises ✓ on investment possibilities. ✓
- ❖ Ensures that the market operates ✓ in a transparent manner. ✓
- ❖ Provides protection ✓ for investors. ✓
- ❖ Encourages ✓ short-term investment. ✓
- ❖ Facilitates electronic trading ✓ of shares ✓
- ❖ Any other relevant answer related to the functions of the Johannesburg Securities Exchange/JSE.

Max(6)

4.4 Average Clause Calculation

$$\frac{\text{Insured amount}}{\text{Asset value}} \times \frac{\text{Damage}}{1}$$

$$= \frac{600\,000}{1\,000\,000} \checkmark \times \frac{160\,000}{1} \checkmark$$

$$= R\,96\,000 \checkmark\checkmark$$

- NOTE:**
1. Award **FOUR (4)** marks if the answer is correct.
 2. Award a maximum of **TWO (2)** marks if the formula is correct, but the answer is incorrect.
 3. Award **ZERO (0)** marks if the formula and answer is incorrect. Max (4)

4.5 Ways in which the autocratic leadership style can be applied

- ❖ In crisis situations, e.g., in the case of unforeseen challenges/accidents. $\checkmark\checkmark$
- ❖ When all the information is available to solve the problem. $\checkmark\checkmark$
- ❖ In a crisis/urgent situation, e.g., after an accident/meeting tight deadlines. $\checkmark\checkmark$
- ❖ When employees are motivated, and the leader has already earned the trust of the followers. $\checkmark\checkmark$
- ❖ When dealing with employees who are not cooperative. $\checkmark\checkmark$
- ❖ When employees are new/not fully trained. $\checkmark\checkmark$
- ❖ Any other relevant answer related to ways in which the autocratic leadership style can be applied in the workplace. Max (4)

BUSINESS ROLES

4.6 Economic rights of employees in the workplace

- ❖ Free from forced labour \checkmark
 - ❖ Free to accept or choose work \checkmark
 - ❖ Join/Form trade unions \checkmark
 - ❖ Right to participate in a legal strike \checkmark
 - ❖ Equal pay for work of equal value \checkmark
 - ❖ Reasonable limitation of working hours \checkmark
 - ❖ Safe and healthy working conditions \checkmark
- NOTE: Mark the first FOUR (4) only.** (4x1) (4)

4.7 Problem-solving techniques

PROBLEM-SOLVING TECHNIQUES	MOTIVATIONS
1. Force-Field Analysis√√	Management has considered all the supporting and opposing ideas.√
2. Delphi-technique√√	CS also contacted some experts in the field for advice. √
Sub max (4)	Sub max (2)

- NOTE:**
1. Mark the first TWO (2) only.
 2. Do not award marks for the motivation if the problem-solving technique is incorrectly identified.
 3. Award marks for the problem-solving technique if the motivation is incorrect.

Max (6)

4.8 Application of accountability as a King Code principle

- ❖ There must be regular communication √ between management and stakeholders. √
- ❖ Businesses should be accountable/ responsible √ for their decisions/ actions. √
- ❖ Company should appoint internal and external auditors √ to audit financial statements. √
- ❖ The board should ensure that the company's ethics √ are effectively implemented. √
- ❖ Businesses should present accurate annual reports √ to shareholders at the Annual General Meeting (AGM). √
- ❖ Top management should ensure that other levels of management are clear √ about their roles and responsibilities to improve accountability.√
- ❖ Any other relevant answer related to how businesses can apply accountability as a King Code principle for good corporate governance.

Max (4)

4.9 Ways in which businesses can promote cultural rights in the workplace

- ❖ Provide the environment in which employees are free to use their own language when interacting with others during their free time. √√
- ❖ Encourage employees to participate in cultural activities. √√
- ❖ Allow employees to provide solutions to challenges from their own cultural perspective. √√
- ❖ Regular cultural information sessions will help employees to respect each other's culture in the workplace. √√
- ❖ Make provision for different cultures, such as food served in the canteen/ entertainment at staff functions. √√
- ❖ Employ people from various cultural backgrounds. √√
- ❖ Employees should be trained on cultural tolerance. √√
- ❖ Any other relevant answer related to ways in which businesses can promote cultural rights in the workplace.

Max (6)

[40]

TOTAL SECTION B: [80]

SECTION C

Mark only the answer to the FIRST questions.

QUESTION 5: BUSINESS VENTURES (FORMS OF OWNERSHIP AND INVESTMENT: SECURITIES)

5.1 Introduction

- ❖ There is more than one form of ownership that is suitable for business owners. ✓
- ❖ Entrepreneurs should conduct research on the criteria that contributes to the success and/or failure of a private company. ✓
- ❖ Investors have a range of factors to consider when in the market for investment opportunities that they can choose from. ✓
- ❖ Investors should have sound knowledge of the factors that must be considered when deciding to invest in shares. ✓
- ❖ Any other relevant introduction related to the advantages of a private company/criteria that could contribute to success and/or failure of a private company/factors that should be considered when making investment decisions/impact of shares as a form of investment.

(2x1) (2)

5.2 Advantages of a private company

- ❖ Shareholders can vote for/appoint the most capable directors to manage their company ✓✓
- ❖ A company has continuity of existence. ✓✓
- ❖ Own legal identity and shareholders have no direct legal implications/limited liability. ✓✓
- ❖ Managed at least by one competent highly skilled director. ✓✓
- ❖ Large amounts of capital can be raised since there is no limit on the number of shareholders. ✓✓
- ❖ The company can access long term capital and therefore has good long-term growth opportunities. ✓✓
- ❖ Not required to file annual financial statements with the commission. ✓✓
- ❖ It is possible to sell a private company as it is a legal entity in its own right. ✓✓
- ❖ The management of the company can improve since directors are accountable to shareholders. ✓✓
- ❖ Any other relevant answer related to the advantages of a private company.

Max (10)

5.3 Success and/or failure factors of a private company:

5.3.1

	SUCCESS FACTOR	AND/OR	FAILURE FACTOR
Management	❖ Managed at least by one competent ✓ highly skilled director. ✓		❖ It cannot grow into a very large business ✓ since it cannot invite the public to buy shares. ✓
	❖ The management of the company can improve ✓ since directors are accountable to shareholders. ✓		❖ Directors may not have a direct interest ✓ in the company, which can hamper growth and profit maximization. ✓
	❖ Shareholders can vote ✓ for/appoint the most capable directors to manage their company. ✓		❖ Directors' fees increase ✓ the company's expenses which reduces net profit. ✓
			❖ Some shareholders may not exercise their voting rights ✓ resulting in choosing the wrong person as a director. ✓
			❖ Large management structures ✓ can result in decision-making taking time. ✓
			❖ Directors may not be motivated ✓ to work very hard because shareholders decide on the directors' remuneration. ✓
	❖ Any other relevant answer related to management as a success factor of a private company.		❖ Any other relevant answer related to management as a failure factor of a private company.

Sub max (8)

5.3.2

	SUCCESS FACTOR	AND/OR	FAILURE FACTOR
Capital	❖ Large amount of capital ✓ can be raised since there is no limit on the number of shareholders. ✓		❖ It cannot grow into a very large business ✓ since it cannot invite the public to buy shares. ✓
	❖ The company can access long term capital ✓ and therefore has good long-term growth opportunities. ✓		❖ Restrictions on transferability of shares ✓ may not attract financially strong investors. ✓
	❖ Even though shares are not freely transferable, ✓ large private companies can raise a considerable amount of capital. ✓		❖ Large amount of capital cannot be obtained ✓ as capital contribution is only limited to private shareholders. ✓

	❖ More capital can be raised ✓ by issuing shares to shareholders. ✓	
	❖ Any other relevant answer related to capital as a success factor of a private company.	❖ Any other relevant answer related to capital as a failure factor of a private company.

Sub max (8)

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

Max (16)

5.4 Factors to be considered when making an investment decision

5.4.1 Return on investment ✓✓

- ❖ Refers to income from the investment, ✓ namely interest/dividends/increased capital growth on the original amount invested. ✓
- ❖ High risk investments ✓ yield higher returns. ✓
- ❖ Generally, there will be a direct link ✓ between risk and return. ✓
- ❖ The return should be expressed as net after-tax gains ✓ on the investment. ✓
- ❖ Returns can be in the form of capital gains ✓ where the asset appreciates in value over time. ✓
- ❖ Any other answer related to return on investment as a factor to be considered when making an investment decision.

Factor (2)

Discussion (2)

Sub max (4)

5.4.2 Risk ✓✓

- ❖ Shares have low/medium risk ✓ over a longer investment period. ✓
- ❖ Shares with higher risks ✓ have a greater potential for higher returns. ✓
- ❖ Ordinary shares have the highest risk ✓ as the investor may lose the full/part of the investment when the company is dissolved/bankrupt/liquidated. ✓
- ❖ Preference shareholders' risk is lower, ✓ as they have preferential claims on the assets of the liquidated company/may receive some compensation before ordinary shareholders. ✓
- ❖ Share prices are linked to factors that investors cannot control, ✓ such as economic conditions/ operational success of the company. ✓
- ❖ Share prices are volatile/unstable/unpredictable/ may increase/ decrease sharply within hours ✓ which contribute to the uncertainty of the value of an investment in shares on the short term. ✓
- ❖ Any other relevant answer related to risk as a factor that should be considered when making an investment decision.

Factor (2)

Discussion (2)

Sub max (4)

5.4.3 Investment period ✓✓



- ❖ This refers to the duration of the investment ✓ which may influence the return on investment. ✓
- ❖ The longer the investment period ✓ the higher the returns. ✓
- ❖ The investment period will depend ✓ on an investor's personal needs. ✓
- ❖ Short term investments enable investors ✓ to access their money on a short period if needed. ✓
- ❖ The investment period can be short, medium and/or long term ✓ depending on the investors' needs. ✓
- ❖ Any other relevant answer related to investment period as a factor that should be considered when making an investment decision.

Factor (2)
Discussion (2)
Sub max (4)

5.4.4 Inflation rate ✓✓

- ❖ People are affected by a high inflation rate, ✓ because their money/purchasing power decreases. ✓
- ❖ The return on investment should be higher ✓ than the inflation rate. ✓
- ❖ Inflation has a positive effect on some investments ✓ such as property/shares where the income will increase as inflation increases. ✓
- ❖ Any other relevant answer related to inflation rate as a factor that should be considered when making an investment decision.

Factor (2)
Discussion (2)
Sub max (4)

5.4.5 Personal budgets ✓✓

- ❖ Investors can determine the amount of surplus money ✓ that can be invested. ✓
- ❖ Investors must budget ✓ for unforeseen costs. ✓
- ❖ Budget should provide ✓ for contingency plans/investments/savings. ✓
- ❖ Any other relevant answer related to personal budget as a factor that should be considered when making an investment decision

Factor (2)
Discussion (2)
Sub max (4)

5.4.6 Liquidity ✓✓

- ❖ An amount could be invested in a type of investment ✓ that can easily be converted to cash. ✓
- ❖ It is used to describe the ease and speed ✓ with which investors can convert an investment into cash. ✓
- ❖ Example: an investment in a savings account/unit trust will be easier to convert into cash ✓ than an investment in a fixed deposit which is usually deposited for a fixed period of time. ✓
- ❖ Any other relevant answer related to liquidity as a factor that should be considered when making an investment decision.

Factor (2)
Discussion (2)
Sub max (4)



5.4.7 **Taxation** √√

- ❖ A good investment √ will yield good after-tax returns. √
- ❖ Income tax implications must be considered √ in order to ensure a high net after-tax return. √
- ❖ Tax rates are not necessarily the same √ for different investments. √
- ❖ Any other relevant answer related to taxation as a factor that should be considered when making an investment decision.

Factor (2)
Discussion (2)
Sub max (4)

5.4.8 **Investment planning factors** √√

- ❖ Investors should always consider √ the safest possible investment opportunities. √
- ❖ Some investments offer a low income on invested capital, √ but it could be a safer investment than one that promises a higher income. √
- ❖ Examine opportunities √ with a history of good return. √
- ❖ Divide investments √ between various investment options. √
- ❖ The method of calculating the interest/return on investment √ should be considered. √
- ❖ Any other relevant answer related to investment planning factors as a factor that should be considered when making an investment decision.

Factor (2)
Discussion (2)
Sub max (4)

5.4.9 **Volatility/Fluctuations on investment markets** √√

- ❖ Fluctuation in national and international economic trends √ should be considered. √
- ❖ The level of volatility will determine √ the amount of returns √.
- ❖ Any other relevant answer related to volatility/fluctuations planning factors as a factor that should be considered when making an investment decision.

Factor (2)
Discussion (2)
Sub max (4)

NOTE: Mark the first FOUR (4) only.

Max (16)

5.5 **Impact of shares/ordinary shares as a form of investment**

Positives/ Advantages

- ❖ Can be freely transferred/traded on the JSE. √√
- ❖ Shareholders' liability to the debt of the company is limited to what was invested/Shareholders have limited liability for company debts. √√
- ❖ Shareholders have voting rights at the annual general meeting (AGM). √√
- ❖ Investing in shares provides protection against inflation. √√
- ❖ Investing in shares can provide solid returns at retirement age. √√
- ❖ Rate of return on investment (ROI) is linked to the performance of the company. √√



- ❖ Ordinary shares are usually cheaper than preference shares on the open market. √√
- ❖ Holding a higher number of shares may result in higher proportional dividend pay-outs. √√
- ❖ Any other relevant answer related to the positives/advantages of shares/ordinary shares as a type of investment.

AND/OR

Negatives/ Disadvantages

- ❖ Shareholders may receive less dividends/no dividends when company profits are low. √√
- ❖ Companies have no legal obligation to pay dividends to shareholders. √√
- ❖ Risk may be high, as investment may be lost when companies are liquidated. √√
- ❖ Dividends declared may be determined by the management/directors of the company/business. √√
- ❖ Any other relevant answer related to the positives/advantages of shares/ordinary shares as a type of investment.

Max (8)

5.6 Conclusion

- ❖ The owner should make the correct decisions in running the business in order to protect his/her personal possessions. √√
- ❖ The partners of a partnership should keep abreast of the latest management skills of businesses. √√
- ❖ Factors that should be considered when making investment decisions should be examined by investors to get the best return. √√
- ❖ Choosing shares as an investment opportunity should be beneficial to investors in the long term. √√
- ❖ Any other relevant conclusion related to the advantages of a private company/criteria that could contribute to success and/or failure of/ factors to consider when making investment decisions/ impact of shares as a form of investment.

(1x2) (2)

BREAKDOWN OF THE MARK ALLOCATION

DETAILS	MAXIMUM	TOTAL
Introduction	2	Maximum 36
Advantages of a private company.	10	
Criteria contributing to the success and/or failure of a private company: - Management - Capital	16	
Factors that should be considered when making an investment decision.	16	
The impact of shares/ordinary shares as a form of investment.	8	
Conclusion	2	
INSIGHT		4
Structure	2	
Analysis	2	
TOTAL		40

**QUESTION 6: BUSINESS ROLES
(TEAM PERFORMANCE AND CONFLICT MANAGEMENT)**

6.1 Introduction

- ❖ Business owners should understand the difference between decision making and problem-solving in order to manage staff to the best. ✓
- ❖ Businesses should enhance ideas and feedback from employees to encourage them to contribute to creative ideas in the workplace. ✓
- ❖ The business can gather ideas from experts in order to reach consensus to solve problems at hand. ✓
- ❖ Use as much ideas as possible from employees to keep them interested in the business. ✓
- ❖ Any other relevant introduction related to the differences between decision making and problem-solving/advantages of creative thinking/impact of the Delphi-technique/ways to create an environment that promotes creative thinking in the workplace.

(2x1) (2)

6.2 Differences between decision making and problem-solving

DECISION MAKING	PROBLEM-SOLVING
❖ It is often done by one person/a member of senior management who makes it authoritarian. ✓✓	❖ Problems can be solved by a group/ team or an individual team member. ✓✓
❖ Various alternatives are considered before deciding on the best one. ✓✓	❖ Alternative solutions are generated/identified and critically evaluated. ✓✓
❖ It is part of the problem-solving cycle as decisions need to be taken in each step. ✓✓	❖ Process of analysing a situation to identify strategies to bring about change. ✓✓

❖ Any other relevant answer related to decision making.	❖ Any other relevant answer related to problem-solving.
Sub max (4)	Sub max (4)

- NOTE:**
1. The answer does not have to be in tabular format.
 2. The answers do not have to link, but the difference should be clear.
 3. Award a maximum of **FOUR (4)** marks if the differences are not clear/Mark only decision making or problem-solving.

Max (8)

6.3 Advantages of creative thinking in the workplace

- ❖ Better/Unique/Unconventional ideas/solutions ✓ are generated. ✓
- ❖ May give the business a competitive advantage ✓ if unusual/unique solutions/ideas/strategies are implemented. ✓
- ❖ Complex business problems ✓ may be solved. ✓
- ❖ Productivity increases as management/employees may quickly generate multiple ideas ✓ which utilises time and money more effectively. ✓
- ❖ Managers/Employees have more confidence ✓ as they can live up to their full potential. ✓
- ❖ Managers will be better leaders ✓ as they will be able to handle/manage change(s) positively and creatively. ✓
- ❖ Managers/Employees can develop a completely new outlook, ✓ which may be applied to any task(s) they may do. ✓
- ❖ Leads to more positive attitudes ✓ as managers/employees feel that they have contributed towards problem solving. ✓
- ❖ Improves motivation ✓ amongst staff members. ✓
- ❖ Managers/Employees have a feeling of great accomplishment ✓ and they will not resist/obstruct the process once they solved a problem/contributed towards the success of the business. ✓
- ❖ Management/employees may keep up ✓ with fast changing technology. ✓
- ❖ Stimulates initiative from employees/managers, ✓ as they are continuously pushed out of their comfort zone. ✓
- ❖ Creativity may lead to new inventions ✓ which improves the general standard of living. ✓
- ❖ Any other relevant answer related to the advantages of creative thinking in the workplace.

Max (16)

6.4 Impact of the Delphi-technique on businesses

Positives/Advantages

- ❖ Businesses may use a group of experts ✓ without bringing them together. ✓
- ❖ The experts will give the business clear ideas/solutions ✓ on how to improve on productivity/profitability. ✓
- ❖ Information received from experts can be used ✓ to solve complex business problems. ✓
- ❖ Experts may give honest/credible opinions ✓ as they do not have a direct/personal interest in the business. ✓
- ❖ Conflict may be avoided ✓ especially if all employees are knowledgeable and well qualified. ✓



- ❖ Dominating employees may not take over the process√ as they do not form part of the problem-solving process. √
- ❖ It reduces noise levels in an office environment√ since there is no group discussion. √
- ❖ Any other relevant answer related to the positives/advantages of the Delphi-technique on businesses.

AND/OR

Negatives/Disadvantages

- ❖ It is an expensive technique to use√ due to high administrative costs. √
- ❖ May be time consuming/complicated√ to analyse data received from experts. √
- ❖ Not all experts are willing/interested√ to give feedback/complete questionnaires. √
- ❖ Some experts might not have an in-depth knowledge√ of certain topics. √
- ❖ Experts' suggestions may not be considered√ by some employees so consensus may not be reached. √
- ❖ Any other relevant answer related to the negatives/disadvantages of the Delphi-technique on businesses.

Max (16)

6.5 Ways in which businesses can create an environment that promotes creative thinking

- ❖ Emphasise the importance of creative thinking to ensure that all staff know that management want to hear their ideas. √√
- ❖ Encourage staff to come up with new ideas/opinions/solutions. √√
- ❖ Make time for brainstorming sessions to generate new ideas, such as regular workshops/generate more ideas/build on one another's ideas. √√
- ❖ Place suggestion boxes around the workplace and keep communication channels open for new ideas. √√
- ❖ Train staff in innovative techniques/creative problem-solving skills/mind-mapping/lateral thinking. √√
- ❖ Encourage job swops within the organisation/studying how other businesses are doing things. √√
- ❖ Encourage alternative ways of working/doing things. √√
- ❖ Respond enthusiastically to all ideas and never let anyone feel less important. √√
- ❖ Any other relevant answer related to ways in which businesses can create an environment that promotes creative thinking in the workplace.

Max (10)

6.6 Conclusion

- ❖ When businesses understand the difference between decision making and problem-solving, it will be easier to solve problems or lead to faster decision making when necessary. √√
- ❖ Creative thinking may lead to new innovations in the workplace which may lead to higher sales/profit margin. √√

- ❖ When making use of experts when solving problems, it may lead to higher efficiency of work in the workplace. √√
- ❖ By creating a creative work environment, it will stimulate creative thinking from employees which could lead to better ideas. √√
- ❖ Any other relevant conclusion related to differences between decision making and problem solving/advantages of creative thinking/impact of the Delphi-technique on businesses/ways to create an environment that promotes creative thinking in the workplace.

(1x2) (2)

BREAKDOWN OF THE MARK ALLOCATION

DETAILS	MAXIMUM	TOTAL
Introduction	2	Maximum 36
Differences between <i>decision making</i> and <i>problem-solving</i> .	8	
Advantages of creative thinking in the workplace.	16	
Impact of the Delphi-technique on businesses.	16	
Ways in which a business can create an environment that promotes creative thinking.	10	
Conclusion	2	
INSIGHT		4
Structure	2	
Analysis	2	
TOTAL		40