

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

INTRODUCTION

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

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

1. For marking and moderation purposes, the SACAI procedures are being followed. ***(Please refer to the SACAI Policy Document, [Annexure PM 2.10.5])***
2. Candidates' responses must be in full sentences for SECTIONS B and C. However, this would depend on the nature of the question.
3. A comprehensive marking guideline has been provided but this is by no means exhaustive. Due consideration should be given to an answer that is correct but:
 - uses a different expression from that which appears in the marking guideline
 - comes from another source
 - is original
 - in which 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 the 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 for SECTIONS B and C)
12. The differentiation between “evaluate” and “critically evaluate” can be explained as follows:
- 12.1 When “evaluate” is used, candidates are expected to respond in either a positive/negative manner or take a neutral (positive and negative) stance, e.g. Positive: *“COIDA eliminates time and costs spent ✓ on lengthy civil court proceedings.” ✓*
- 12.2 When "critically evaluate" is used, candidates are expected to respond in either a positive/negative manner or take a neutral (positive and negative) stance. In this instance candidates are also expected to support their responses with more depth, e.g. *“COIDA eliminates time and costs spent ✓ on lengthy civil court proceedings ✓, because the employer will not be liable for compensation to the employee for injuries sustained during working hours as long as it can be proved that the business was not negligent.” ✓*
- NOTE: The above could apply to “analyse” as well.**
13. The allocation of marks must be informed by the nature of the question, cognitive verb used, mark allocation in the marking guideline and the context of each question. Cognitive verbs, such as:
- 13.1 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 assessing is conducted according to established norms so that uniformity, consistency and fairness are achieved.

14. SECTION B

14.1 If for example, FIVE facts are required, mark the candidate's FIRST FIVE responses and ignore the rest of the responses. Indicate by drawing a line across the unmarked portion or use the word "Cancel".

NOTE: This applies only to questions where the number of facts is specified.

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

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

14.4 Use of the cognitive verbs and allocation of marks:

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

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

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

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

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

15. SECTION C

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

Introduction	Maximum: 36
Content	
Conclusion	
Insight	4
TOTAL	40



15.2 Insight consists of the following components:

Layout/Structure	Is there an introduction, a body and a conclusion?	2
Analysis and interpretation	Is the candidate able to break down the question into the headings/sub-headings and interpret it correctly to show understanding of what is being asked? <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:

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

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

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

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

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

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

15.7 When awarding marks for facts, take note of the sub-maxima indicated, especially if candidates do not make use of the same subheadings. Remember, headings and subheadings are encouraged and contribute to insight (structuring / logical flow / sequencing) and indicate clarity of thought. (See MARK BREAKDOWN at the end of each question.)



- 15.8 If the candidate identifies/interprets the question INCORRECTLY, then he/she may still obtain marks for layout.
- 15.9 If a different approach is used by candidates, ensure that the answers are assessed according to the mark allocation/subheadings as indicated in the marking guideline.
- 15.10 15.10.1 Award TWO marks for complete sentences. Award ONE mark for phrases, incomplete sentences, and vague answers.
- 15.10.2 With effect from November 2015, the TWO marks will not necessarily appear at the end of each completed sentence. The ticks (✓) will be separated and indicated next to each fact, e.g., *“Each team member has a chance to participate without interference from other team members ✓ thereby avoiding the likelihood of one person dominating the group process.” ✓*
This will be informed by the nature and context of the question, as well as the cognitive verb used.
- 15.11 With effect from November 2017, the maximum of TWO (2) marks for facts shown as headings in the memo, will not necessarily apply to each question. This would also depend on the nature of the question.



SECTION A (COMPULSORY)

QUESTION 1

1.1

1.1.1 C ✓✓

1.1.2 B ✓✓

1.1.3 A ✓✓

1.1.4 A ✓✓

1.1.5 D ✓✓

(5x2)(10)

1.2

1.2.1 leaders. ✓✓

1.2.2 liquidity ✓✓

1.2.3 Nominal-group ✓✓

1.2.4 unlimited ✓✓

1.2.5 forming ✓✓

(5x2)(10)

1.3

1.3.1 B ✓✓

1.3.2 E ✓✓

1.3.3 G ✓✓

1.3.4 C ✓✓

1.3.5 D ✓✓

(5x2)(10)

TOTAL SECTION A: [30]

SECTION B

Mark only the answers to the first **TWO** questions.

QUESTION 2: BUSINESS VENTURES

2.1 Examples of non-insurable risks

- Nuclear weapons/war ✓
- Changes in fashion ✓
- Improvement/changes in technology ✓
- Irrecoverable debts ✓
- Financial loss due to bad management ✓
- Possible failure of a business ✓
- Shoplifting during business hours ✓
- Loss of income if stock is not received in time/Time that elapses between the ordering and delivery of goods. ✓

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

2.2 Meaning of compulsory insurance

- Compulsory insurance is insurance that is required by law ✓ before businesses/individuals may engage in certain activities. ✓
- It is intended to safeguard ✓ the welfare of everyone concerned. ✓
- It is regulated by Government ✓ and does not require insurance contracts/brokers. ✓
- Payment is in the form of a levy/contribution paid into a common fund ✓ from which benefits may be claimed under certain conditions. ✓
- Any other relevant answer related to the meaning of compulsory insurance. (4)

2.3 Leadership style

2.3.1 Laissez-Faire leadership style/Free Reign leadership style ✓✓ (2)

Motivation:

Jeff, the CEO of MM, allows employees to take decisions on their own work as to motivate and direct them towards meeting set targets. ✓ (1)

NOTE: Do not award a mark for the motivation if the leadership style was incorrectly identified. **Max (3)**

2.3.2 Application of the laissez-faire/free-reign leadership style

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

Max (6)

2.4 Calculations of interest

2.4.1 Simple interest ✓✓ (2)

Motivation:

The bank offered her 12% interest per annum, calculated on the original amount invested, over a two-year period. ✓

(1)

NOTE: Do not award marks for the motivation if the type of interest was incorrectly identified.

Max (3)

2.4.2 Simple interest calculation

$$\begin{aligned} \text{Interest} &= P \times R \times T \\ &= R30\,000 \times 12\% \checkmark \times 2 \text{ years} \checkmark \\ &= R7200 \checkmark \checkmark \end{aligned}$$

- NOTE:**
1. Award full marks if the answer is correct.
 2. Award maximum of two (2) marks if the answer is incorrect but the formula is correct.

Max (4)

2.5 Factors contributing to the success and/or failure factors of a partnership

	SUCCESS	AND/OR	FAILURE
Management	<ul style="list-style-type: none"> • Partners are actively involved in management ✓ and may use the ideas of other partners. ✓ 		<ul style="list-style-type: none"> • Decision-making can be time-consuming ✓ as all partners have to be in agreement. ✓
	<ul style="list-style-type: none"> • Not all partners need to be actively involved in management ✓ and would rather appoint competent managers. ✓ 		<ul style="list-style-type: none"> • Some management tasks may be neglected, ✓ as one partner may leave it to others to complete. ✓



	<ul style="list-style-type: none"> Partners have access to expertise of other partners ✓ when difficult decisions must be made. ✓ 	<ul style="list-style-type: none"> Partners may disagree on how to run the business, ✓ which may lead to tension between them. ✓
		<ul style="list-style-type: none"> Partners are agents of the partnership ✓ and bad management decisions may be forced onto other partners. ✓
		<ul style="list-style-type: none"> Different personalities/ opinions ✓ could lead to conflict/disagreements. ✓
	<ul style="list-style-type: none"> Any other relevant answer related to how management could contribute to the success of a partnership. 	<ul style="list-style-type: none"> Any other relevant answer related to how management could contribute to the failure of a partnership.
	Sub max (4)	

NOTE: 1. The answer does not have to be in tabular format.
2. Mark either the success and/or the failure factor.

Max (4)

2.6 Characteristics of a public company

- A minimum of one person ✓ is required to start a public company. ✓.
- The company name ✓ ends with the letters Ltd. ✓
- Shareholders have a limited ✓ liability. ✓
- Has legal personality ✓ and therefore has unlimited continuity ✓
- Requires three or more directors ✓ and three or more shareholders. ✓
- Profits are shared in the form of dividends ✓ in proportion to the share held. ✓
- A prospectus is issued ✓ to the public to raise capital. ✓
- A public company is required ✓ to hold an Annual General Meeting (AGM). ✓
- Register with the Registrar of Companies ✓ by drawing up a Memorandum of Incorporation. ✓
- Raises capital by issuing shares to the public ✓ and borrowing capital by issuing a debenture. ✓
- Auditing of financial statements is compulsory ✓ and audited statements are available to shareholders and the public. ✓
- The new Act forces personal liability on directors ✓ who knowingly participated in carrying out business in a reckless/fraudulent manner. ✓
- Any other relevant answer related to the characteristics of a public company. **Max (6)**



2.7 Factors that must be considered when designing a multimedia presentation

- Start with the text which forms the basis of the presentation. ✓✓
- Select the background to complement/enhance the text. ✓✓
- Choose images that may help to communicate the message. ✓✓.
- Include/Create graphics to assist the information which is conveyed. ✓✓
- Add special effects/sound/pictures/animation to make it interesting for the audience. ✓✓
- Create hyperlinks to allow quick access to other files/documents/video clips. ✓✓
- Use legible font and font size so that it is easy to see/read. ✓✓
- Keep slides/images/graphs/font simple by not mixing different styles/colours. ✓✓
- Make sure there are no language and spelling errors. ✓✓
- Use bright colours to increase visibility. ✓✓
- Structure information in a logical sequence so that the audience can easily follow the content of the presentation. ✓✓
- Limit the information on each slide by using key words and not full sentences. ✓✓
- Any other relevant answer related to factors that must be considered when designing a multimedia presentation.

Max (6)

[40]

QUESTION 3: BUSINESS ROLES

3.1 Examples of unprofessional business practices

- Using rude/impolite language. ✓
- Making personal calls during work hours/Taking extended lunch breaks/Overstating the number of hours worked. ✓
- Giving some people special favours/Promising employees promotion in return for a favour. ✓
- Using the businesses resources to download music/movies. ✓
- Discussing clients' information/Using clients' information for personal gain. ✓
- Any other relevant example related to unprofessional business practices.

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

3.2 Problem-solving steps

3.2.1 Identify the problem ✓✓

3.2.2 Choose the best solution ✓✓

(2x2)(4)

3.3 Differences between corporate social responsibility/CSR and corporate social investment/CSI.

COPERATE SOCIAL RESPONSIBILT/CSR	CORPORATE SOCIAL IINVESTMENT/CSI
<ul style="list-style-type: none"> • The intention is to change ✓ business practices. ✓ 	<ul style="list-style-type: none"> • Actively committing money and resources ✓ to uplift the community. ✓
<ul style="list-style-type: none"> • Focus is on increasing image ✓ and profits. ✓ 	<ul style="list-style-type: none"> • Focus is on the upliftment of the community ✓ without return on investment. ✓
<ul style="list-style-type: none"> • Ensure that all internal CSR policies/practices ✓ include stakeholders' interests/ environmental issues. ✓ 	<ul style="list-style-type: none"> • Ensure that CSI projects are relevant ✓ to the needs of communities. ✓
<ul style="list-style-type: none"> • Often intended ✓ as a marketing initiative. ✓ 	<ul style="list-style-type: none"> • Intended to benefit and uplift communities ✓ through social development. ✓
<ul style="list-style-type: none"> • Projects are usually linked to the business, ✓ e.g. a manufacturing business offering to train the unemployed. ✓ 	<ul style="list-style-type: none"> • Projects are external to the business ✓ and have a strong developmental approach. ✓
<ul style="list-style-type: none"> • Any other relevant answer related to CSR. 	<ul style="list-style-type: none"> • Any other relevant answer related to CSI.
Sub max (4)	Sub max (4)

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

Max (8)



3.4 Stages of team development

3.4.1 Storming ✓✓

(2x1)(2)

3.4.2 Handling conflict in the workplace

- Acknowledge that there is conflict in the workplace. ✓✓
- Identify the cause of the conflict. ✓✓
- Arrange pre-negotiations where workers/complainants will be allowed to state their case/views separately. ✓✓
- Arrange time and place for negotiations where all employees involved are present. ✓✓
- Arrange a meeting between conflicting employers/employees. ✓✓
- Make intentions for intervention clear so that parties involved may feel at ease. ✓✓
- Each party has the opportunity to express his/her own opinions/feelings ✓✓
- Conflicting parties may recognise that their views are different during the meeting. ✓✓
- Analyse/Evaluate the cause(s) of conflict by breaking it down into different parts. ✓✓
- Blame shifting should be avoided and a joint effort should be made. ✓✓
- Direct conflicting parties towards finding/focusing on solutions. ✓✓
- Devise/Brainstorm possible ways of resolving the conflict. ✓✓
- Conflicting parties agree on criteria to evaluate the alternatives. ✓✓
- Select and implement the best solution. ✓✓
- Provide opportunities for parties to agree on the best solution. ✓✓
- Evaluate/Follow up on the implementation of the solution(s). ✓✓
- Monitor progress to ensure that the conflict has been resolved. ✓✓
- Source experts on handling conflict from outside the business. ✓✓
- Any other relevant answer related to how businesses should handle conflict in the workplace.

Max (6)

3.5 Application of force-field analysis technique

- Describe the current situation/problem ✓ and the desired situation. ✓
- List all driving/pros and restraining/cons forces ✓ that will support and resist change. ✓
- Allocate a score to each force ✓ using a numerical scale, where 1 is weak and 5 is strong. ✓
- Weigh up the positives and negatives ✓ then decide if the project is viable. ✓
- Choose the force ✓ with the highest score as the solution. ✓
- If the project is viable, ✓ find ways to increase the forces for change. ✓
- Identify priorities ✓ and develop an action plan. ✓
- Any other relevant answer related to the application of the force-field analysis technique by businesses.

Max (6)



3.6 Responsibilities 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 updated ✓ 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/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 the responsibilities of employers in promoting human health and safety in the workplace.

Max (4)

3.7 Dealing with poverty as a diversity issue

- Businesses should employ people from different socio-economic backgrounds/status. ✓✓
- Reward employees for services well-rendered. ✓✓
- Offer subsidised meals/canteen facilities on the premises. ✓✓
- Supply free uniforms to employees for safety purposes. ✓✓
- Train all employees so that they can be able to deal with retrenchment. ✓✓
- Train some unemployed people from local communities as part of a business's CSI projects. ✓✓
- Any other relevant answer related to ways in which businesses can deal with poverty as a diversity issue in the workplace.

Max (6)

[40]



QUESTION 4

BUSINESS VENTURES

4.1 Types of preference shares

- Ordinary preference shares ✓
- Participating preference shares ✓
- Non-participating preference shares ✓
- Cumulative preference shares ✓
- Non-cumulative preference shares ✓
- Redeemable preference shares ✓
- Irredeemable preference shares ✓
- Convertible preference shares ✓
- Non-convertible preference shares ✓

NOTE: Mark the first FOUR (4) only.

(4x1)(4)

4.2 Type of investment opportunities

4.2.1 Non-Profit Company ✓✓

4.2.2 State-owned company ✓✓

(2x2)(4)

4.3 Responding to questions in a professional, non-aggressive manner

- The presenter should stand ✓ throughout the feedback session. ✓
- The presenter should first listen ✓ and then respond. ✓
- Be polite/confident/courteous ✓ when responding to questions. ✓
- Ensure that each question/comment is clearly understood ✓ before responding/rephrase questions if uncertain. ✓
- Keep answers short ✓ and to the point. ✓
- Be direct/honest/sincere ✓ when responding to questions. ✓
- Always address the questions ✓ and not the person. ✓
- Encourage questions ✓ from the audience/investors. ✓
- Acknowledge good questions ✓ to motivate the audience to ask more questions. ✓
- Provide feedback as soon as possible ✓ after the question was asked or after the session. ✓
- Use simple language ✓ to support the examples used in the presentation. ✓
- Apologise/acknowledge errors/mistakes ✓ if pointed out by the audience. ✓
- The presenter should not involve himself in a debate ✓ when responding to questions. ✓
- The presenter should not avoid the questions if he/she does not know the answer ✓ but rather promise feedback on it. ✓
- Address the full audience/investors ✓ and not only the person who posed the question. ✓
- Any other relevant answer related to how a presenter should respond to questions in a professional, non-aggressive manner.

Max (6)



4.4 Role of personal attitude in successful leadership

- Positive attitude releases leadership potential. ✓✓
- A leader's good attitude can influence the success 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 the thoughts/behaviour of employees/teams. ✓✓
- Leaders should model the behaviour that they want to see 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 have a constant desire to work and achieve personal/professional success. ✓✓
- Leaders with a positive attitude know that there is always more to learn/space to grow. ✓✓
- Any other relevant answer related to the role of personal attitude in successful leadership.

Max (6)

BUSINESS ROLES

4.5 Examples of social rights

- Access to clean water ✓
- Skills training/Basic education ✓
- Adequate protection against unemployment/illness ✓
- Health care services ✓

NOTE: Mark the first FOUR (4) only.

(4x1)(4)

4.6 Positives/Advantages of the Delphi-technique

- 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 positive impact/advantages of the Delphi-technique.

Max (4)

4.7 Types of difficult personalities

4.7.1 Quite

(2x1)(2)

4.7.2 Dealing with difficult personalities in the workplace

- Get perspective from others who have experienced the same kind of situation ✓ to be able to understand difficult employees. ✓
- Act pro-actively, if possible, ✓ as a staff/personnel problem is part of a manager's responsibilities. ✓
- Regular meetings with supervisors/departmental heads ✓ should help to identify difficult/problem behaviour. ✓
- Ask someone in authority ✓ for their input into the situation. ✓
- Identify the type of personality ✓ which is creating the problem. ✓
- Meet privately with difficult employees, ✓ so that there are no distractions from other employees/issues. ✓
- Make intentions and reasons for action known, ✓ so that difficult person/people feel at ease. ✓
- Employees should be told what specific behaviours are acceptable ✓ by giving details about what is wrong/unacceptable and also an opportunity to explain their behaviour. ✓
- A deadline should be set ✓ for improving bad/difficult behaviour. ✓
- The deadline date should be discussed ✓ with the difficult employee and his/her progress should be monitored/assessed prior to the deadline. ✓
- Guidelines for improvement ✓ should be given. ✓
- Do not judge the person, ✓ but try to understand him/her/Understand his/her intentions and why he/she reacts in a certain way. ✓
- Keep communication channels open ✓ and encourage employees to communicate their grievances to management. ✓
- Build rapport/sound relations ✓ by re-establishing personal connection with colleagues, instead of relying on e-mails/messaging/social media. ✓
- Help difficult employees to be realistic ✓ about the task at hand. ✓
- Remain calm ✓ and in control of the situation to get the person(s) to collaborate. ✓
- Treat people with respect, ✓ irrespective of whether they are capable/ competent or not. ✓



- Sometimes it may be necessary to ignore ✓ and only monitor a difficult person. ✓
- Identify and provide an appropriate support program ✓ to address areas of weakness. ✓
- Any other relevant answer related to ways in which businesses can deal with difficult personalities in the workplace.

Max (6)

4.8 **Negatives/Disadvantages of Corporate Social Investment/CSI on communities**

- Businesses are not always equipped ✓ to address social problems. ✓
- Communities tend to be dependent on CSI programmes ✓ and struggle to take their own initiatives. ✓
- Businesses tend to focus on CSI programmes ✓ that do not directly benefit the community. ✓
- Some businesses only participate in CSI initiatives to raise profit ✓ and do not really care for the community in which they operate ✓.
- Businesses cannot meet the longer-term needs ✓ of the society ✓ /Business cannot deliver sustainable ✓ CSI programmes. ✓
- Distribution of scarce resources to selected beneficiaries in the community ✓ may cause problems such as discrimination. ✓
- The benefits of the programmes may not filter ✓ to the intended persons within the community. ✓
- Spending money on CSI programmes means the business has to recover expenses ✓ through higher prices which have a negative impact on the economy. ✓
- Less money is available for community projects ✓ during unfavourable economic conditions. ✓
- Consumers are not easily convinced that a business is acting in the best interest ✓ of the community and the environment. ✓
- A business often appears to benefit more from the CSI expenditure ✓ than the perceived benefits to the communities. ✓
- Any other answer related to the negative impact/disadvantages of CSI on communities.

Max (4)**[40]****TOTAL SECTION B: [80]**

SECTION C

Mark only the answer to the **FIRST** question.

QUESTION 5: BUSINESS VENTURES (INVESTMENT: INSURANCE)

5.1 Introduction

- To receive the most effective policies it is important for businesses to understand the difference between insurance and assurance. ✓
- Insurance is based on certain principles which is important for businesses in order for them to be covered for unforeseen circumstances. ✓
- Insurance is seen as an unnecessary expense by some business owners; to change that mindset it is important for them to understand what the advantage of insurance is. ✓
- The Compensation Fund in terms of the Compensation for Occupational Injuries and Diseases Act (COIDA) protect employees against injuries during worktime and serves as an advantage to employees when injuries are obtained. ✓
- Any other relevant introduction related to the difference between insurance and assurance/principles of insurance/advantages of insurance for businesses/ compensation fund in terms of COIDA as a type of compulsory insurance.

(1x2)(2)

5.2 Differences between insurance and assurance

INSURANCE	ASSURANCE
<ul style="list-style-type: none"> • Based on the principle ✓ of indemnity. ✓ 	<ul style="list-style-type: none"> • Based on the principle ✓ of security/certainty. ✓
<ul style="list-style-type: none"> • The insured transfers the cost of potential loss ✓ to the insurer at a premium. ✓ 	<ul style="list-style-type: none"> • The insurer undertakes to pay an agreed sum of money ✓ after a certain period has expired/on the death of the insured person, whichever occurred first. ✓
<ul style="list-style-type: none"> • It covers a specified event ✓ that may occur. ✓ 	<ul style="list-style-type: none"> • Specified event is certainty, ✓ but the time of the event is uncertain. ✓
<ul style="list-style-type: none"> • Applicable to short term insurance. ✓ 	<ul style="list-style-type: none"> • Applicable to long term insurance. ✓
Examples	Examples
<ul style="list-style-type: none"> • Property insurance/money in transit/theft/burglary/fire. ✓ 	<ul style="list-style-type: none"> • Life insurance/endowment policies/retirement annuities. ✓
<ul style="list-style-type: none"> • Any other relevant answer related to insurance. 	<ul style="list-style-type: none"> • Any other relevant answer related to assurance.
Sub max (4)	Sub max (4)

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

2. Award only ONE (1) mark for an example.

Max (8)



5.3 Principles of insurance

5.3.1 Indemnification/Indemnity ✓✓

- Usually applies to short term insurance, ✓ as the insured is compensated for specified/proven harm/loss. ✓
- Insurer agrees to compensate the insured ✓ for damages/losses specified in the insurance contract, in return for premiums paid by the insured to the insurer. ✓
- Protects the insured against the specified event ✓ that may occur. ✓
- Pay-outs from insurance companies/insurer will only be made ✓ if there is proof that the specified event took place/if the insured can prove the amount of the loss/ damage. ✓
- The amount of indemnification/compensation is limited to the amount of provable loss/damage, ✓ even if the amount in the policy/insurance contract is higher. ✓
- The insured must be placed in the same position ✓ as before the occurrence of the loss/The insured may not profit from insurance. ✓
- Any other relevant answer related to indemnification/indemnity as a principle of insurance.

Principle (2)
Explanation (2)
Sub max (4)

5.3.2 Security/Certainty ✓✓

- Applies to long-term insurance ✓ where the insurer undertakes to pay out an agreed upon amount in the event of loss of life. ✓
- A predetermined amount will be paid out ✓ when the insured reaches a predetermined age/or gets injured due to a predetermined event. ✓
- Aims to provide financial security to the insured ✓ at retirement/the dependents of the deceased. ✓
- Any other relevant answer related to security/certainty as a principle of insurance.

Principle (2)
Explanation (2)
Sub max (4)

5.3.3 Utmost good faith ✓✓

- Insured has to be honest in supplying details ✓ when entering in an insurance contract. ✓
- Both parties/insurer and insured must disclose ✓ all relevant facts. ✓
- Insured must disclose everything ✓ that may affect the extent of the risk. ✓



- Details/Information supplied ✓ when claiming should be accurate/true. ✓
- Any other relevant answer related to utmost good faith as a principle of insurance.

Principle (2)
Explanation (2)
Sub max (4)

5.3.4 Insurable interest ✓✓

- Insured must prove that he/she will suffer a financial loss ✓ if the insured object is damaged/lost/ceases to exist. ✓
- An insurable interest must be expressed ✓ in financial terms. ✓
- Insured must have a legal relationship ✓ with the insured object in the contract. ✓
- Any other relevant answer related to insurable interest as a principle of insurance.

Principle (2)
Explanation (2)
Sub max (4)

NOTE: Mark the first THREE (3) only.

Max (12)

5.4 Advantages of insurance

- Transfers the risk from the business/insured ✓ to an insurance company/insurer ✓.
- Transfer of risk is subject to the terms and conditions ✓ of the insurance contract. ✓
- Protects businesses against dishonest ✓ employees. ✓
- Protects businesses against losses ✓ due to death of a debtor. ✓
- Protects the business against theft/loss of stock and/or damages ✓ caused by natural disasters such as floods, storm damage. ✓
- Protects businesses from claims made by members of the public ✓ for damages that the business is responsible for. ✓
- Businesses will be compensated for insurable losses, ✓ such as destruction of property through fire. ✓
- Businesses assets, such as vehicles/equipment/buildings need to be insured ✓ against damage and/or theft. ✓
- Businesses are protected against the loss of earnings, ✓ due to strikes by employees which result in losses worth millions. ✓
- Life insurance can be taken on the life of partners in a partnership ✓ to prevent unexpected loss of capital. ✓
- Should the services of key personnel be lost due to accidents/death, ✓ the proceeds of an insurance policy can be paid out to the business/beneficiaries. ✓
- Replacement costs for damaged machinery/equipment are very high, ✓ therefore insurance can reduce/cover such costs. ✓
- Any other relevant answer related to the advantages of insurance on businesses.

Max (14)



5.5 Compensation fund in terms of COIDA as a type of compulsory insurance.

- The fund covers occupational diseases and workplace injuries. ✓✓
- Compensates employees for injuries and diseases incurred at work. ✓✓
- Compensation paid is determined by the degree of disablement. ✓✓
- The contribution payable is reviewed every few years according to the risk associated with that type of work. ✓✓
- All employers are obliged to register with the compensation fund so that employees may be compensated for accidents and diseases sustained in the workplace. ✓✓
- The fund covers employers for any legal claim that workers may bring against them. ✓✓
- Employers are required to report all accidents within 7 days and occupational diseases within 14 days to the Compensation Commissioner. ✓✓
- Employers are responsible for contributing towards the fund and may not claim money back from employees/deduct contributions from wages. ✓✓
- In the event of the death of an employee as a result of a work-related accident/disease, his/her dependant(s) will receive financial support. ✓✓
- Employees do not have to contribute towards this fund. ✓✓
- Employees receive medical assistance provided there is no other party/medical fund involved. ✓✓
- Any other relevant answer related to the compensation fund in terms of COIDA as a type of compulsory insurance.

Max (8)

5.6 Conclusion

- To understand the difference between insurance and assurance businesses will be able to plan better for the future. ✓✓
- The principle of insurance is used in certain insurance contracts, which makes policies clearer. ✓✓
- Once the advantage of insurance is understood by business owners they would feel more comfortable in paying the monthly premiums to the insurer. ✓✓
- In the event of injuries in the workplace the business might not face any losses if the complied by contributing to COIDA. ✓✓
- Any other relevant conclusion related to the difference between insurance and assurance/principles of insurance/advantages of insurance on businesses/compensation fund in terms of COIDA as a type of compulsory insurance.

(1x2)(2)



BREAKDOWN OF THE MARK ALLOCATION

DETAILS	MAXSIMUM	TOTAL
Introduction	2	Maximum 36
Difference between insurance and assurance.	8	
Principles of insurance.	12	
Advantages of insurance on businesses.	14	
Compensation fund in terms of COIDA	8	
Conclusion	2	
INSIGHT		4
Structure	2	
Analysis	2	
TOTAL		40

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

6.1 Introduction

- For employees to work effective, managers should know the difference between ethical and professional behaviour. ✓
- Certain unethical practices can do harm to a business' image. ✓
- Certain challenges should be addressed by managers for the business to maintain a professional image. ✓
- All managers should educate themselves to conduct professional and effective business practices. ✓
- Any other relevant introduction related to difference between ethical and professional behaviour/unethical business practices posing a challenge to businesses/dealing with unethical business practises/conducting professional, responsible, ethical and effective business practice. (2x1)(2)

6.2 Differences between ethical behaviour and professional behaviour

ETHICAL BEHAVIOUR	PROFESSIONAL BEHAVIOUR	
<ul style="list-style-type: none"> • Refers to the principles ✓ of right and wrong/acceptable in society. ✓ 	<ul style="list-style-type: none"> • Refers to what is right/wrong ✓ /acceptable in a business. ✓ 	
<ul style="list-style-type: none"> • Conforms to a set of values ✓ that are morally acceptable. ✓ 	<ul style="list-style-type: none"> • Set of standards ✓ of expected behaviour. ✓ 	
<ul style="list-style-type: none"> • Forms part of a code of conduct ✓ to guide employees to act ethically. ✓ 	<ul style="list-style-type: none"> • Applying a code of conduct of a profession ✓ or business. ✓ 	
<ul style="list-style-type: none"> • Focuses on upholding the reputation ✓ of a business/profession. ✓ 	<ul style="list-style-type: none"> • Focuses on developing a moral compass ✓ for decision-making. ✓ 	
<ul style="list-style-type: none"> • Involves following the principles of right and wrong ✓ in business activities/practices/dealings. ✓ 	<ul style="list-style-type: none"> • Includes guidelines ✓ on employees' appearance/communication/attitude/responsibility. ✓ 	
<ul style="list-style-type: none"> • Any other relevant answer related to ethical behaviour. 	<ul style="list-style-type: none"> • Any other relevant answer related to professional behaviour. 	
Sub max (4)	Sub max (4)	Max (8)



6.3 Unethical business practices posing a challenge to businesses

6.3.1 Unfair advertising ✓✓

- Unfair advertisements could be harmful ✓ to consumers. ✓
- The use of false or misleading statements ✓ in advertising leading to misrepresentation of the concerned product. ✓
- Businesses can make unwise advertising choices ✓ when they are under pressure to increase their profits. ✓
- Some advertisements may be regarded as discriminatory ✓ because they exclude/target some sections of the population. ✓
- Deceptive advertising ✓ can violate the trust of consumers and destroy business relationships. ✓
- Any other relevant answer related to unfair advertising as an unethical business practice posing a challenge to businesses.

Practice (2)
Explanation (2)
Sub max (4)

6.3.2 Pricing of goods in rural areas ✓✓

- Some businesses in the rural areas exploit their customers ✓ by adding much more than necessary to their prices. ✓
- It may be common practice to pay higher prices ✓ for goods of inferior quality in rural areas. ✓
- Business may form monopolies in rural areas ✓ and increase their prices unilaterally. ✓
- Businesses may experience a decline in sales ✓ due to high costs added to the price of the final product. ✓
- Any other relevant answer related to pricing of goods in rural areas as an unethical business practice posing a challenge to businesses.

Practice (2)
Explanation (2)
Sub max (4)

6.3.3 Taxation/Tax evasion ✓✓

- Businesses may pay heavy fines ✓ for evading tax. ✓
- Tax evasion may negatively impact ✓ on the business image. ✓
- The accountant may charge high fees ✓ for falsifying financial statements. ✓



- Businesses may lose key stakeholders ✓ if the act of tax evasion is reported. ✓
- Some businesses submit fraudulent/incorrect returns to SARS ✓ resulting to penalties ✓
- Businesses may not be familiar ✓ with the latest changes in tax legislation. ✓
- Any other relevant answer related to taxation/tax evasion as an unethical business practice posing a challenge to businesses.

Practice (2)
Explanation (2)
Sub max (4)

NOTE: Mark the first THREE (3) only

Max (12)

6.4 Dealing with unethical business practises in businesses

6.4.1 Unfair advertising

- Businesses should be encouraged to keep their advertising fair ✓ and in line with the constitution. ✓
- Businesses must know and understand the Code of Advertising ✓ as determined by the Advertising Standard Authority (ASA) and apply its regulations. ✓
- Advertisements should be honest/legal ✓ and not abuse consumers' trust/lack of knowledge. ✓
- Advertisements should not contain anything discriminatory ✓ /likely to cause offense/support act of violence. ✓
- Any other relevant answer related to how businesses could deal with unfair advertising as an unethical business practice.

Sub max (4)

6.4.2 Pricing of goods in rural areas

- Work together with suppliers ✓ to share delivery costs to remote rural areas. ✓
- Businesses can buy in bulk ✓ to get a discount to avoid charging high prices. ✓
- Charge fair/market related prices ✓ for goods and services. ✓
- Avoid unethical business practices ✓ to attract customer loyalty. ✓
- A business may lobby with other businesses ✓ in the area to convince government to improve infrastructure in the rural area. ✓



- Investigate cost-effective ways ✓ of transporting products ✓/Hire a large truck to combine deliveries ✓ to shop-owners in the same area. ✓
- Any other relevant answer related to how businesses could deal with pricing of goods in rural areas as an unethical business practice.

Sub max (4)

6.4.3 **Taxation/tax evasion**

- VAT needs to be charged ✓ on VAT-able items. ✓
- Submit the correct tax returns ✓ to SARS on time. ✓
- All products should be correctly invoiced ✓ and recorded. ✓
- Disclose all sources of income ✓ for tax payment purposes. ✓
- Keep abreast with the latest SARS regulations ✓ and tax laws. ✓
- Businesses that have evaded tax ✓ should apply for amnesty and declare their income. ✓
- Effective systems to determine the appropriate amount of tax ✓ to be paid should be in place ✓.
- Business should keep an accurate record ✓ of income statements/financial transactions. ✓
- The employees' payroll needs to reflect accurate deductions ✓ according to the progressive tax system. ✓
- Any other relevant answer related to how businesses could deal with taxation/tax evasion as an unethical business practice.

Sub max(4)

Max (12)

6.5 **Conducting professional, responsible, ethical and effective business practices**

- Mission statement should include values of equality/respect. ✓✓
- Treat workers with respect/dignity by recognising work well done. ✓✓
- Treat all their employees equally, regardless of their race/colour/age /gender/disability. ✓✓
- All workers should have access to equal opportunities/positions/resources. ✓✓
- Plan properly and put preventative measures in place. ✓✓
- Pay fair wages/salaries which is in line with the minimum requirements of the BCEA/Remunerate employees for working overtime/during public holidays. ✓✓
- Ensure that employees work in a work environment that is conducive to safety/ Fairness/free from embarrassment. ✓✓



- Refrain from starting a venture using other businesses' ideas that are protected by law. ✓✓
- Engage in environmental awareness programmes/Refrain from polluting the environment, e.g. by legally disposing of toxic waste. ✓✓
- Employers and employees need to comply with legislation with regards to equal opportunities/human rights in the workplace. ✓✓
- Businesses should develop equity programmes/promote strategies to ensure that all employees are treated equally regardless of status/rank/power. ✓✓
- Training/Information/Business policies should include issues such as diversity/discrimination/harassment. ✓✓
- Employers should respond swiftly and fairly to reported incidents of discrimination in the workplace. ✓✓
- Orders/Tasks should be given respectfully and allow the recipient/employee to have a say in the way the task should be performed. ✓✓
- Any other relevant answer related to ways in which businesses should conduct professional, responsible, ethical and effective business practice.

Max (10)

6.5 Conclusion

- When the difference between ethical and professional behaviour is clear to all stakeholders, employees might reach goals easier. ✓✓
- Challenges should be addressed by managers so that employees know what is expected of them. ✓✓
- Businesses should pay attention to all possible unethical practices. ✓✓
- Managers should maintain a professional and responsible attitude for employees to follow their example. ✓✓
- Any other relevant conclusion related to difference between ethical and professional behaviour/unethical business practices posing a challenge to businesses/dealing with unethical business practises/conducting professional, responsible, ethical and effective business practice. (1x2)(2)



BREAKDOWN OF THE MARK ALLOCATION

DETAILS	MAXIMUM	TOTAL
Introduction	2	Maximum 36
Differences between ethical- and professional behaviour	8	
Challenges posed by the unethical business practices	12	
Dealing with unethical business practises	12	
Conducting professional, responsible, ethical and effective business practice	10	
Conclusion	2	
INSIGHT		4
Structure	2	
Analysis	2	
TOTAL		40

TOTAL SECTION C: 40
GRAND TOTAL: 150