

MARKING GUIDELINES

| EXAMINATION | NATIONAL SENIOR CERTIFICATE |
|------------------|-----------------------------|
| GRADE | 12 |
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SOUTH AFRICAN COMPREHENSIVE ASSESSMENT INSTITUTE
SUID-AFRIKAANSE KOMPREENSIEWE ASSESSERINGSINSTITUUT



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 marking guideline/breakdown of marks. Only the total for each question should appear in the left-hand margin next to the appropriate question number.
8. In an indirect question, the theory as well as the response must be relevant and related to the question.



9. Incorrect numbering of answers to questions or sub questions in SECTIONS A and B will be severely penalised. Therefore, correct numbering is strongly recommended in all sections.
10. No additional credit must be given for repetition of facts. Indicate with 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.,
“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 B ✓✓

1.1.2 B ✓✓

1.1.3 A ✓✓

1.1.4 C ✓✓

1.1.5 C ✓✓

1.1.6 B ✓✓

1.1.7 C ✓✓

1.1.8 A ✓✓

1.1.9 A ✓✓

1.1.10 B ✓✓

(10x2)(20)

1.2.1 assurance ✓

1.2.2 diversity ✓

1.2.3 Delphi-technique ✓

1.2.4 debenture holders ✓

1.2.5 repo rate ✓

(5x1)(5)

1.3.1 E ✓

1.3.2 D ✓

1.3.3 F ✓

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 Examples of 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 Meaning of over-insurance

- Over-insurance is when the item is insured ✓ for more than the actual market value. ✓
- Businesses will not receive a pay-out ✓ larger than the value of the loss at market value. ✓
- This means that the extra money paid for the premiums ✓ will not be paid out to the insurer if there is a claim for a loss. ✓
- Any other relevant answer related to the meaning of over-insurance.

Max (4)

2.3 Leadership style

2.3.1 Transactional leadership style ✓✓ (2)

Motivation:

The management of SWS uses rewards and punishments to motivate and direct employees towards meeting set targets for sales. ✓ (1)

NOTE: Do not award a mark for the motivation if the leadership style was incorrectly identified.

Max (3)



2.3.2 Positive impact/advantages of the transactional leadership style

- Improves employees' productivity ✓ and morale. ✓
- The goals and objectives of the business can be achieved ✓ as workers are motivated. ✓
- Employees know ✓ what are expected of them. ✓
- Disciplinary action procedures ✓ are well communicated. ✓
- Any other relevant answer related to the positive impact/advantages of the transactional leadership style.

NOTE: Do not award marks for responses quoted from the scenario in QUESTION 2.3.1.

Max (6)

2.4 Forms of ownership

2.4.1 Partnership ✓✓ (2)

Motivation:

They intend sharing the profits equally and will also be jointly and severally liable for the debts of WCC. ✓

(1)

NOTE: Do not award marks for the motivation if the form of ownership was incorrectly identified.

Max (3)

2.4.2 Negative impact/disadvantages of a partnership

- A partnership has unlimited liability ✓ which means that partners risk losing their personal possessions. ✓
- Different personalities and options of partners ✓ can lead to conflict/disagreements. ✓
- Partners might not all contribute equally ✓ making it difficult to raise capital. ✓
- Loss in profits and stability of the business can occur ✓ if a partner resigns/dies/loses interest in the business or is declared bankrupt. ✓
- There can be a lack of capital/cash flow ✓ which in turn puts a burden on the personal finances and assets of the partners. ✓
- In large partnerships, the partners may struggle to agree ✓ on business issues. ✓
- A partnership lacks continuity ✓ if one partner dies/retires, the remaining partners need to draw up a new agreement. ✓
- Any other relevant answer related to the negative impact/disadvantages of a partnership.

NOTE: Do not award marks for responses quoted from QUESTION 2.4.1.

Max (6)

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

| | SUCCESS | AND/OR | FAILURE |
|-------------------|--|--------|---|
| Management | <ul style="list-style-type: none"> Managed by at least one competent/highly skilled director. ✓ | | <ul style="list-style-type: none"> Directors may not have a direct interest in the company, ✓ which can hamper growth and profit maximisation. ✓ |
| | <ul style="list-style-type: none"> The management of the company can improve ✓ since directors are accountable to shareholders. ✓ | | <ul style="list-style-type: none"> Large management structure can result ✓ in decision-making taking time. ✓ |
| | <ul style="list-style-type: none"> Shareholders can vote for/appoint the most capable directors ✓ to manage their company. ✓ | | <ul style="list-style-type: none"> Some shareholders may not exercise their voting rights, ✓ resulting in choosing the wrong person as a director. ✓ |
| | | | <ul style="list-style-type: none"> Management may be open to legal challenges ✓ if their reports do not comply with the King Code. ✓ |
| | | | <ul style="list-style-type: none"> Directors' fees increase the company's expenses ✓ which reduces net profit. ✓ |
| | | | <ul style="list-style-type: none"> Directors may not be motivated to work very hard ✓ because shareholders decide on the directors' remuneration. ✓ |
| | <ul style="list-style-type: none"> Any other relevant answer related to management as a success factor of a public company. | | <ul style="list-style-type: none"> Any other relevant answer related to management as a failure factor of a public company. |
| | | | Sub max (4) |

| | SUCCESS | AND/OR | FAILURE |
|-----------------|--|--------|--|
| Taxation | <ul style="list-style-type: none"> Can obtain tax rebates ✓ if they are involved in CSI projects. ✓ | | <ul style="list-style-type: none"> Subject to double taxation; ✓ this can have a negative impact to a company that is already financially struggling. ✓ |
| | <ul style="list-style-type: none"> Can obtain government tenders and renew their licenses ✓ if they do not evade tax. ✓ | | <ul style="list-style-type: none"> Costly tax regulations such as the hiring of tax professionals, ✓ may jeopardise the company's viability. ✓ |
| | <ul style="list-style-type: none"> Any other relevant answer related to taxation as a success factor of a public company. | | <ul style="list-style-type: none"> Any other relevant answer related to taxation as a failure factor of a public company. |
| | | | 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 (8)

2.6 Factors that must be considered when preparing for a presentation

- Clear purpose/intentions/objectives and main points of the presentation. √√
- Fully conversant with the content/objectives of the presentation. √√
- Main aims captured in the introduction/opening statement of the presentation. √√
- Prepare a rough draft of the presentation with a logical structure/format with an introduction, body and conclusion. √√
- The conclusion must summarise the key facts and how it relates to the objectives/shows that all aspects have been addressed. √√
- Information presented should be relevant and accurate. √√
- Consider the time frame for the presentation, e.g. fifteen minutes allowed. √√
- Rehearse to ensure a confident presentation/effective use of time management. √√
- Find out about the venue for the presentation, e.g. what equipment is available/appropriate/availability of generators as backup to load shedding. √√
- Create visual aids/graphics that will consolidate the information/facts to be conveyed to the board of directors. √√
- Background/diversity/size/pre-knowledge of the audience to determine the appropriate visual aids. √√
- Prepare for the feedback session, by anticipating possible questions/comments. √√
- Any other relevant answer related to factors that must be considered when preparing for a presentation.

Max (6)

[40]

QUESTION 3: BUSINESS ROLES

3.1 Examples of corporate social investment projects

- Donation to support local organisations ✓
- Being involved in conservation projects ✓
- Delivering services that government is unable/slow to deliver/building infrastructure ✓
- Investing in job creation projects ✓
- Providing adult basic education ✓
- Teaching entrepreneurial skills ✓
- Sponsoring arts and culture programme ✓
- Establishing programmes to promote early childhood development ✓

NOTE: Mark the first FOUR (4) only.

(4x1)(4)

3.2 Problem solving techniques

3.2.1 Brainstorming ✓✓

3.2.2 Nominal group technique ✓✓

(2x2)(4)

3.3 Differences between ethical behaviour and professional behaviour

| Ethical behaviour | Professional behaviour |
|---|---|
| • Refers to the principles of right and wrong/acceptable ✓ in society. ✓ | • Refers to what is right/wrong/acceptable ✓ in a business. ✓ |
| • Conforms to a set of values ✓ that are morally acceptable. ✓ | • Set of standards ✓ of expected behaviour. ✓ |
| • Forms part of a code of conduct ✓ to guide employees to act ethically. ✓ | • Applying a code of conduct ✓ of a profession or business. ✓ |
| • Focuses on upholding the reputation ✓ of a business/ profession. ✓ | • Focuses on developing a moral compass ✓ for decision-making. ✓ |
| • Involves following the principles of right and wrong ✓ in business activities/practices/dealings. ✓ | • Includes guidelines ✓ on employees' appearance/ communication/attitude/ responsibility. ✓ |
| • Any other relevant answer related to ethical behaviour. | • Any other relevant answer related to professional behaviour. |
| Sub max (4) | Sub max (4) |

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

Max (8)



3.4 Unethical business practices

- 3.4.1
- Joshua, the human resource manager, promised to appoint Emily in exchange for a sexual favour. ✓
 - He also often uses the business' fuel card for his private vehicle. ✓

(2x1)(2)

3.4.2 Ways to deal with unethical business practices

Sexual harassment

- Provide a framework for corrective action. ✓✓
- Educate employees on sexual harassment matters. ✓✓
- IA/Businesses formulate a policy regarding sexual harassment. ✓✓
- Implement internal complaints and disciplinary procedures. ✓✓
- Ensure compliance with the law/business code of conduct. ✓✓
- IA/Businesses ensure that all employees are familiar with the code of ethics of sexual abuse. ✓✓
- Create a good working environment where all employees' rights and dignity are respected. ✓✓
- Internal investigation should be done to determine the seriousness of the harassment. ✓✓
- Serious cases/Matters on sexual harassment should be reported to the appropriate institutions such as the South African Police Services (SAPS). ✓✓
- Any other relevant answer related to ways in which IA/businesses can deal with sexual harassment as an unethical business practice.

OR

Unauthorised use of workplace funds and resources

- Conduct regular audits. ✓✓
- Identify risk areas/vulnerable areas. ✓✓
- Educate employees about the impact of fraud. ✓✓
- IA/Businesses implement/introduce fraud prevention strategies. ✓✓
- Limit the number of employees having access to business funds/assets. ✓✓
- Fraud prevention should be a collective responsibility of the business and workers. ✓✓
- Clear policies should be in place so that employees are aware of what is considered to be fraud. ✓✓
- IA/Businesses set up systems in the organisation for the reporting of fraud and corruption. ✓✓
- Any other relevant answer related to ways in which IA/businesses can deal with unauthorised use of workplace funds and resources as an unethical business practice.

NOTE: Mark either sexual harassment OR unauthorised use of workplace funds and resources only.

Max (6)



3.5 Advantages of diversity in the workplace

- Diversity in the workforce ✓ improves morale/motivation. ✓
- Businesses with a diverse workforce ✓ are more likely to have a good public image and attract more customers. ✓
- Diversified workforce can give businesses a competitive advantage, ✓ as they can render better services. ✓
- Workforce diversity improves the ability of a business ✓ to solve problems/innovate/cultivate diverse markets. ✓
- A diversified workforce stimulates debate ✓ on new/improved ways of getting things done. ✓
- Employees demonstrate greater loyalty ✓ to the business because they feel respected/accepted/understood. ✓
- Employees value each other's diversity ✓ and learn to connect/communicate across lines of difference. ✓
- Employees from different backgrounds ✓ can bring different perspectives to the business. ✓
- Employees represent various groups ✓ and are therefore better able to recognise customer needs and satisfy consumers. ✓
- Being respectful of differences/demonstrating diversity ✓ makes good business sense/improves profitability. ✓
- Diverse businesses ensure that its policies/practices empower every employee ✓ to perform at his/her full potential. ✓
- Stakeholders increasingly evaluate businesses ✓ on how they manage diversity in the workplace. ✓
- Any other relevant answer related to the advantages of diversity in the workplace.

Max (6)

3.6 Impact of corporate social investment/CSI on communities

Positives/Advantages

- Provision of bursaries encourages communities ✓ to improve their skills. ✓
- Better educational facilities ✓ are established in poor communities. ✓
- The standard of living of the community ✓ is uplifted/quality of life of communities is improved. ✓
- The provision of medical infrastructure ✓ improves the health of communities. ✓
- Socio-economic issues are attended to ✓ which will improve the welfare of the community. ✓
- Training opportunities in the community increase ✓ there is a possibility of appointments of members of the community. ✓
- Implementing developmental programmes in the community ✓ improves entrepreneurial skills of communities. ✓
- Any other relevant answer related to the positives/advantages of CSI on communities.



AND/OR

Negatives/Disadvantages

- 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 long-term needs of society. ✓ / Businesses 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 down ✓ to the intended persons within the community. ✓
- Spending money on CSI programmes mean 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 relevant answer related to the negatives/disadvantages of CSI on communities.

Max (6)

3.7 Ways in which business can deal with unemployment in communities

- Provide skills development programmes through learnerships. ✓✓
- Offer bursaries to the community to improve the level of education. ✓✓
- Create jobs for members of the community. ✓✓
- Provide entrepreneurial programmes that can promote self-employment. ✓✓
- Support existing small businesses to create more employment opportunities. ✓✓
- Any other relevant answer related to ways in which businesses can deal with unemployment in communities.

Max (4)

[40]



QUESTION 4: MISCELLANEOUS TOPICS

BUSINESS VENTURES

4.1 Types of shares

- Ordinary shares ✓
- Preference shares ✓
- Founders' shares ✓
- Bonus shares ✓

NOTE: Mark the first FOUR (4) only.

(4x1)(4)

4.2 Type of investment opportunities

4.2.1 Venture capital ✓✓

4.2.2 Fixed deposit ✓✓

(2x2)(4)

4.3 Situational leadership theory

- Different leadership characteristics are needed ✓ for different situations. ✓
- The task/situation dictates the leadership style that should be applied, ✓ so leaders are adaptable/flexible/self-assured. ✓
- Effective application of this theory ✓ may enable leaders to accomplish their goals. ✓
- Relationships between leaders and employees ✓ are based on mutual trust/respect/loyalty /integrity/honesty. ✓
- Leaders have the ability to analyse the situation/get the most suitable people in the right positions ✓ to complete tasks successfully. ✓
- Leaders analyse group members/objectives/time constraints, ✓ to adopt a suitable/relevant leadership style. ✓
- May lead to conflict ✓ when leaders use different leadership styles/when managing employees in different situations. ✓
- The success of this theory depends on the kind of relationship ✓ that exists between the leader and followers'/subordinates'/employees. ✓
- Any other relevant answer related to the situational leadership theory.

Max (6)

4.4 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 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 diversity issues

- Poverty ✓
- Race ✓
- Gender ✓
- Language ✓
- Age ✓
- Culture/Religion ✓
- Disability ✓
- Inequality ✓

NOTE: Mark the first FOUR (4) only.

(4x1)(4)

4.6 How businesses deal with privacy as a human right in the workplace

- Businesses may not violate the rights ✓ of the employees and clients. ✓
- They should not provide personal information ✓ about employees to anyone else. ✓
- Information on employees who have disclosed their HIV/Aids status /any chronic illness ✓ must be kept confidential. ✓
- It is illegal to read other people's emails/record conversations ✓ unless stated clearly and upfront. ✓
- Any other relevant answer related to ways in which businesses can deal with privacy as a human right in the workplace.

Max (4)



4.7 King Code principle for good corporate governance

4.7.1 Transparency ✓✓

(2x1)(2)

4.7.2 Application of *accountability* as a King Code principle

- There must be regular communication ✓ between management and stakeholders. ✓
- GP/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. ✓
- GP/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 GP/businesses can apply accountability as a King Code principle for good corporate governance.

OR

Application of *responsibility* as a King Code principle

- GP/The business/board should develop and implement programmes ✓ that should be aimed at protecting the communities in which they operate. ✓
- The business/ board should develop remedial programmes ✓ to protect the environment for example, reduce air and water pollution. ✓
- Any other relevant answer related to how GP/businesses can apply responsibility as a King Code principle for good corporate governance.

- NOTE:**
1. Mark the **FIRST** King Code principle only.
 2. Do not award marks for responses related to the King Code principle identified in **QUESTION 4.7.1**.

Max (4)

4.8 Advantages of creative thinking in the workplace

- Better/Unique/Unconventional ideas/solutions ✓ are generated. ✓
- Complex business problems ✓ may be solved. ✓
- Improves motivation ✓ amongst staff members. ✓
- Management/employees may keep up ✓ with fast changing technology. ✓
- Creativity may lead to new inventions ✓ which improves the general standard of living. ✓
- May give the business a competitive advantage ✓ if unusual/unique solutions/ideas/strategies are implemented. ✓



- 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. ✓
- 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. ✓
- Stimulates initiative from employees/managers, ✓ as they are continuously pushed out of their comfort zone. ✓
- Any other relevant answer related to the advantages of creative thinking in the workplace.

Max (6)

[40]

TOTAL SECTION B: [80]



SECTION C

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

QUESTION 5: BUSINESS VENTURES (INVESTMENT: SECURITIES)

5.1 Introduction

- When investors consider buying off shares in a public company they keep their focus on the Johannesburg Securities Exchange. ✓
- Investing in the RSA Retail Savings bond, provides more confidence to investors, as it is a lower risk investment. ✓
- 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 functions of the Johannesburg Securities Exchange/differences between ordinary and preference shares/factors that must be considered when making an investment decision/impact of the RSA Retail Savings Bonds.

(2x1)(2)

5.2 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. ✓✓
- Strict investment rules ensure a disciplined/orderly market for securities. ✓✓
- Orderly market for securities serves as a disciplined market for securities. ✓✓
- Raises primary capital by encouraging new investments in listed companies. ✓✓
- Mobilises the funds of insurance companies and other institutions. ✓✓
- Regulates the market for dealing with shares. ✓✓
- Plans, researches and advises on investment possibilities. ✓✓
- Ensures that the market operates in a transparent manner. ✓✓
- Provides protection for investors through strict rules/legislation. ✓✓
- Encourages short-term investment as it is highly liquid/flexible and can be withdrawn quickly. ✓✓
- Enhances job creation and increases economic growth and development. ✓✓
- Facilitates electronic trading of shares/STRATE. ✓✓
- Any other relevant answer related to the functions of the JSE.

Max (10)



5.3 Differences between ordinary shares and preference shares

| Ordinary shares | Preference shares |
|--|--|
| <ul style="list-style-type: none"> Ordinary shares only receive dividends ✓ when profit is made. ✓ | <ul style="list-style-type: none"> Some of these types of shares receive dividends ✓ regardless of whether a profit is made. ✓ |
| <ul style="list-style-type: none"> Normally the higher the net profit ✓, the higher the dividend. ✓ | <ul style="list-style-type: none"> A fixed rate of return is paid ✓ on this type of shares. ✓ |
| <ul style="list-style-type: none"> Shareholders are the last to be paid ✓ if the company is declared bankrupt/liquidated. ✓ | <ul style="list-style-type: none"> Shareholders have a preferred claim on company assets ✓ in the event of bankruptcy/liquidation. ✓ |
| <ul style="list-style-type: none"> Dividends vary from year to year according to profits made ✓ and are determined by the company/board of directors. ✓ | <ul style="list-style-type: none"> Dividends are payable ✓ according to the type of preference share. ✓ |
| <ul style="list-style-type: none"> Shareholders have a right to vote ✓ at the Annual General Meeting/AGM. ✓ | <ul style="list-style-type: none"> Voting rights are restricted ✓ to particular circumstances/resolutions. ✓ |
| | <ul style="list-style-type: none"> These shares enjoy preferential rights to dividends/repayment ✓ over ordinary shares. ✓ |
| | <ul style="list-style-type: none"> Non-cumulative preference shareholders will not receive any outstanding dividends ✓ from previous years. ✓ |
| | <ul style="list-style-type: none"> Cumulative preference shareholders will receive outstanding dividends ✓ from previous years. ✓ |
| | <ul style="list-style-type: none"> Redeemable preference shares can be redeemed/bought back at the option of the issuing company ✓ on a pre-determined future date. ✓ |
| | <ul style="list-style-type: none"> Non-redeemable preference shares are only bought back ✓ when the company closes down for reasons other than bankruptcy. ✓ |
| <ul style="list-style-type: none"> Any other relevant answer related to ordinary shares. | <ul style="list-style-type: none"> Any other relevant answer related to preference shares. |
| Sub max (6) | Sub max (6) |

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

Max (12)



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 ✓ yields 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 that must be considered when making an investment decision.

Factor (2)
Explanation (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 must be considered when making an investment decision.

Factor (2)
Explanation (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 must be considered when making an investment decision.

Factor (2)**Explanation (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 must be considered when making an investment decision.

Factor (2)**Explanation (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 must be considered when making an investment decision.

Factor (2)**Explanation (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 must be considered when making an investment decision.

Factor (2)**Explanation (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 must be considered when making an investment decision.

Factor (2)
Explanation (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 must be considered when making an investment decision.

Factor (2)
Explanation (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 number of returns. √
- Any other relevant answer related to volatility/fluctuations on investment markets as a factor that must be considered when making an investment decision.

Factor (2)
Explanation (2)
Sub max (4)

NOTE: Mark the first FOUR (4) only.

Max (16)



5.5 Impact of RSA Retail Savings Bonds as a form of investment

Positives/Advantages

- Guaranteed returns, ✓ as interest rate is fixed for the whole investment period. ✓
- Interest rates are market related ✓ and attract more investors. ✓
- Interest can be received ✓ twice a year. ✓
- Interest is usually higher ✓ than on fixed deposits. ✓
- Retail bonds are listed ✓ on the capital bond markets/on the JSE. ✓
- Low risk/Safe investment, ✓ as it is invested with the South African Government which cannot be liquidated. ✓
- No charges/costs/commissions payable ✓ on this type of investment. ✓
- Investment may be easily accessible, ✓ as cash may be withdrawn after the first twelve months. ✓
- It is an affordable type of investment ✓ for all levels of income earners, including pensioners. ✓
- Retail bonds are easily/conveniently obtained ✓ electronically/from any Post Office/directly from National Treasury. ✓
- Investors younger than 18 years/Minors may invest with the help of a legal guardian, ✓ which encourages saving from a young age. ✓
- Any other relevant answer related to the positive impact/advantages of the RSA Retail Savings Bonds as a form of investment.

AND/OR

Negatives/Disadvantages

- Retail bonds cannot be ceded to banks ✓ as security for obtaining loans. ✓
- A minimum of R1 000 must be invested, ✓ which may be difficult for some small investors to accumulate. ✓
- Retail bonds are not freely transferable ✓ amongst investors. ✓
- Investors need to have valid SA identification/should be older than 18 years ✓ which may discourage foreigners/young people to invest. ✓
- Penalties are charged for early withdrawals, ✓ if the savings is less than 12 months old. ✓
- Any other relevant answer related to the negative impact/disadvantages of the RSA Retail Savings Bonds as a form of investment.

Max (12)

5.6 Conclusion

- Investors can make use of use of the JSE to make informed decisions regarding their investments. ✓✓
- RSA Retail Savings Bonds can render a steady income for investors. ✓✓
- 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 functions of the Johannesburg Securities Exchange/differences between ordinary and preference shares/factors that must be considered when making an investment decision/impact of the RSA Retail Savings Bonds.

(1x2)(2)

BREAKDOWN OF THE MARK ALLOCATION

| DETAILS | MAXSIMUM | TOTAL |
|--|----------|-------------------|
| Introduction | 2 | Maximum 36 |
| Functions of the JSE | 10 | |
| Differences between ordinary and preference shares | 12 | |
| Factors that must be considered when making an investment decision | 16 | |
| Impact of RSA Retail Savings Bonds | 12 | |
| 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 different stages in team development. ✓
- Businesses should be aware of possible situations which may lead to possible conflict in the workplace and make provision to solve the problems. ✓
- Successful teams consist of different roles; each team working towards the same goal. ✓
- Issues can be resolved quicker if business owners and managers are aware of the correct grievance procedure. ✓
- Any other relevant introduction related to the causes of conflict/stages of team development/characteristics of successful team performance/correct procedures to deal with grievances in the workplace.

(1x2)(2)

6.2 Causes of conflict

- Lack of proper communication between management and workers. ✓✓
- Ignoring rules/procedures may result in disagreements and conflict. ✓✓
- Management and/or workers may have different personalities/ backgrounds. ✓✓
- Different values/levels of knowledge/skills/experience of managers/workers. ✓✓
- Little/No co-operation between internal and/or external parties/ stakeholders. ✓✓
- Lack of recognition for good work, e.g. a manager may not show appreciation for extra hours worked to meet deadlines. ✓✓
- Lack of employee development may increase frustration levels as workers may repeat errors due to a lack of knowledge/skills. ✓✓
- Unfair disciplinary procedures, e.g. favouritism/nepotism. ✓✓
- Little/No support from management with regards to supplying the necessary resources and providing guidelines. ✓✓
- Leadership styles used, e.g. autocratic managers may not consider worker inputs. ✓✓
- Unrealistic deadlines/Heavy workloads lead to stress, resulting in conflict. ✓✓
- Lack of agreement on mutual matters, e.g. remuneration/working hours. ✓✓
- Unhealthy competition/Inter-team rivalry may cause workers to lose focus on team targets. ✓✓
- Lack of commitment/Distracted by personal objectives which may lead to an inability to meet pre-set targets. ✓✓
- Constant changes may cause instability. ✓✓
- Lack of clarity regarding employees' roles and responsibilities. ✓✓
- Any other relevant answer related to the causes of conflict in the workplace.

Max (12)



6.3 Stages of team development

6.3.1 Forming √√

- Individuals gather information √ and impressions about each other and the scope of the task and how to approach it. √
- Teams are comfortable √ and polite with each other during this stage. √
- People focus on being busy with routines, √ such as team organisation e.g. who does what, when to meet each other. √
- Any other relevant answer related to forming as a stage of team development.

Stage (2)
Explanation (2)
Sub max (4)

6.3.2 Storming √√

- Teams go through a period of unease/conflict √ after formation. √
- Different ideas from team members √ will compete for consideration. √
- Team members open up to each other √ and confront each other's ideas/perspectives. √
- Tension/struggle/arguments occur √ and upset the team members/there may be power struggles for the position of team leader. √
- In some instances, storming can be resolved quickly; √ in others, the team never leaves this stage. √
- Many teams fail during this stage √ as they are not focused on their task. √
- This phase can become destructive √ for the team/will negatively impact on team performance, if allowed to get out of control. √
- This stage is necessary/important √ for the growth of the team. √
- Some team members tolerate each other √ to survive this stage. √
- Any other relevant answer related to storming as a stage of team development.

Stage (2)
Explanation (2)
Sub max (4)

6.3.3 Norming √√

- Team members come to an agreement √ and reach consensus. √
- Roles and responsibilities are clear √ and accepted. √
- Processes/Working style and respect √ develop amongst members. √
- Team members have the ambition √ to work for the success of the team. √
- Conflict may occur, √ but commitment and unity are strong. √
- Any other relevant answer related to norming as a stage of team development.

Stage (2)
Explanation (2)
Sub max (4)



6.3.4 Performing √√

- Team members are aware of strategies √ and aims of the team. √
- They have direction without interference √ from the leader. √
- Processes and structures are set, √ measured and celebrated. √
- Leaders delegate √ and oversee the processes and procedures. √
- All members are now competent, √ autonomous and able to handle the decision-making process without supervision. √
- Differences among members are appreciated √ and used to enhance the team's performance. √
- Any other relevant answer related to performing as a stage of team development.

Stage (2)
Explanation (2)
Sub max (4)

6.3.5 Adjourning/Mourning √√

- The focus is on the completion √ of the task/ending the project. √
- Breaking up the team may be traumatic √ as team members may find it difficult to perform as individuals once again. √
- All tasks need to be completed √ before the team finally dissolves. √
- Any other relevant answer related to adjourning/mourning as a stage of team development.

Stage (2)
Explanation (2)
Sub max (4)

NOTE: Mark the first FOUR (4) only.

Max (16)

6.4 Characteristics of successful team performance

- Successful teams share a common goal √ as team members are part of the process of setting goals for the group. √
- There is a climate of respect √ /trust and honesty. √
- Share a set of team values √ and implement group decisions. √
- Successful teams √ have sound intra-team relations. √
- Teams value the contributions of individual members √ and reach consensus on differences. √
- Team members enjoy open communication √ and deal with items of conflict immediately. √
- Teams are accountable √ and members know the time frame for achieving their goals. √
- Teams pay attention to the needs √ of the individual team members. √
- Creates an environment where team members are given opportunities to develop √ so that team members grow and learn from the experience of working in a team. √



- Regular reviews of team processes and progress ✓ may detect/solve problems sooner. ✓
- Any other relative answer related to the characteristics of successful team performance.

Max (12)

6.5 Correct procedures to deal with grievances

- An aggrieved employee must verbally report the incident/grievance to his/her supervisor/manager, who needs to resolve the issue within 3 to 5 working days. ✓✓
- Should the employee and supervisor not be able to resolve the grievance, the employee may take it to the next level of management. ✓✓
- The employee may move to a more formal process where the grievance must be lodged in writing/completes a grievance form. ✓✓
- The employee must receive a written reply in response to the written grievance. ✓✓
- A grievance hearing/meeting must be held with all relevant parties present. ✓✓
- Minutes of the meeting must be recorded, and any resolution passed must be recorded on the formal grievance form. ✓✓
- Should the employee not be satisfied, then he/she could refer the matter to the highest level of management. ✓✓
- Top management should arrange a meeting with all relevant parties concerned. ✓✓
- Minutes of this meeting should be filed/recorded, and the outcome/decision must be recorded on the formal grievance form. ✓✓
- Should the employee still not be satisfied, he/she may refer the matter to the CCMA who will make a final decision on the matter. ✓✓
- The matter can be referred to Labour Court on appeal if the employee is not satisfied with the decision taken by the CCMA. ✓✓
- Any other relevant answer related to the correct procedure to deal with grievances in the workplace.

Max (10)

6.6 Conclusion

- When businesses understand the stages of team development it will be easier to get work effectively done. ✓✓
- If conflict is not resolved it may cause unease in the workplace. ✓✓
- It is easier to reach a goal if each team member understands their role/responsibility in the workplace. ✓✓
- Grievances will be resolved quicker if it is dealt with in the correct manner. ✓✓
- Any other relevant conclusion related to the causes of conflict/stages of team development/characteristics of successful team performance/correct procedures to deal with grievances in the workplace.

(1x2)(2)



BREAKDOWN OF THE MARK ALLOCATION

| DETAILS | MAXIMUM | TOTAL |
|--|---------|-------------------|
| Introduction | 2 | Maximum 36 |
| Causes of conflict in the workplace | 12 | |
| Stages of team development | 16 | |
| Characteristics of successful team performance | 12 | |
| Correct procedure to deal with grievances in the workplace | 10 | |
| Conclusion | 2 | |
| INSIGHT: | | 4 |
| Structure | 2 | |
| Analysis | 2 | |
| TOTAL | | 40 |

TOTAL SECTION C: 40
GRAND TOTAL: 150