



# basic education

Department:  
Basic Education  
**REPUBLIC OF SOUTH AFRICA**

## **NATIONAL SENIOR CERTIFICATE**

**GRADE 12**

**BUSINESS STUDIES**

**NOVEMBER 2010**

**MEMORANDUM**

**MARKS: 300**

**This memorandum consists of 34 pages.**

**NOTES TO MARKERS:(MANDATORY)**

1. For marking and moderation purposes, the following colours are recommended:

Marker:	Red
Senior Marker	Green
Deputy Chief and Chief Marker	Black
Internal Moderator	Orange

2. The numbering of Assessment Standards is in accordance with the principle of progression from Grades 10 to 12, e.g, the first Assessment Standard is 12.1.2.
3. Candidates responses must be in full sentences for Sections B and C. This would depend on the nature of the question.
4. A comprehensive memorandum 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 memorandum.
  - comes from another source.
  - is correct and original
  - relates to another applicable LO or AS

***NB There are no alternative answers for Section A***

5. Please take careful note of other relevant answers provided by candidates and allocate marks accordingly. (In the case where the answer is unclear or indicates some understanding, part-marks should be allocated, for example one mark instead of the maximum of two marks.)
6. SECTION B
- 6.1 If for example, FIVE facts are required, mark the candidates FIRST FIVE responses and ignore the rest of the responses. Indicate by drawing a line across the unmarked portion or use the word “Cancel”.
- 6.2 If two facts are written in one sentence, award the candidate FULL credit.
- 6.3 If candidates are required to provide their own examples / views, brainstorm this at the marking centre to finalise alternative answers.
- 6.4 All questions that require candidates to “explain / discuss / describe” will be marked as follows :
- Heading 2 marks
  - Explanation 1 mark or as indicated in the memorandum.

6.5 All questions that require candidates to “name / list / mention” etc, the answers of the candidates can be in phrases and not necessarily in full sentences.

## 7. SECTION C

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

Introduction	<b>3</b>	<b>Maximum: 32</b>
Content	<b>27</b>	
Conclusion	<b>2</b>	
Insight	<b>8</b>	
<b>Total Marks</b>	<b>40</b>	

7.2 Insight consists of the following components:

Layout/Structure (Is there an introduction, body using proper paragraphs and conclusion? /Is there a logical flow/link in the discussion? Has the learner been able to illustrate the concepts with examples?)	<b>2</b>
Analysis and interpretation (learners' ability to break down the question to show understanding of what is being asked)	<b>2</b>
Synthesis (What parts to the question would you have included in the answer? Are there decisions made from a combination of relevant points?)	<b>2</b>
Originality, examples, recency of information, current trends and developments	<b>2</b>
<b>TOTAL FOR INSIGHT:</b>	<b>8</b>
<b>TOTAL MARKS FOR FACTS:</b>	<b>32</b>
<b>TOTAL MARKS FOR ESSAY (8 + 32)</b>	<b>40</b>

**NOTE: No marks will be allocated for contents repeated from the introduction and conclusion.**

7.3 The components of insight are indicated at the end of the suggested answer for each question. Note: The components may vary for each question.

7.4 Indicate insight in the left-hand margin with a symbol e.g. ('L, A, S and/or O')

7.5 Mark all relevant facts until the MAXIMUM mark in a sub-section has been attained. Write MAX after maximum marks have been obtained.

7.6 At the end of each essay indicate the allocation of marks for facts and marks for insight as follows: (L - Layout and / or A – Analysis, S – Synthesis, O – Originality) as in the table below.

<b>CONTENT</b>	<b>MARKS</b>
Facts	<b>32</b>
L	<b>2</b>
A	<b>2</b>
S	<b>2</b>
O	<b>2</b>
<b>TOTAL MARKS</b>	<b>40</b>

**NOTE: The mark allocation for insight may vary for each essay.**

- 7.7 When awarding marks for facts, take note of the sub – maxima indicated, especially if candidates do not make use of the same sub-headings. Remember, headings and sub-headings are encouraged and contribute to insight (structuring/logical flow/sequencing) and indicate clarity of thought. (See BREAKDOWN at the end of each question.)
- 7.8 If the candidate identifies/interprets the question **INCORRECTLY**, then he/she may still obtain marks for insight.
- 7.9 If a different approach is used by candidates, ensure that the answers are assessed according to the mark allocation/subheadings as indicated in the memorandum.
8. Take particular note of the repetition of facts. Indicate with a R.
9. Subtotals to questions must be written in the right margin. Circle the subtotals as indicated by the allocation of marks. Only the total for each question should appear in the left margin next to the appropriate question.
10. Allocate TWO marks for complete sentences. Allocate ONE mark for phrases, incomplete sentences and vague answers.
11. With effect from 2011 learners must respond to each part of the question in order to obtain the maximum of 32 marks allocated for essay questions.  
**Please take note of the above.**

**Section C Question 5 is used as an exemplar.**

Sub-max	Reduced to	Sub Total
Introduction		3 (Introduction)
Challenges	12	27 (Body)
Strategies	12	
Environment	8	
Evaluation	4	
Conclusion		2 (Conclusion)
Subtotal	36	32
<b>The sub-max for body will range from 27 to 37 marks. Contents(32) + LASO(8) = 40</b>		

**SECTION A****QUESTION 1**

1.1	1.1.1	A		
	1.1.2	B		
	1.1.3	D		
	1.1.4	C		
	1.1.5	A		
	1.1.6	D		
	1.1.7	C		
	1.1.8	B		
	1.1.9	A		
	1.1.10	C		
			<b>(10 x 2)</b>	<b>(20)</b>
1.2	1.2.1	Delphi technique		
	1.2.2	Macro		
	1.2.3	Sustainability		
	1.2.4	Offshore		
	1.2.5	Quality Control		
			<b>(5 x 2)</b>	<b>(10)</b>
1.3	1.3.1	D		
	1.3.2	A		
	1.3.3	F		
	1.3.4	G		
	1.3.5	B		
			<b>(5 x 2)</b>	<b>(10)</b>
<b>TOTAL SECTION A:</b>				<b>40</b>

**SECTION B****QUESTION 2****2.1 LO1 AS5**

- Competitive rivalry/competitors/degree of rivalry. √√
- Barriers to entry – threat/potential entrants.√√
- Power of buyers/consumers. √√
- Power of suppliers. √√
- Threats of substitute goods/product technology. √√

**Note: Accept forces that are illustrated.****(Any 5 x 2)****(10)****2.2 2.2.1 LO 1 AS 3**

- Helps to create a positive image of the business among consumers. √√
- Makes it easier to attract and retain top employees. √√
- It creates customer loyalty. √√
- Protect and improve the welfare of the society/employees. √√
- Balancing the need for profits of the company while caring for the people, community and the environment at the same time.√√
- Tax rebates for the business. √√
- Use CSI as a marketing strategy to improve sales. √√
- Improves business investment opportunities. √√
- Points scored on the BEE Score Card. √√
- Improves worker morale/loyalty. √√
- Any other relevant answer related to the benefits/advantages of CSI for the business.

**(Any 2 x 2) (4)****2.2.2 LO 1 AS 3**

- Businesses need to prepare detailed reports on their CSI programmes. √√
- It may influence the attitudes of the employees negatively because it takes a lot of time. √√
- New businesses may be pressurised by the community to get involved in CSI. √√
- Problems related to the implementation of the legislative requirements. √√
- Difficult for small and medium enterprises to implement CSI programmes. √√
- Poor image of the business as a result of low ratings. √√
- Problems associated with the implementation and monitoring of CSI programmes. √√
- Lack of indigenous knowledge of the community. √√
- Increasing the tendency to be corrupt. √√
- Raised expectations of the community. √√
- The willingness to participate will depend on the profits made. √√

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- Forming partnerships with other businesses is a challenge. √√
- Sustainability of CSI projects is a challenge. √√
- Time of completion may exceed projected time. √√
- Any other relevant answer related to the problems/challenges/disadvantages of CSI for the business.

**(Any 2 x 2) (4)****2.3 LO2 AS7**

- Keeps investors informed by publishing the share prices in the newspaper. √√
- Serves as a link between investors and entrepreneurs. √√
- Serves as a barometer of economic conditions. √√
- Encourages financial institutions to invest surplus funds in shares. √√
- Serves as a disciplined market for securities. √√
- Encourages new investments by businesses/individuals/previously disadvantaged. √√
- Protection of investors/regulatory requirements. √√
- The JSE is obliged to cater for the previously disadvantaged. √√
- Ensures that the market operates in a transparent manner. √√
- Opportunities for venture capital. √√
- Encourages short term investment. √√
- Any other relevant answer related to functions of JSE.

**(10)**Take particular note of repetition in terms of examples provided. **(Any 5 x 2)****2.4 LO 1 AS 4****Rights**

- Protected by NCA √√
- She must obtain reasons why her credit application was unsuccessful in terms of the National Credit Act. √√
- Her right to dispute. √√
- Consider relevant answers from the Consumer Protection Act.
- Any other relevant rights regarding credit application.

**(Any (2 x 2) (4)****Manner/Methods**

- Depends on medium of communication in application form e.g. in writing. √√
- Communicate via electronic mail. √√
- Any other relevant comments regarding the 'SMS'.

**(Any (2 x 2) (4)****Max. (6)****Note: Allocate a maximum of 6 marks if responses are combined.****2.5 LO 1 AS 4****Option One**

- Use skills development. √√  
Promote sustainable livelihood and employability. √
- Providers of education and training. √√  
Should comply with the minimum quality assurance standards when they offer skills programs and workshops. √
- Ensures that quality training takes place in the workplace. √√  
Requires reports. √

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- Assist people who want to be self employed. √√
- Acquires the necessary skills. √
  - To ensure critical skills for development. √√
  - Sustainable growth and equity. √
  - Promote economic growth. √√
  - This leads to job creation and poverty alleviation. √
  - Creates a database. √√
  - Assists in identifying skills related to market demand. √
  - Provides for the establishment of SETAs. √√
  - Implementation of learnerships. √
  - Unlike the Manpower Act, √√
  - Skills Development is now enhanced by SETAs for all sectors. √
  - Any other relevant answer related to the objectives/purpose/benefits of the National Skills Development Strategy.
  - Consider relevant information from the Skills Development Act

**(Any 3 x 3)****(9)****Max. (8)****Option 2 :**

**By providing skills development more people will be skilled or any rationale on NSDS.**

**Rationale:** Promotes skills development or any rationale on NSDS.

**Motivation:**

- Use skills development. √√
- Providers of education and training. √√
- Ensures that quality training takes place in the workplace. √√
- Assist people who want to be self employed. √√
- To ensure critical skills for development. √√
- Promote economic growth. √√
- Creates a database. √√
- Provides for the establishment of SETAs. √√
- Any other relevant answer related to the objectives/purpose/benefits of the National Skills Development Strategy.

**Rationale: (2)****Motivation (Any 3 x 2) (6)****Max.(8)**

2.6

2.6.1

**LO 1 AS 5****Option 1**

- Hilton Ranch √ – Primary sector √ - breeding cattle √/cattle farming √/natural resources. √
- Ringo LTD √ – Secondary sector √ - process raw materials√/ manufacturing veterinary products. √
- Fresh Meat Butchery√ - Secondary sector√ - manufacturing home made biltong and sausages. √
- Fresh Meat Butchery √ - Tertiary sector √ - selling home made biltong and sausages.√
- Ringo Ltd – Tertiary sector – providing veterinary products to other cattle farms.

**(Any3 x 3)****(9)**



**Option 2**

- Primary sector √√ - breeding cattle √/cattle farming √
- Secondary sector √√ - manufacturing veterinary products. √
- Secondary sector√√ - manufacturing homemade biltong and sausages. √
- Tertiary sector √√ - selling homemade biltong and sausages.√ farms.

**(Any 3 x 3) (9)**

**2.6.2 LO 1 AS 5**

**Option 1**

**Hilton Ranch/Primary Sector √**

- Full control over the breeding of cattle. √√

**Ringo LTD/Secondary Sector √**

- No/Limited control over the micro environment. √√

**Fresh Meat butchery/Secondary Sector √**

- Full control over the supply of meat. √√

**Fresh Meat butchery/Tertiary Sector √**

- Full control over the selling of meat. √√

**(9)**

**NOTE: - Identification of sector. (One mark)  
- Reason. (Two marks)**

**(3 x 3)**

**Option 2**

- Primary sector√ : full control.√√
- Secondary sector√: Limited/no control/Full control√√
- Tertiary sector√: Full control /no control√√

**(3 x 3) (9)**

**[60]**

**BREAKDOWN OF MARKS**

QUESTION 2	MARKS
2.1	10
2.2.1	4
2.2.2	4
2.3	10
2.4	6
2.5	8
2.6.1	9

<b>2.6.2</b>	<b>9</b>
<b>TOTAL</b>	<b>60</b>

**QUESTION 3**

**3.1 LO2 AS7**

3.1.1 - Money paid out of the fund to contributors(workers) who become unemployed or for any other legitimate reason. √√  
 - Any other relevant definition on the nature of UIF. (2)

3.1.2 - Workers who work for more than 24 hours per month make a contribution of 1% of the earnings they receive from the employer. √√  
 - The employer also makes an equal contribution of 1% of the worker’s earnings to the fund. √√ (4)

3.1.3 - Unemployment benefits. √√  
 - Sick benefits. √√  
 - Maternity benefits. √√  
 - Death benefits/dependant benefits. √√  
 - Adoption benefits. √√  
 - If financial benefits is given allocate a maximum of 2 marks.  
 - Any other relevant benefits related to UIF. (3 x 2) (6)

3.1.4 - Yes √√  
 - The employer does not have to make full monetary payments if the employee is sick. √√  
 - The employer does not have to make full monetary payments if the employee is pregnant. √√  
 - The employer does not have to make a full monetary contribution if the employee dies. √√  
 - No sudden lump sum payment that is not budgeted for. √√  
 - Any other relevant answer related to the benefits of the UIF to the employer.

**Yes 2**  
**Motivation (1 x 2) (2)**  
**Max 4**

- No√√  
 - Not tax deductible√√  
 - Reduces the cash flow (1%) √√  
 - Increases expenses/cost to the company√√

**No 2**  
**Motivation (1 x 2) (2)**  
**Max 4**

**Yes or No without motivation award zero marks.**

3.2 LO2 AS5

**(a) Human Rights**

- Businesses should respect the Bill of Rights as outlined in the Constitution as it is a legal instrument.  
Example: Equal and fair treatment, fair remuneration, freedom of speech and the right to practice one’s religion. ✓
- Businesses that fund projects that promote the basic rights and freedom to which all South Africans are entitled. ✓✓  
Example: Freedom Day Celebrations. ✓
- Businesses must promote the basic human rights in respect of health care. ✓✓  
Example: HIV Aids, welfare and education. ✓
- Consider answers from learners that list human rights with applicable examples.
- Any other relevant answer related to human rights.

<b>Heading/Explanation</b>	<b>2 marks</b>
<b>Example</b>	<b>1 mark</b>
<b>Max.</b>	<b>6 marks</b>

**(b) Inclusivity**

- Businesses must aim to address the imbalances of the past. ✓✓  
Example: Include disabled people in your workforce. ✓
- Some big businesses have invested in specialised projects. ✓✓  
Example: Providing funds for education, arts and culture. ✓
- No individual should be discriminated against. ✓✓  
Example: Accommodate different official languages. ✓
- Make reference to the Human Rights Commission, ✓✓  
because it deals with issues on inclusivity. ✓
- Understand/contribute/implement the various legislation that has been passed to promote human rights. ✓✓  
Example: Having a percentage of the workforce who are physically challenged. ✓
- Any other relevant answer related to inclusivity.

<b>Heading/Explanation</b>	<b>2 marks</b>
<b>Example</b>	<b>1 mark</b>
<b>Max.</b>	<b>6 marks</b>

✓✓✓✓

**(c) Environmental Issues**

- Funds donated by businesses are used to preserve the environment. ✓✓  
Example: Nedbank contributes funds for nature conservation.
- Business contribute funds for the prevention of pollution. ✓✓  
Example : Sappi monitors pollution of water and its discharge into Rivers. ✓
- Businesses contribute towards waste Management. ✓✓  
Example: Establishing businesses that recycle cans, paper. ✓
- Any other relevant answer related to environmental issues.

<b>Heading/Explanation</b>	<b>2 marks</b>
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**Example  
Max.****1 mark  
6 marks**3.3 3.3.1 **LO2 AS7**Under-insurance. ✓✓  
(accept indemnity). ✓✓**(2)**3.3.2 **LO2 AS7**Compensation =  $\frac{\text{Insured amount}}{\text{Market value}}$  ✓ x Loss/damage ✓

$$= \frac{200 \text{ m}}{300 \text{ m}} \times 60 \text{ m}$$

$$= \text{R } 40 \text{ million.}$$

**(6)**

**AWARD FULL MARKS IF THE ANSWER IS CORRECT(NO WORKINGS SHOWN), OTHERWISE PART MARKS FOR THE UNDERSTANDING OF THE CONCEPT/PROCESS/PROCEDURE UP TO A MAXIMUM OF 2 MARKS.**

3.4 **LO2 AS7**

- A levy is charged on the sale of petrol and diesel to fund the Road Accident Fund. ✓✓
- The main provision of the RAF is to compensate innocent victims who were injured in motor vehicle accidents. ✓✓
- The claim for loss of income or support shall not exceed R 160 000 per year. ✓✓
- The protection afforded to the injured party is that compensation will be paid whether the negligent driver is rich or poor, insured or uninsured. ✓✓
- The RAF pays compensation to drivers, passengers and pedestrians who are injured in accidents provided that the accident is as a result of someone else's negligent driving. ✓✓
- The RAF indemnifies drivers to compensate for losses due to bodily injuries or death of a person and not for damage to property. ✓✓
- Claims for emotional shock like witnessing a road accident is no longer considered. ✓✓
- Any other relevant answer regarding the provisions of Road accident Fund.

**(Any 3 x 2)****(6)**3.5 **LO2 AS6**

3.5.1 Line graph ✓✓

**(2)**

3.5.2 GP/Gauteng Province ✓✓

**(2)**3.5.3 **Report:**

- GP/Gauteng has the highest number of vehicles registered in the country. ✓✓
- Traffic congestion during peak hours leading to accidents. ✓✓
- Large concentration of businesses and industries in this

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province which leads to a large traffic flow of trucks, busses, taxis and cars. √√

- Poor infrastructure. √√
- Many road works. √√
- Contravention of road regulations. √√
- Examples illustrating the same cause maximum 2 marks.
- Any other relevant motivation regarding road accidents in GP.

**NOTE: Although the answer to Q 3.5.2 may be incorrect, mark the justifiable reasons according to the province chosen.**

**(Any 3 x 2)**

**(6)**

3.5.4 NC/Northern Cape

**(2)**  
**[60]**

**BREAKDOWN OF MARKS**

<b>QUESTION 3</b>	<b>MARKS</b>
<b>3.1</b>	<b>2</b>
<b>3.1.2</b>	<b>4</b>
<b>3.1.3</b>	<b>6</b>
<b>3.1.4</b>	<b>4</b>
<b>3.2</b>	<b>18</b>
<b>3.3.1</b>	<b>2</b>
<b>3.3.2</b>	<b>6</b>
<b>3.4</b>	<b>6</b>
<b>3.5.1</b>	<b>2</b>
<b>3.5.2</b>	<b>2</b>
<b>3.5.3</b>	<b>6</b>
<b>3.5.4</b>	<b>2</b>
<b>TOTAL</b>	<b>60</b>

**QUESTION 4****4.1 LO4 AS3**

- Study the job requirements. √√
- Organise a suitable room and book it according to the interview date. √√
- Study the CV of the applicants. √√
- Prepare the interview questions. √√
- Constitution of the panel. √√
- Any other relevant answer on interview preparation. **(Any 3 x 2) (6)**

**4.2 LO3 AS8**

- Members have a common desire to achieve goals. √√
- Members support each other. √√
- Members show mutual respect and trust. √√
- Team has clear tasks and deadlines. √√
- Has clearly defined realistic and achievable goals. √√
- Members are committed to the team. √√
- Take particular note of repetition in terms of examples provided.
- Any other answer related to successful teams. **(Any 4 x 2) (8)**

**4.3 LO4 AS6**

- Controls all processes in a business. √√
- Leads the business organisation. √√
- Sets goals and objectives of a business. √√
- Communicates vision and mission of a business to all workers. √√
- Takes disciplinary action against workers if the need arises. √√
- Responsible for planning and organising for the business. √√
- Allocate 2 marks EACH for planning, organising, activating and control.
- Any other relevant answer related to functions of general management. **(Any5 x 2) (10)**

**4.4 4.4.1 LO3 AS6**

- Gender discrimination/Treats Vusi differently from the two female workers. √√
- Vusi works on weekends. √√
- Poor leadership. √√
- Salary matters, on weekends and overtime. √√
- Exploitation through non payment for work. √√ **(Any 2 x 2) (4)**

**4.4.2 LO3 AS6**

- Different personalities, people fail to work together. √√
- Lack of communication between employer and employees. √√
- Differences in goals and objectives. √√
- Differences in values, e.g. an employee who refuses to work overtime because he wants to attend to his personal matters. √√
- Personnel matters, e.g. working conditions. √√
- Do not award credit if the cause of conflict appears in Q 4.4.1.
- Any other relevant answer related to causes of conflict. **(Any 3 x 2) (6)**

**4.4.3 LO3 AS6**

- To request for a meeting with the marketing manager to address the conflict. √√

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- Turn his dissatisfaction into something positive. ✓✓
- Identify the reasons why he is treated differently from the female employees. ✓✓
- Request transfer. ✓✓
- Report to union. ✓✓
- Follow due process. ✓✓
- Resignation. ✓✓
- Any other relevant answer related to overcoming dissatisfaction.

(1 x 2) (2)

## 4.5 LO3 AS7

- **Religion.** ✓✓ What influence will my religion have on my career, will I be expected to work on religious holidays? ✓
- **Ethics.** ✓✓ Is my career vulnerable to bribery and corruption such that I will be tempted? ✓
- **Risks.** ✓✓ Is there job security, will the skills needed in career still be required in the future? ✓
- **Relocation.** ✓✓ Does the career involve relocating to another city, will there be employment opportunities for my partner if we relocate? ✓
- **Financial implications.** ✓✓ Will I be satisfied with the salary? ✓
- **Family ties.** ✓✓ How is the career going to affect your family, will you have time for your family? ✓
- **Morals.** ✓✓ Sustain high morals to be a role model. ✓
- **Culture.** ✓✓ To value culture. ✓
- Aptitude. Consider vocational tests.
- **Interest.** ✓✓ Suitable personality. ✓
- Any other relevant answer related to factors influencing career path.

**Heading 2 marks (12)**  
**Example 1 marks**  
**Any (4 x 3)**

## 4.6 4.6.1 LO4 AS3

- 3 or 5 days ✓✓

(2)

## 4.6.2 LO4 AS3

- Working hours must be in line with labour legislation including, breaks, meal times, etc. ✓✓
- Overtime worked as per agreement and rates of pay for overtime. ✓✓
- Payment for work on Sundays and public holidays. ✓✓
- Leave conditions, e.g. annual leave, sick leave, maternity leave, etc. ✓✓
- Prohibits the use of child labour under the age of 15 years. ✓✓
- Notice of termination of employment contract. ✓✓
- Any other relevant answer related to the basic conditions of the employment act (BCEA).

(any 3 x 2) (6)

## 4.6.3 LO4 AS3

Yes ✓✓

**Motivation:**

- Legal contracts with domestic workers apply. ✓✓
- Formal dismissal procedures apply. ✓✓
- UIF registration is compulsory by employers of domestic workers. (Who work longer than the regulated time) ✓✓
- Leave regulations as prescribed by the act for domestic

- workers. ✓✓
- Minimum wage stipulated. ✓✓
  - Any other relevant answer from the Act related to domestic workers.

**Yes 2**  
**Reason 2**  
**Max (4)**  
**[60]**

**Note: Yes without motivation award zero marks.**

**BREAKDOWN OF MARKS**

<b>QUESTION 4</b>	<b>MARKS</b>
<b>4.1</b>	<b>6</b>
<b>4.2</b>	<b>8</b>
<b>4.3</b>	<b>10</b>
<b>4.4.1</b>	<b>4</b>
<b>4.4.2</b>	<b>6</b>
<b>4.4.3</b>	<b>2</b>
<b>4.5</b>	<b>12</b>
<b>4.6.1</b>	<b>2</b>
<b>4.6.2</b>	<b>6</b>
<b>4.6.3</b>	<b>4</b>
<b>TOTAL</b>	<b>60</b>

**TOTAL SECTION B: 180**



**SECTION C**

**QUESTION 5**  
**LO1 AS 2**

**5.1 Introduction**

- A strategy is to be developed to overcome the specific challenge which is faced by the management team. ✓
- When devising a strategy keep the vision and mission of an organization in mind. ✓
- It is important to create a plan in which you include all steps, which might be necessary to change the challenge into success. ✓
- It is a plan of action for a business to achieve its goals. ✓
- Short term and long term goals in line with the vision and mission of the organization. ✓
- Vision is to use improved farming techniques and marketing methods to increase the farm’s income capacity. ✓
- Any other relevant introduction related to business environment.

**(any 3 x 1) (3)**

- NOTE:**
- **LEARNERS MAY PROVIDE ANSWERS IN ESSAY FORM WITH THE USE OF HEADINGS AND SUBHEADINGS. THE CONTENT OF THE FOLLOWING TABLE MUST THEREFORE BE USED AS A GUIDE TO MARK THE LEARNER’S RESPONSE.**
  - **THE BUSINESS ENVIRONMENT MUST BE LINKED TO THE CHALLENGE.**

**5.2**

<b>CHALLENGE</b>	<b>STRATEGY</b>	<b>ENVIRONMENT</b>	<b>TOTAL</b>
1. Applied for a loan of R1million. ✓✓	<ul style="list-style-type: none"> <li>- Reduce loans. ✓✓</li> <li>- Negotiate with other banks. ✓✓</li> <li>- Additional cash investment by the owner. ✓✓</li> <li>- Divestiture : ✓✓ Sell part of his business as a way of raising funds. ✓✓</li> <li>- Any other relevant answer.</li> </ul>	Macro ✓✓	
Extension of the product line e.g. grape juice. ✓✓	<ul style="list-style-type: none"> <li>- Product development. ✓✓</li> <li>- Producing new product for the current market, e.g. grape juice.</li> <li>- Concentric</li> </ul>	Market/Micro ✓✓	

<p>Wines of international quality. √√</p>	<p>diversification. √√ Using the same equipment to produce a different product i.e. grape juice. √√ - Any other relevant answer.  -Research on quality√√ -International marketing√√ -Form quality circles√√ -Any other relevant answer</p>	<p>Micro/Market/ Macro√√</p>	
<p>2. Buy multi-purpose equipment. √√</p> <p>Establish a wine shop on the farm.</p>	<p>- Obtain quotations from different suppliers of equipment and negotiate the most reasonable price. √√ - Outsourcing. √√ - Type of equipment should meet the requirements of the business. √√ - Purchase second hand machinery. √√ - Any other relevant answer.  -Forward integration√√ -Selling the product directly to the public from the wine shop. √√ - Use local handcrafted packaging for his products. √√ - Any other relevant answer.</p>	<p>Micro/Market/Macro √√</p> <p>Micro/ Market √√</p>	
<p>3. Increase in interest Rates. √√</p>	<p>- Negotiate with other banks for lower interest rates. √√</p>	<p>Macro √√</p>	
<p>4. Employees demanding higher wages and salaries. √√</p>	<p>- Increase in productivity - Defensive Strategy:√√</p>	<p>Micro√√</p>	

<p>Decline in profits. √√</p>	<p>Negotiate with unions on the question of retrenchment. √√</p> <ul style="list-style-type: none"> <li>- Increase production/reduce fixed costs.</li> <li>- Any other relevant answer.</li> </ul> <p>- Monitor expenses and authorise only essential expenses. √√</p> <ul style="list-style-type: none"> <li>- Increase mark up. √√</li> <li>- Engage in aggressive marketing strategy. √√</li> <li>- Any other relevant answer.</li> </ul>	<p>Micro√√</p>	
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<p>5. Competitors selling similar types of wine. √√</p>	<ul style="list-style-type: none"> <li>- Market penetration: √√</li> <li>Selling wines and grape juice at a discounted price to attract customers. √√</li> <li>- Any other relevant answer.</li> </ul>	<p>Market√√</p>	
<p>6. Not advertising beyond the town of Franschhoek. √√</p>	<ul style="list-style-type: none"> <li>- Market development: √√</li> <li>Advertise in the Provincial newspaper. √√</li> <li>- Sponsorships √√</li> <li>- Radio broadcasts. √√</li> <li>- Encourage wine tasting. √√</li> <li>- Excursions. √√</li> <li>- Any other relevant answer.</li> </ul>	<p>Market/Micro √√</p>	

<p>7. Recession /slowdown. √√</p>	<ul style="list-style-type: none"> <li>- Propose a 3 day working week for the winery until the economy recovers. √√</li> <li>- Engage in aggressive marketing strategies. √√</li> <li>- Any other relevant answer</li> </ul>	<p>Macro/Micro √√</p>	
<p>8. Increase in fuel costs. √√</p>	<ul style="list-style-type: none"> <li>- Monitor use of vehicles through a log book. √√</li> <li>- Proper planning of delivery routes/logistics. √√</li> <li>- Buy more fuel efficient vehicles. √√</li> <li>- Lobby Govt. to stabilise fuel prices. √√</li> <li>- Cut down on the number of vehicles in operation and use vehicles only for essential deliveries/ collection. √√</li> <li>- Outsourcing the transport operation of the business. √√</li> <li>- Any other relevant answer.</li> </ul>	<p>Micro/Macro √√</p>	
<p><b>6 x 2 = 12</b></p>	<p><b>6 x 2 = 12</b></p>	<p><b>6 x 2 = 12</b></p>	<p><b>36</b></p>

**5.3 Advice on evaluation of Strategies:**

5.3.1 Examine the underlying basis of business strategy. √√  
 - Monitor and obtain regular feedback on the implementation of the above strategies. √√

5.3.2 Measure the business performance against original objectives. √√  
 Should the performance of the business not be in line with the proposed strategies then amend strategies or provide alternative strategies. √√

5.3.3 Take corrective action. √√  
 - This corrective action must be taken in view of the above mentioned. √√  
 - Any other relevant answer related to the advice on the evaluation of strategies.

**(Any 3 x 2) (6)**

**5.4 Conclusion**

- Makaya Tali must carefully implement the above mentioned strategies. ✓✓
- He must also obtain regular feedback in order to make an informed decision on whether to consider alternative strategies. ✓✓
- Any relevant conclusion related to strategies.

**(Any 1 x 2) (2)****Breakdown of mark allocation:**

Details	Maximum	Reduced to	Subtotal	Total
Introduction			3	<b>Max 32</b>
Mark ANY 6 challenges from the case study (IN ANY ORDER)	<b>6x2</b>	<b>12</b>	<b>27</b>	
Mark ANY 6 strategies based on the above challenges	<b>6x2</b>	<b>12</b>		
Mark the environment linked to the above challenges	<b>6x2</b>	<b>12</b>		
Evaluation of strategies	<b>6</b>	<b>6</b>		
Conclusion			<b>2</b>	
<b>INSIGHT</b>				
Layout				<b>2</b>
Analysis, interpretation				<b>2</b>
Synthesis				<b>2</b>
Originality, examples				<b>2</b>
<b>TOTAL MARKS</b>				<b>40</b>

LASO – For each component

Allocate 2 marks if all requirements are met.

Allocate 1 mark only if some of the requirements are met.

Allocate 0 marks where requirements are not met at all.

**QUESTION 6**

**(LO2 AS8)**

**6.1 Introduction:**

- The following factors must be carefully considered because they contribute to the success or failure of the business enterprise. ✓
- There are many legal procedures and requirements that these friends must comply with when forming a public company. ✓
- The correct division of profits create more income and is important for the success of the business. ✓
- Any relevant introduction related to forms of ownership.

**(any 3 x 1) (3)**

**6.2 Advice on factors that must be considered.**

**6.2.1 Capacity: ✓✓**

- The capacity of the company refers to the size of the business operation. ✓✓
- Should the company be involved in manufacturing or a production process then they will require a large amount of capital. ✓✓
- Any relevant answer related to capacity.

**Success:**

- The company acquires a large amount of capital to start up the company. ✓✓
- Further capital may also be required in the future to finance expansion. ✓✓
- Requires a stable cash flow to fund the operations of the company such as payment of wages and salaries, pay creditors and other expenses. ✓✓
- Company that is well managed will lead to future growth. ✓✓
- When BBBEE compliant, the company will have easier access to capital on the JSE. ✓✓
- Any relevant answer related to the success factors on capacity.

**Failure:**

- The formation of a public company will definitely mean a large business operation in the manufacturing/production industry. ✓✓
- This capacity requires sufficient cash flow and should this not be available then this will lead to the failure of the company. ✓✓
- Any relevant answer related to failure factors on capacity.

<b>Heading</b>			<b>2</b>
<b>Explanation</b>	<b>any</b>	<b>2 x 2</b>	<b>4</b>
<b>Success</b>	<b>any</b>	<b>1 x 2</b>	<b>2</b>
<b>Failure</b>	<b>any</b>	<b>1 x 2</b>	<b>2</b>
<b>Total</b>			<b>10</b>
<b>Max.</b>			<b>8</b>

**6.2.2**

**Legislation:** √√

- A public company must be registered in terms of the Companies Act No. 61 of 1973. √√
- The public company becomes a legal person when it is registered. √√
- The shareholders have limited liability as per legislation. √√
- The company is sued and the shareholders do not run the risk of losing their personal possessions. √√
- Any relevant answer related to legislation.

**Success:**

- The limited liability of a public company allows the directors of a public company to take calculated risks as this will not have any direct legal implications for them. √√
- The ability to take risk also allows the company to show growth. √√
- Any relevant answer related to success factors on legislation.

**Failure:**

- The lengthy establishment procedures laid down by the Companies Act may lead to the failure of the company. √√
- The subsequent legal requirements such as the auditing and publication of audited financial statements may lead to the failure of the company. √√
- Companies may find it difficult to meet the above requirements. √√
- Any other relevant answer related to failure factors on legislation.

<b>Heading</b>			<b>2</b>
<b>Explanation</b>	<b>any</b>	<b>2 x 2</b>	<b>4</b>
<b>Success</b>	<b>any</b>	<b>1 x 2</b>	<b>2</b>
<b>Failure</b>	<b>any</b>	<b>1 x 2</b>	<b>2</b>
<b>Total</b>			<b>10</b>
	<b>Max.</b>		<b>8</b>

**6.2.3**

**Capital:** √√

- The size of the business and the type of product manufactured will determine the amount of capital required. √√
- Companies can raise extremely large amounts of capital in terms of the legislation as per authorised share capital. √√
- Companies raise capital by selling shares to the public. √√
- Any relevant answer related to capital.

**Success:**

- The public company sells shares to the public. √√
- The company has a large number of shareholders who contribute to a larger share capital. √√
- The smallest investor is also given an opportunity to buy shares in a public company. √√
- Any relevant answer related to success factors on capital.

**Failure:**

- Poor financial results of the company may lead to shareholders selling their shares in the company. √√
- Poor control by the board of directors over the share capital may also lead to the failure of the company. √√
- Any relevant answer related to failure factors on capital.

<b>Heading</b>			<b>2</b>
<b>Explanation</b>	<b>any</b>	<b>2 x 2</b>	<b>4</b>
<b>Success</b>	<b>any</b>	<b>1 x 2</b>	<b>2</b>
<b>Failure</b>	<b>any</b>	<b>1 x 2</b>	<b>2</b>
<b>Total</b>			<b>10</b>
	<b>Max</b>		<b>8</b>

**6.2.4 Taxation:** √√

- The public company is responsible for paying tax on profits. √√
- The company is taxed at a fixed rate as determined by the Minister of Finance for that particular tax year. √√
- Any relevant answer related to taxation.

**Success:**

- Companies have more opportunities to reduce the tax liability. √√
- This can be achieved through allowances etc. which can be claimed as company expenses and thus reduce the final tax to be paid on company profits. √√
- Any relevant answer related to success factors on taxation.

**Failure:**

- The high tax rate on profits of companies may lead to companies closing down. √√
- Companies pay tax at a fixed rate as a legal entity and should they not be able to pay income tax on profits then this may lead to the failure of the company. √√
- Companies may experience cash flow problems when paying provisional tax and this may lead to failure of the company. √√
- Any relevant answer related to failure factors on taxation.

<b>Heading</b>			<b>2</b>
<b>Explanation</b>	<b>any</b>	<b>2 x 2</b>	<b>4</b>
<b>Success</b>	<b>any</b>	<b>1 x 2</b>	<b>2</b>
<b>Failure</b>	<b>any</b>	<b>1 x 2</b>	<b>2</b>
<b>Total</b>			<b>10</b>
	<b>Max</b>		<b>8</b>

**6.2.5 Division of profits:** √√

- Shareholders share in the profits of a company. √√
- They receive profits in the form of dividends. √√
- Dividends are declared as cents per share. √√
- They may receive interim dividend cheques. √√
- Final dividends are declared on the profits of a company at the end of the financial year. (or as determined by company policy) √√
- Dividend cheques/electronic payments for final dividends are sent to shareholders in the new financial year. √√
- Any relevant answer related to division of profits.



**Success:**

- The high profits and good returns to shareholders indicate the success of the company. √√
- The value of the shares increases as there is growth in the company. √√
- Any relevant answer related to success factors on division of profits.

**Failure:**

- Low profits or losses sustained by the company leads to failure of the company. √√
- Low dividend returns to shareholders may result in shareholders selling their shares in the company and this may lead to failure. √√
- Any relevant answer related to failure factors on division of profits.

<b>Heading</b>				<b>2</b>
<b>Explanation</b>	<b>any</b>	<b>2 x 2</b>		<b>4</b>
<b>Success</b>	<b>any</b>	<b>1 x 2</b>		<b>2</b>
<b>Failure</b>	<b>any</b>	<b>1 x 2</b>		<b>2</b>
<b>Total</b>				<b>10</b>
<b>Max</b>				<b>8</b>

**6.2.6 Management:** √√

- The management of a company lies in the hands of the board of directors.
- The board of directors are elected by shareholders. √√
- There must be a minimum of two directors elected as per Companies Act. √√
- Any relevant answer related to management.

**Success:**

- The management is in the capable hands of the board of directors who will ensure success for the company. √√
- The directors are paid directors fees who will drive the company to success. √√
- Any relevant answer related to success factors on management.

**Failure:**

- Poor management by the board of directors will lead to failure. √√
- Directors not acting in terms of their appointment to the company may lead the company to failure. √√
- Any relevant answer related to failure factors on management.

<b>Heading</b>				<b>2</b>
<b>Explanation</b>	<b>any</b>	<b>2 x 2</b>		<b>4</b>
<b>Success</b>	<b>any</b>	<b>1 x 2</b>		<b>2</b>
<b>Failure</b>	<b>any</b>	<b>1 x 2</b>		<b>2</b>
<b>Total</b>				<b>10</b>
	<b>Max</b>			<b>8</b>
<b>Subtotal:</b>	<b>(any 4 x 8)</b>			<b>(32)</b>

**NOTE: IF A LEARNER DISCUSSES THE FACTORS: LIABILITY AND/OR CONTINUITY - MARK ACCORDING TO THE FACTORS ABOVE.**

### 6.3 Recommendation

#### Option 1

**They should remain in a partnership.** √√ (2)

#### Motivation

##### Advantages/Benefits of a Partnership.

- Joint decision making leads to better results. √√
- Allows for sharing of responsibilities and work load amongst partners. √√
- Can have more capital than a sole proprietor. √√
- Don't have to comply with any form of auditing requirements. (as per legislation) √√
- Allows for specialization amongst partners. √√
- Jointly the partners increase their credit worthiness. √√
- Any other relevant answer related to the advantages/benefits of a partnership. (Any 2 x 2) (4)

(6)

OR

##### Disadvantages of a Public Company:

- Expensive to establish. √√
- The business must follow many legal procedures. √√
- Expensive requirements according to the Companies Act e.g. costly annual audits and high registration fees. √√
- Any other answer relevant to the disadvantages of a Public Company. (Any 2 x 2) (4)

(Any 2 x 2) (4)

**NOTE: CONSIDER THAT THEY DO NOT MEET MINIMUM REQUIREMENTS FOR A PUBLIC COMPANY.**

(6)

#### Option 2

**They should establish a public company.** √√ (2)

#### Motivation

##### Advantages/Benefits of a Public Company.

- Limited liability of shareholders. √√
- Raises a large amount of capital. √√
- Unlimited continuity of the business operation. √√
- Management in the capable hands of the Board of Directors. √√
- Must meet the legal requirements in terms of the Companies Act in respect of the accounting records, auditing and publication of financial records. √√
- Any other relevant answer related to the advantages/benefits of a public company. (Any 2 x 2) (4)

(Any 2 x 2) (4)

(6)

OR

**Disadvantages of a Partnership**

- Unlimited liability. ✓✓
  - Partners are jointly and severally liable for the debts of the business. ✓✓
  - Partner binds his co-partners by his actions. ✓✓
  - Capital is limited to the amount contributed by partners. ✓✓
  - Any other relevant answer related to the disadvantages of a partnership.
- (Any 2 x 2) (4)  
(6)**

**NOTE: CONSIDER THAT THEY SHOULD INCREASE MEMBERS TO MINIMUM 7 OR MEET REQUIREMENTS OF ACT.**

**6.4 Conclusion**

- To start a public company involves legal matters that must be complied with. ✓✓
  - When managing capacity, legislation, capital, taxation and profits well, the company can be successful. ✓✓
  - Any other relevant conclusion related to the forms of ownership.
- (Any 1 x 2) (2)**

**Breakdown of mark allocation**

Details	Maximum	Reduced to	Subtotal	Total
Introduction			3	<b>Max 32</b>
<b>MARK ONLY THE FIRST FOUR FACTORS (IN ANY ORDER)</b>		<b>27</b>	<b>27</b>	
Capacity	8			
Legislation	8			
Capital	8			
Taxation	8			
Division of Profits	8			
Management	8			
Recommendation	6			
Conclusion			2	
<b>INSIGHT</b>				
Layout				<b>2</b>
Analysis, interpretation				<b>2</b>
Synthesis				<b>2</b>
Originality, examples				<b>2</b>
<b>TOTAL MARKS</b>				<b>40</b>

LASO – For each component

- Allocate 2 marks if all requirements are met.
- Allocate 1 mark only if some of the requirements are met.
- Allocate 0 marks where requirements are not met at all.

**QUESTION 7****LO3 AS 10****7.1 Introduction:**

- Employers should promote the well-being of their employees through the provision of suitable working conditions in the workplace. ✓
- Employees are usually more productive if employers offer some incentives. ✓
- Employers should cater for other needs of its staff like offering help to employees who have personal problems or are stressed. ✓
- Promoting the well-being of employees will assist in retaining a stable workforce. ✓
- Any other relevant introduction related to the well-being of employees.

**(any 3 x 1) (3)****7.2 Critique of the statement**

- **Agree** ✓✓

**Motivation**

- Employees are motivated. ✓✓
- Lower staff turnover. ✓✓
- Less absenteeism. ✓✓
- Continuity in business operations. ✓✓
- Any other relevant answer related to the agreement.

**(2)**

- **Disagree** ✓✓

**Motivation**

- The well being of the employee is his/her own responsibility. ✓✓
- The employee offer him/herself as a healthy person. ✓✓
- Unemployment rate in South Africa is high therefore many people would love to have the opportunity to work. ✓✓
- Any other relevant answer related to the disagreement.

**Agree/disagree 2  
Motivation 2****7.3 7.3.1 Motivation of employees** ✓✓

- Reward employees for job well done. ✓✓
- Promotion of employees from within the organisation. ✓✓
- Giving employee allowances e.g. housing, subsidies and transport. ✓✓
- Providing staff with a healthy working environment. ✓✓
- Any other relevant answer related to motivation of employees.

**(any 4 x 2) (8)**

**7.3.2 Staff development programs** ✓✓

- Sending staff for courses. ✓✓
- Getting professionals to coach staff on job related matters. ✓✓
- Mentoring of employees by experts (experienced staff). ✓✓
- Development of staff skills through on the job training. ✓✓
- Contributing funds for skills development. ✓✓
- Redesigning of tasks. ✓✓
- Any other relevant answer related to staff development programmes. (any 4 x 2) (8)

**7.3.3 Stress reduction programs** ✓✓

- Staff empowerment by the business enterprise. ✓✓
- Keep communication channel open. ✓✓
- Offer employees recreation facilities e.g. gymnasium. ✓✓
- Encourage employees to lead a healthy lifestyle and care. ✓✓
- Giving staff less complex work to do. ✓✓
- Any other relevant answer related to stress reduction management. (any 4 x 2) (8)

**7.3.4 Team building exercises** ✓✓

- Brings unity amongst staff. ✓✓
- Enhances staff to tolerate each other. ✓✓
- Staff benefits by sharing experience/knowledge. ✓✓
- Working as a team will lead to increased productivity and profitability. ✓✓
- Any other relevant answer related to team building. (any 4 x 2) (8)

**7.3.5 Resolving personal problems/rehabilitation of employees** ✓✓

- Giving staff with personal problems leave to sort out their problems. ✓✓
- Helping staff to prevent alcoholism and drug abuse. ✓✓
- Encourage staff to talk about their problems. ✓✓
- Help staff to stop smoking. ✓✓
- Help staff to manage stress. ✓✓
- Any other relevant answer related to problem solving of staff members. (any 4 x 2) (8)

**7.3.6 Coaching and mentoring** √√

- Senior staff members assist and coach newly appointed employees on extraordinary matters in the workplace. √√
- Helping newly appointed employees to reach their full potential. √√
- A senior employee(mentor) who advise and guide a junior employee over a period of time. √√
- Any other relevant answer related to coaching and mentoring.

**(any 4 x 2) (8)****7.3.7 Performance appraisal** √√

- To give feedback on the performance of employees. √√
- It can improve the performance of all the employees. √√
- Management receive useful information to improve the performance of the business as a whole. √√
- It can motivate all the employees in the workplace. √√
- Any other related answer to performance appraisal.

**(any 4 x 2) (8)****7.3.8 Rewards and incentives** √√

- To improve the employee's performance in the short term. √√
- Can be in the form of bonuses, holidays or office parties. √√
- Can be implemented effectively when predetermined targets are reached. √√
- Can be used to increase the output of the factory. √√
- Any other relevant answer related to rewards and incentives.

**(any 4 x 2) (8)****7.3.9 Training programs** √√

- Off-the-job training usually takes place during working hours but away from the workplace. √√
- On-the-job training involves training in the workplace. √√
- On-the-job training is usually informal. √√
- Of-the-job training can be advantageous because employees focus on learning and they obtain new skills. √√
- Any other relevant answer related to training programs.

**(any 4 x 2) (8)**

**7.3.10 Counselling** √√

- To guide and direct the employees in the workplace. √√
- Counselling will help employees to work towards a goal. √√
- Counsellors can assist employees to determine where their knowledge and skills can be put to best use in the workplace. √√
- Any other relevant answer related to counselling.

**(any 4 x 2) (8)****7.4 Conclusion**

- From the above discussion it is clear that well-being of employees should come first before profit making. √√
- Taking care of employees needs is not a favour but a right because employees have rights which is backed up by policies/legislations. √√
- Taking care of the workforce will be less costly than having a high labour turn- over. √√
- Any other relevant conclusion related to the well-being of employees.

**(any 1 x 2) (2)****Breakdown of mark allocation**

Details	Maximum	Reduced to	Subtotal	Total
Introduction			3	<b>Max 32</b>
Critique of statement	4	<b>27</b>	<b>27</b>	
<b>MARK FIRST FIVE (IN ANY ORDER)</b>				
Motivation of employees	8			
Staff development programs	8			
Stress reduction programs	8			
Team building exercises	8			
Resolving personal problems of employees	8			
Coaching and mentoring	8			
Performance appraisal	8			
Rewards and incentives	8			
Training programs	8			
Counselling	8			
Conclusion				
<b>INSIGHT</b>				
Layout				2
Analysis, interpretation				2
Synthesis				2
Originality, examples				2
<b>TOTAL MARKS</b>				<b>40</b>

LASO – For each component

Allocate 2 marks if all requirements are met.

Allocate 1 mark only if some of the requirements are met.

Allocate 0 marks where requirements are not met at all.

**QUESTION 8****LO4 AS5****8.1 Introduction**

- Trade Unions are established by employees with the aim of regulating conflict in the workplace. ✓
- Workers have more power when they stand together. ✓
- Workers use trade unions as a tool for collective bargaining and negotiating better working conditions. ✓
- Any other relevant introduction related to trade unions. **(any 3 x 1) (3)**

**8.2 Role of Trade Unions**

- Monitor the fair treatment of workers at the workplace. ✓✓
- Improve social security of workers. ✓✓
- Resolve employee grievances and disputes. ✓✓
- Negotiate for better working conditions and terms of employment. ✓✓
- Exercise greater control over the management of working relationships. ✓✓
- Prevent the retrenchment of workers. ✓✓
- Be party to the decision making process. ✓✓
- Ensure that workers share in the profits of the business in the form of salary increases and bonuses etc. ✓✓
- Strengthening union power by increasing membership. ✓✓
- Any other relevant answer related to the Role of Trade Unions. **(Any 5 x 2) (10)**  
**Max 10**

**8.3 Functions of Trade Unions**

- Ensure that there is gender equity in the workforce. ✓✓
- Participate in collective bargaining processes. ✓✓
- Negotiate for better working conditions ✓✓ e.g. fair salaries, wages and benefits **OR**  
Ensure that members are part of a pension or provident fund **OR**  
Membership of medical aids for employees and contributions from employers.
- Negotiate with Government and other stakeholders to ensure the best possible deal for workers. ✓✓
- Ensure protection of members rights in the workplace. ✓✓
- Any other relevant answer related to the functions of Trade unions. **(Any 5 x 2) (10)**  
**Max 10**

- NOTE:**
1. **IF THE ROLES AND FUNCTIONS ARE DISCUSSED TOGETHER, ALLOCATE A MAXIMUM OF 20 MARKS.**
  2. **ADD ADDITIONAL (4 X 2) (8) MARKS IF THE ROLE OF TRADE UNIONS IN THE 2010 WORLD CUP IS INCLUDED HERE.**
  3. **ALLOCATE A MAXIMUM OF 6 MARKS WHEN DIFFERENT EXAMPLES ARE GIVEN ONLY.**



**8.4 How Trade Unions should handle grievance procedures**

- The aggrieved employee must first bring his/her problem to the attention of his/her supervisor who must try to resolve the issue. √√
- Should the employee not be satisfied with the resolution then he/she may address the problem with the next level of management in consultation with his/her Trade Union. √√
- The employee must complete a Formal Grievance Form for submission to management and the Trade Union. √√
- The management must arrange a meeting with the employee, the trade union and itself to resolve the grievance. √√
- This meeting must be attended by the employee, his/her supervisor, the trade union representative and management. √√
- Minutes of the meeting must be recorded and any resolutions passed must be recorded on the formal grievance form. √√
- Should the employee not be satisfied then he/she should refer the matter to the highest level of management. √√
- Top management meeting arranged with all parties concerned. √√
- Minutes of the meeting must be filed and decisions recorded on the formal Grievance Form. √√
- Should the employee be not satisfied, he/she may refer the matter to the CCMA who will make a final decision on the matter. √√
- Any other relevant grievance procedure.

**(Any 5 x 2) (10)**  
**Max 10**

**8.5 Role that trade unions have played in the 2010 Soccer World Cup.**

- Strikes on construction sites e.g. SAWU had to play a role in agreement on labour issues. √√
- Objected to the use of contract labour √√
- Objected to the use of overseas specialists, reducing job opportunities locally. √√
- Protested against imported products which reduced the demand for local products. √√
- Any other relevant answer related to the role that trade unions played in the Soccer World Cup.

**(any 4 x 2) (8)**

**8.6 Whether management should be included as members of trade unions.**

**Yes** √√ **(2)**

- Management will then have dual roles. √√
- Know more about labour issues/developments. √√
- Managers are not always owners. √√
- Members of management act on behalf of employers as well. √√
- Any other relevant answer related to whether management should be included as members of trade unions.

**(any 1 x 2)**

**(4)**

- No** ✓✓ (2)
- South African Law is not clear on management. ✓✓
  - Conflict of interest. ✓✓
- (any 1 x 2)  
(4)

**Yes or No without motivation award zero marks.**

**8.7 Conclusion**

- Trade Unions play an effective role in the well being of employees. ✓✓
- Membership of a trade union is vital for all employees in order to be protected in terms of human rights, inclusivity, and fair labour practice. ✓✓
- Any other relevant conclusion related to trade unions. (any 1 x 2) (2)

**Breakdown of mark allocation**

Details	Maximum	Reduced to	Subtotal	Total
Introduction			3	<b>Max 32</b>
Roles of Trade Unions	10	<b>27</b>	<b>27</b>	
Functions of Trade Unions	10			
How Trade Unions handle Grievance Procedures	10			
Role that trade unions have played in the 2010 Soccer World cup	8			
Whether management should be included as members of trade unions.	4			
Conclusion			2	
<b>INSIGHT</b>				
Layout				2
Analysis, interpretation				2
Synthesis				2
Originality, examples				2
<b>TOTAL MARKS</b>				<b>40</b>

LASO – For each component

Allocate 2 marks if all requirements are met.

Allocate 1 mark only if some of the requirements are met.

Allocate 0 marks where requirements are not met t all.

**TOTAL SECTION C: 80**  
**GRAND TOTAL: 300**



# basic education

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Department:  
Basic Education  
**REPUBLIC OF SOUTH AFRICA**

## **NATIONAL SENIOR CERTIFICATE**

**GRADE 12**

**BUSINESS STUDIES**

**NOVEMBER 2010**

**MARKS: 300**

**TIME: 3 hours**

**This question paper consists of 11 pages.**

**INSTRUCTIONS AND INFORMATION**

Read the following instructions carefully before answering the questions.

1. This question paper consists of **THREE** sections and covers all learning outcomes.

**SECTION A: COMPULSORY**

**SECTION B:** Consists of **THREE COMPULSORY** questions.

**SECTION C:** Consists of **FOUR** questions.

Answer any **TWO** of the four questions from this section.

2. Number the answers correctly according to the numbering system used in this question paper.
3. Except where other instructions are given, answers must be in full sentences.
4. Use the mark allocation and nature of each question to determine the length and depth of an answer.
5. Use the table below as a guide for mark and time allocation when answering each question.

<b>SECTION</b>	<b>QUESTION</b>	<b>MARKS</b>	<b>TIME</b>
<b>A: Multiple-choice Questions, Words in Brackets, Matching Items COMPULSORY</b>	<b>1</b>	<b>40</b>	<b>30 min.</b>
<b>B: THREE direct questions COMPULSORY</b>	<b>2</b>	<b>60</b>	<b>30 min.</b>
	<b>3</b>	<b>60</b>	<b>30 min.</b>
	<b>4</b>	<b>60</b>	<b>30 min.</b>
<b>C: Essay questions Answer any TWO of the four questions.</b>	<b>5</b>	<b>40</b>	<b>30 min.</b>
	<b>6</b>	<b>40</b>	<b>30 min.</b>
	<b>7</b>	<b>40</b>	<b>30 min.</b>
	<b>8</b>	<b>40</b>	<b>30 min.</b>
<b>TOTAL</b>		<b>300</b>	<b>180 min.</b>

6. The answer to **EACH** question must begin on a **NEW** page, for example: **QUESTION 1** – new page, **QUESTION 2** – new page, et cetera.
7. Calculators may be used.
8. Write neatly and legibly.

**SECTION A (COMPULSORY)****QUESTION 1**

- 1.1 Four options are provided as possible answers to the following questions. Choose the answer and write only the letter (A – D) next to the question number (1.1.1 – 1.1.10) in the ANSWER BOOK, for example 1.1.11 B.
- 1.1.1 Which ONE of the following best describes *self-management*?
- A Setting goals, identifying careers and time management
  - B Influencing international trends, for example exchange rates
  - C Control of suppliers
  - D Global competitiveness
- 1.1.2 The portion of the insurance claim that the insured will have to pay:
- A Premium
  - B Excess
  - C Indemnity
  - D Life insurance
- 1.1.3 Which ONE of the following would you regard as an ethical business practice?
- A Price fixing between cellphone service providers
  - B Competitors working together to fix government tenders
  - C Commercial banks fixing bank charges
  - D Charging the same price for goods in urban and rural areas
- 1.1.4 The Chief Executive Officer (CEO) of Tongaat Hulett's Sugar Limited wants to consult with all stakeholders to achieve specific production targets. This is known as the ... management style.
- A autocratic
  - B laissez-faire
  - C democratic
  - D charismatic
- 1.1.5 Which ONE of the following will most likely be included in the salary advice?
- A Housing allowance
  - B Rates on private property
  - C Electricity account
  - D Bank service charges

1.1.6 Thabiso Ltd is experiencing financial problems. The company is selling some of its assets to pay creditors. This strategy is known as ...

- A diversification.
- B retrenchment.
- C liquidation.
- D divestiture.

1.1.7 Describes requirements such as skills, knowledge, qualifications and experience for a particular job:

- A Job title
- B Human relations
- C Job specification
- D Personnel function

1.1.8 The monitoring of best business practice includes economical, environmental and social issues. This is largely due to ...

- A SWOT analysis.
- B King's Code
- C general management.
- D problem-solving techniques.

1.1.9 Prevents unfair discrimination against employees in the workplace:

- A Employment Equity Act, 1998 (Act 55 of 1998)
- B Skills Development Act, 1998 (Act 97 of 1998)
- C Basic Conditions of Employment Act, 1997 (Act 75 of 1997)
- D Broad-Based Black Economic Empowerment Act, 2005 (Act 53 of 2003)

1.1.10 Patricia won R50 000 in the Lotto draw. She invested the money in a fixed deposit account for two years, earning an interest rate of 14% p.a. compounded annually. The maturity value of her investment is ...

- A R46 270,73.
- B R85 000.
- C R64 980.
- D R35 000.

(10 x 2) (20)

- 1.2 Choose the correct word(s) from those given in brackets. Write only the word(s) next to the question number (1.2.1 – 1.2.5) in the ANSWER BOOK.
- 1.2.1 The (force-field analysis/Delphi technique) is a problem-solving method which obtains the opinions of experts on problematic issues without necessarily bringing them face to face.
  - 1.2.2 An increase in interest rates by the Reserve Bank is an example of a (macro-/market-) environment challenge for a business.
  - 1.2.3 (Discrimination/Sustainability) is one of the factors that contributes to the success of the business enterprise.
  - 1.2.4 (Offshore/Short-term) investments refer specifically to international financial business opportunities.
  - 1.2.5 A measure used to identify, eliminate and prevent deviations from set standards in the manufacturing of a product refers to (stock control/quality control). (5 x 2) (10)
- 1.3 Choose a description from COLUMN B that matches a term in COLUMN A. Write only the letter (A – G) next to the question number (1.3.1 – 1.3.5) in the ANSWER BOOK, for example 1.3.6 H.

COLUMN A	COLUMN B
1.3.1 Piracy	A promotion of employees from within the company
1.3.2 Internal recruitment	B settlement of a labour dispute by an independent person
1.3.3 Founding statement	C stated in the memorandum of association of a public company
1.3.4 Forward vertical integration	D to make copies of licensed/copyright DVDs without permission and to sell them as original copies
1.3.5 Arbitration	E lower prices are charged in order to establish the product in the market
	F states the main business activity of a close corporation
	G BMW as manufacturer takes over the retail sales of BMW cars

(5 x 2) (10)

**TOTAL SECTION A: 40**

**SECTION B (COMPULSORY)****QUESTION 2**

- 2.1 Using Porter's model, name the FIVE forces that should be used to analyse the market environment. (10)
- 2.2 Corporate social investment has benefits (advantages) as well as challenges (disadvantages) for corporate businesses.
- 2.2.1 Name TWO benefits of corporate social investment for a business. (4)
- 2.2.2 Name TWO challenges of corporate social investment for a business. (4)
- 2.3 Describe FIVE functions/services of the Johannesburg Securities Exchange. (10)
- 2.4 Read the scenario below and answer the question that follows.

**MY FIRST WHEELS**

Suvarshni Naicker completed her studies at the University of KwaZulu-Natal and wanted to buy a new Toyota Yaris valued at R180 000.

She applied for credit and after two days received an SMS from the sales person with the following message:

'CREDIT APPLICATION UNSUCCESSFUL.'

She was very disappointed.

- Explain Suvarshni's rights regarding her rejected credit application and the manner in which she was informed. (6)
- 2.5 How does the National Skills Development Strategy (NSDS) deal with the shortage of skills in the labour market? Motivate your answer. (8)



2.6 Read the case study below and answer the questions that follows.

**HILTON RANCH DIVERSIFIES**

Hilton Ranch is a cattle farm near Vryburg in North West. Hilton Ranch recently opened the Fresh Meat butchery, which is also situated in Vryburg.

The butchery is very popular for its delicious homemade biltong and sausages.

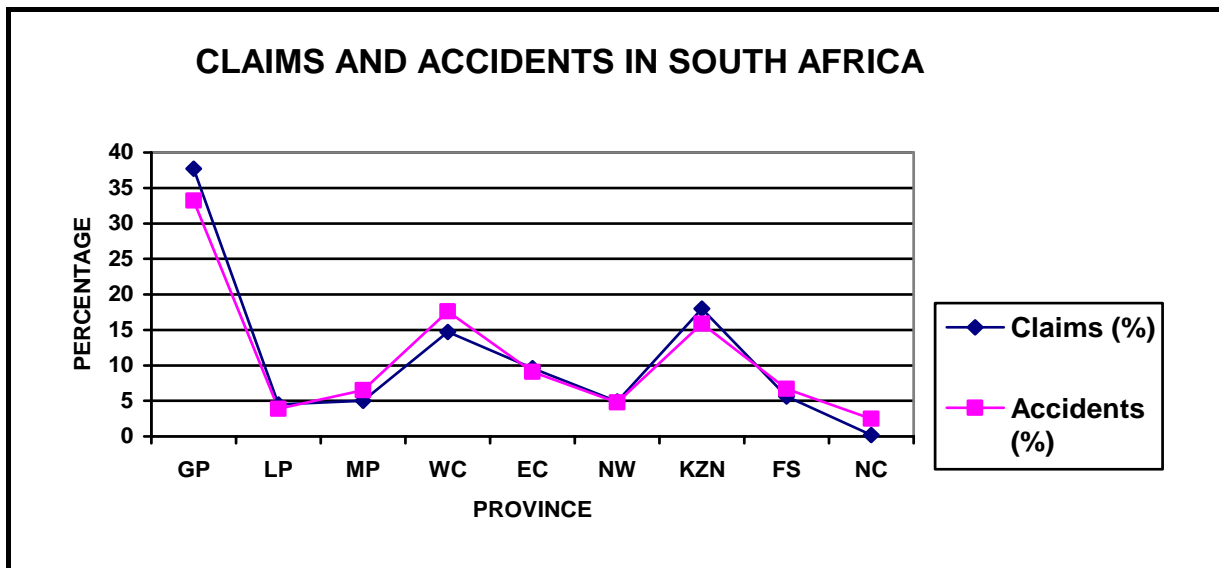
Ringo Ltd. manufactures a wide range of veterinary products for use on Hilton Ranch, as well as on other cattle farms across the country.

- 2.6.1 Identify the sectors which the various business enterprises mentioned above belong to. Motivate your answer. (9)
- 2.6.2 Discuss the extent to which Hilton Ranch can control the micro business environment of the three sectors identified in QUESTION 2.6.1. (9)
- [60]**

**QUESTION 3**

- 3.1 The following questions are based on the Unemployment Insurance Fund (UIF).
- 3.1.1 Define the nature of the fund. (2)
- 3.1.2 Describe how it is funded. (4)
- 3.1.3 List THREE benefits of the fund for employees. (6)
- 3.1.4 Does the UIF benefit the employer? Motivate your answer. (4)
- 3.2 Discuss how businesses in South Africa can contribute to human rights, inclusivity and environmental issues in the workplace. (18)
- 3.3 The property of Turbo Distillers has a current market value of R300 million. The warehouse was partly damaged by fire. Damages were assessed at R60 million. The insurance company is not prepared to pay the full amount of the claim because Turbo Distillers insured the property for only R200 million.
- 3.3.1 Which principle of insurance is applicable to the above claim? (2)
- 3.3.2 Calculate the compensation that Turbo Distillers will receive from the insurance company. Show ALL the calculations. (6)
- 3.4 State THREE provisions of the Road Accident Fund (RAF). (6)

3.5 The graph below illustrates the distribution of claims and accidents according to provinces in South Africa. Study the information and answer the questions that follow.



[Adapted from: *Road Traffic Collisions, 2009*, Statistics South Africa]

- 3.5.1 Identify the type of graph used in the above illustration. (2)
  - 3.5.2 Which province has the highest accident rate in the country? (2)
  - 3.5.3 Write a report stating possible reasons for the high accident rate in the province identified in QUESTION 3.5.2. (6)
  - 3.5.4 Which province has the lowest number of claims against the Road Accident Fund (RAF)? (2)
- [60]**

**QUESTION 4**

- 4.1 The manager of the Human Resources Department requests you to conduct an interview for the position of secretary to the Chief Executive Officer (CEO).  
List THREE important aspects to consider when preparing for the interview. (6)
- 4.2 Describe FOUR characteristics of a successful team. (8)
- 4.3 Name FIVE ways in which the general management function can influence the success of a business enterprise. (10)

4.4 Read the case study below and answer the questions that follow.

**CONFLICT IN THE WORKPLACE**

Peter is the marketing manager of Bush Lodge in King Williams Town. He employs three workers, Vusi, Jane and Busi. He dislikes Vusi and treats him differently from the two female employees.

He requires Vusi to work on weekends and to work overtime without payment, but he pays the other two workers for weekends and overtime worked.

Vusi is considering quitting his job if he is not transferred to another department.

- 4.4.1 State the main causes of the conflict in the above case study. (4)
- 4.4.2 Name THREE other causes (NOT from the case study) of conflict in the workplace. (6)
- 4.4.3 Give Vusi advice on the different ways in which he can overcome his dissatisfaction as an employee at Bush Lodge. (2)
- 4.5 Explain FOUR issues/factors that influence an individual's career path. (12)
- 4.6 With reference to the Basic Conditions of Employment Act, 1997 (Act 75 of 1997) (BCEA), answer the following questions:
- 4.6.1 What is the maximum number of days allowed for family responsibility leave? (2)
- 4.6.2 Outline any THREE minimum conditions of employment according to the above Act. (6)
- 4.6.3 Does the above Act make provision for domestic workers? Motivate your answer. (4)

**[60]**

**TOTAL SECTION B: 180**

**SECTION C**

Answer ANY TWO questions.

**NOTE:** Write down the QUESTION NUMBER only. The answer to EACH QUESTION must begin on a NEW PAGE, for example QUESTION 5 on a NEW page, QUESTION 6 on a new page, et cetera.

**QUESTION 5****MAKHAYA TALI'S WINERY**

Makhaya Tali started his winery business on a small farm he inherited from his late father. It is situated outside the town of Franschhoek in the Cape Winelands. He wants to use improved farming techniques and marketing methods to increase the farm's income.

His business is facing the following challenges:

1. He applied for a loan of R1 million to buy multipurpose equipment. This will replace some of the old vineyard and cellar equipment and enable him to produce wines of the highest international quality, as well as grape juice.
2. He will utilise some of these funds to open a wine shop on the farm. The wine shop will buy local, handcrafted packaging material.
3. Due to an increase in interest rates by the South African Reserve Bank, he has to pay higher interest.
4. Employees are demanding higher wages and salaries, which will result in a decline in the business profits.
5. Competitors in the vicinity are selling similar types of wine.
6. He is unable to advertise his wine beyond the borders of the province.
7. The recession/slowdown in the economy has affected most of the countries worldwide.
8. There has been a steady increase in the cost of fuel.

As a business consultant for Makhaya Tali's winery, identify the business's challenges, devise strategies to overcome the challenges and determine the environment in which the challenges exist. Advise Makhaya Tali on how to evaluate the effectiveness of the strategies.

**[40]**

**QUESTION 6****KARMELBU AND PARTNERS**

Three friends, Jabulani, Melissa and Karen, are running a well-established partnership business in Soweto.

They manufacture, supply and install kitchen cupboards directly to the public. Their turnover is R30 million per year and they make a net profit of R9 million per year.

They have been in business for the past ten years. They are BBBEE compliant.

The partners want to change from a partnership to a public company. Advise them on any FOUR factors that may affect both the success and the failure of the new form of ownership. Recommend whether they should change to the new form of ownership. Motivate your answer.

**[40]****QUESTION 7**

Business practices in South Africa demand that business enterprises should not only concentrate on making profits, but also consider the well-being of employees.

Briefly explain whether you agree with the above statement and then discuss any FIVE ways in which business enterprises can improve the well-being of their employees.

**[40]****QUESTION 8**

Trade unions in South Africa play an important role in influencing the labour market and industrial relations policies for employees.

Discuss the role and functions of trade unions, as well as how they should handle grievance procedures. Include in your answer the role that trade unions played in the 2010 Soccer World Cup and state whether managers should be included as members of trade unions.

**[40]**

**TOTAL SECTION C: 80**  
**GRAND TOTAL: 300**