



basic education

Department:
Basic Education
REPUBLIC OF SOUTH AFRICA

NATIONAL SENIOR CERTIFICATE

GRADE 12

BUSINESS STUDIES

NOVEMBER 2012

MEMORANDUM

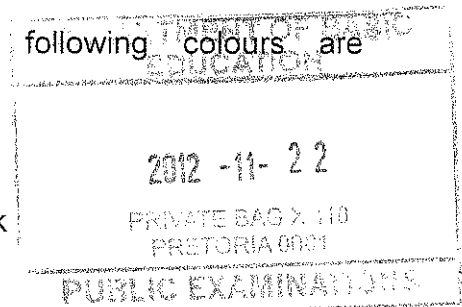
MARKS: 300

This memorandum consists of 34 pages.

NOTES TO MARKERS

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

Marker:	Red
Senior Marker:	Green
Deputy Chief and Chief Marker:	Black/Brown/Pink
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.

NOTE: There are no alternative answers to SECTION A.

5. Please 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.)
6. The word 'sub-max' is used to facilitate the allocation of marks within a question or sub-question.
7. 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 calculations.

8. **SECTION B**

- 8.1 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.

- 8.2 If two facts are written in one sentence, award the candidate FULL credit. Point 8.1 above still applies.

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



9. SECTION C

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

Introduction	Maximum: 32
Content	
Conclusion	
Insight	8
TOTAL	40

9.2 Insight consists of the following components:

Layout/Structure: (Is there an introduction, body, proper paragraphs and a conclusion?)	2
Analysis and interpretation: (Learners' ability to break down the question to show understanding of what is being asked.)	2
Synthesis: (What parts to the question would you have included in the answer? Are there decisions made from a combination of relevant points?)	2
Originality: (Examples, recency of information, current trends and developments.)	2
TOTAL FOR INSIGHT:	8
TOTAL MARKS FOR FACTS:	32
TOTAL MARKS FOR ESSAY (8 + 32)	40

- NOTE:**
- 1. No marks will be awarded for contents repeated from the introduction and conclusion.**
 - 2. The candidate forfeits marks for layout if the words INTRODUCTION and CONCLUSION are not stated.**

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

9.4 The components of insight are indicated at the end of the suggested answer for each question.

9.5 Mark all relevant facts until the MAXIMUM mark in a subsection has been attained. Write MAX after maximum marks have been obtained.

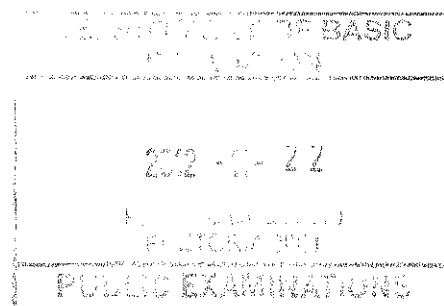
9.6 At the end of each essay indicate the allocation of marks for facts and marks for insight as follows:

(L – Layout, A – Analysis, S – Synthesis, O – Originality) as in the table below.

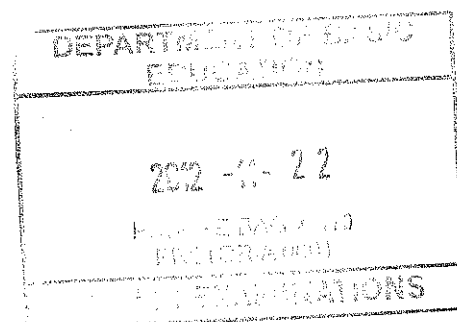
CONTENT	MARKS
Facts	32 (max.)
L	2
A	2
S	2
O	2
TOTAL	40

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

- 9.7 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.)
- 9.8 If the candidate identifies/interprets the question INCORRECTLY, then he/she may still obtain marks for insight.
- 9.9 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.
10. Take particular note of the repetition of facts. Indicate with a R.
11. Subtotals to questions must be written in the right-hand margin. Circle the subtotals as indicated in the breakdown of marks which appears at the end of each question. Only the total for each question should appear in the left-hand margin next to the appropriate question number.
12. Award TWO marks for complete sentences. Award ONE mark for phrases, incomplete sentences and vague answers.
13. Please note that with effect from 2012 (final examination) no marks will be awarded for indicating Yes (✓✓)/No (✓✓) in evaluation type questions requiring substantiation or motivation. (Applicable for Section B and C.)
14. With effect from November 2013, no marks will be allocated if the headings "Introduction, Conclusion" etc. in "Insight" is not supported by an explanation.



Handwritten initials 'MM' inside a circle, and a large handwritten '2' with a diagonal line through it.

SECTION B**QUESTION 2****2.1 LO2 AS6**

- Stand up throughout the feedback session. ✓✓
- Be polite, confident and courteous/humorous. ✓✓
- Listen and then respond. ✓✓
- Make sure that you understand the question/s before responding. ✓✓
- Must always address questions and not the person. ✓✓
- Acknowledge good questions. ✓✓
- Rephrase questions if uncertain. ✓✓
- Do not get involved in a debate. ✓✓
- Do not avoid the question, if you do not know the answer; refer the question to the audience or other employees. / Rectify if incorrect answers are given. ✓✓
- Address the whole audience and not only the person asking the question. ✓✓
- Provide feedback as soon as possible after the observed event. ✓✓
- Be direct, honest, sincere. ✓✓
- Use simple language and support what you say with an example/keep answer short and to the point. ✓✓
- Presenter must encourage questions from the audience. ✓✓
- Do not allow any one member of the audience to dominate the discussion. ✓✓
- Note/write down the questions asked to be able to respond correctly. ✓✓
- Challenges during feedback should be studied to improve future presentations. ✓✓
- Feedback can be given orally or in writing. ✓✓
- Anticipate the questions and prepare possible answers beforehand. ✓✓
- Questions should be addressed in an orderly manner. ✓✓
- Any other relevant answer related to factors to be considered when handling feedback and responding to questions.

NOTE: Mark first FIVE (5) only.**(Any 5 x 2) (10)****2.2 LO1 AS4**

- Manage the learnerships and training in each SETA/sector. ✓✓
- Ensure that skills requirements of different sectors are identified. ✓✓
- Ensure that training is of appropriate quality. ✓✓
- Responsible for Skills Programmes to improve skills of current workers. ✓✓
- Assist unemployed people to enter the job market by providing skills programmes. ✓✓
- Provide accreditation to facilitators and training providers. ✓✓
- Collect funds for various sectors. ✓✓
- Distribute funds to various SETA's. ✓✓
- To implement learnership and skills programmes/replaced the tradition of apprenticeship. ✓✓
- Develop a sector skills plan. ✓✓
- Report to relevant stakeholders such as Director General of Labour. ✓✓
- Support the development of training material. ✓✓
- Register learnership agreements. ✓✓

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- Communicate/liaise with National Skills Authority. ✓✓
- Monitor and evaluate the actual training by service providers. ✓✓
- Settle disputes between trainees and service providers/trainers. ✓✓
- Any other relevant answer related to the roles/functions of SETA's.

NOTE: Mark first FIVE (5) only.

(Any 5 x 2)

(10)

2.3

2.3.1

LO1 AS5

Secondary sector ✓✓

(2)

2.3.2

LO1 AS2

- Examine the underlying basis of business strategy. ✓✓
- Determine the standards to measure the final results against. ✓✓
- Compare expected performance with actual performance to determine deviations. (Measure business performance). ✓✓
- Determine and analyse the causes of deviations. ✓✓
- Develop appropriate action to prevent deviations in the future. ✓✓
- Take corrective action. ✓✓
- Continuous evaluation and control. ✓✓
- Any other relevant answer related to evaluation of strategies.

NOTE: 1. Accept steps in any order.**2. Mark first THREE (3) only.**

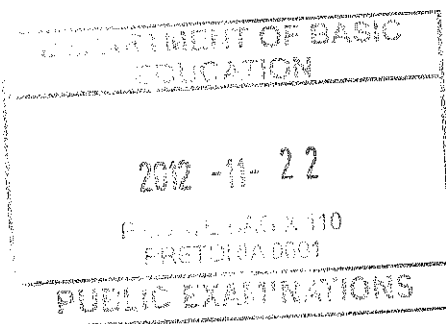
(Any 3 x 2)

(6)

2.3.3

LO1AS5

PESTLE FACTOR	CHALLENGE	STRATEGY TO OVERCOME CHALLENGE
Economic	– Unfavourable exchange rate. ✓✓ (2)	– Purchase machinery from local manufacturers ✓✓/Negotiate favourable prices with overseas/alternative suppliers. ✓✓ – Lease expensive machinery. ✓✓ – Any other relevant strategy relating to unfavourable exchange rate. (2)
	– Expensive machinery. ✓✓ (2)	– Purchase machinery from local manufacturers. ✓✓ – Buy less expensive machines. ✓✓ – Become labour intensive. ✓✓ – Use other methods for production. ✓✓ – Budget for more expensive machinery ✓✓ – Any other relevant strategy relating to expensive machinery. (2)
	- Decline in sales ✓✓ (2)	– (It must be a macro strategy) – Forming partnerships with overseas businesses ✓✓(2)



Social	<ul style="list-style-type: none"> - Demographics - target market between 18- and 28-year age range with an income of more than R130 000. ✓✓ 	<ul style="list-style-type: none"> - Review target market - cater for more groups and all income levels. ✓✓ - Revise marketing strategy. ✓✓ - Find other customers, perhaps smaller exclusive boutiques. ✓✓ - Can also export to customers overseas (must broaden his/her target market to other countries). ✓✓ - Market penetration. ✓✓ - Market development. ✓✓ - Horizontal integration. ✓✓ - Improve the quality of the products by quality assurance. ✓✓ - Engage in an advertising campaign. ✓✓ - Advertise his business in local newspaper ✓✓/national newspapers. ✓✓ - Offer specials on certain days. ✓✓ - Offer incentives on the products e.g. trade discount, quantity discounts and seasonal discount. ✓✓ - Any other relevant strategy relating to target market.
	(2)	(2)
	<ul style="list-style-type: none"> - Retrenchment / unemployment 	<ul style="list-style-type: none"> - "Buy SA products" campaign. ✓✓ - Retrain/skills development. ✓✓ - Restructure business. ✓✓
	(2)	(2)

Legislation	<ul style="list-style-type: none"> - Procedure to retrench workers. ✓✓ 	<ul style="list-style-type: none"> - Must follow the correct procedure in terms of BCEA for retrenchment. ✓✓ - Before it takes the drastic action of retrenchments, the company should explore all other possible alternatives, such as offering them alternative positions in the company. ✓✓ - If the workers have to be retrenched, the company has an ethical obligation to reduce their suffering as much as possible and to help them find alternative employment. ✓✓ - Negotiating with staff, and keeping them informed, reduces anxiety (which affected productivity and profitability). ✓✓ - Consult with workplace forum/trade union ✓✓ - Any other relevant strategy relating to retrenchment procedure.
	(2)	(2)
Legislation/ Economic	<ul style="list-style-type: none"> - Cheap Chinese imports ✓✓ 	<ul style="list-style-type: none"> - Lobby Government to look into ways of controlling the importing of cheap clothing, example import quotas or increase import duties/boycott Chinese products ✓✓ - Volume production/mass production ✓✓ - Any other relevant strategy relating to cheap imports.
	(2)	(2)

Sub max for Economic (4)
 Sub max for Social (4)
 Sub max for Legislation (4)
(Max) (12)

2.4

2.4.1

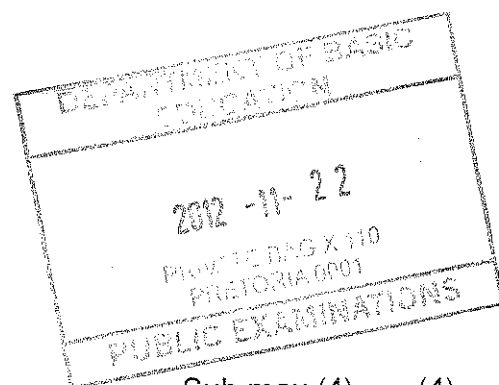
LO2AS7

$\frac{\text{Insured amount}}{\text{Market value}} \times \text{Loss/Damage} \checkmark\checkmark$

OR

$$= \frac{300\,000}{400\,000} \times 100\,000 \checkmark\checkmark$$

$$= R75\,000 \checkmark\checkmark$$



Sub max (4) (4)

NOTE: Award 4 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.

Motivation

- The duty rests with the insured to make sure that the valuation of the house is at market/replacement value. $\checkmark\checkmark$
- Siyethemba's house was under-insured and therefore cannot be compensated for the total loss incurred/average clause. $\checkmark\checkmark$
- Any other relevant answer justifying the final amount paid to the insured.

Sub max (2)

[Max] (6)

2.4.2

LO2AS7**Principle**

- The insurance company has the right to rebuild or replace. $\checkmark\checkmark$

(Sub max) (2)

Justification

- The insured cannot make a profit out of the claim. $\checkmark\checkmark$
- This is only applicable to over insurance and this case study is about under-insurance where a penalty can be levied. $\checkmark\checkmark$
- As the house was under-insured the full amount of the damages will not be paid for. $\checkmark\checkmark$
- Based on the principle of indemnification. $\checkmark\checkmark$
- Examples used that demonstrates understanding. $\checkmark\checkmark$
- Any other relevant answer for exclusion of reinstatement clause.

NOTE: Principle and justification could be integrated.

(Sub max) (2)

(Max) (4)

2.5

2.5.1

LO4 AS3

- To implement the affirmative action plan of the government. $\checkmark\checkmark$
- Businesses must create equal job opportunities for all the people in the country. $\checkmark\checkmark$
- Eliminate unfair discrimination. $\checkmark\checkmark$
- Achieve diversity in the workplace. $\checkmark\checkmark$
- Promote equal opportunities for all employees. $\checkmark\checkmark$
- Ensure equal representation of all population groups in all

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- occupational categories. ✓✓
- To draw up an equity plan. ✓✓
 - Address disadvantaged designated groups. ✓✓
 - Any other relevant answer relating to the purpose of Employment Equity Act. (Max) (2)

2.5.2 LO4 AS3

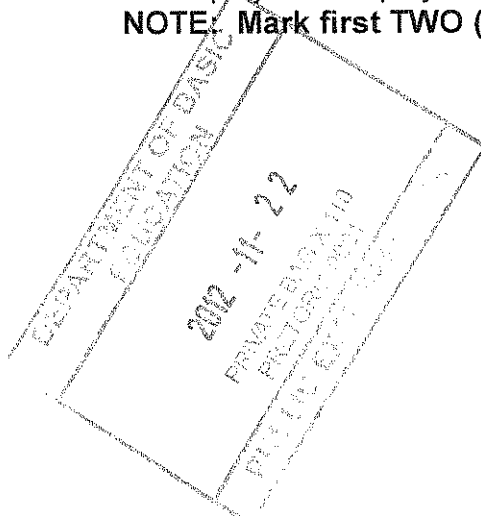
- Employers must create opportunities for previously disadvantaged people. ✓✓
- Employers are prohibited from discriminating against anyone on the basis of race, gender, age or disabilities. ✓✓
- Employers transformed their workplaces so that barriers to employment equity are eliminated. ✓✓
- It is expensive to implement this Act. ✓✓
- Low morale for some employees. ✓✓
- Businesses with more than 50 employees have to comply with the Act or face huge fines. ✓✓
- Excludes workers of certain gender/race groups. ✓✓
- Any other relevant answer related to the impact of the Employment Equity Act. (Max) (4)

2.5.3 LO4 AS3

- Transform the workplace through SETA's. ✓✓
- Employers are fined if they do not implement the provisions of the Employment Equity Act. ✓✓
- Employers must furnish regular reports to the Department of Labour on their employment equity plans. ✓✓
- Incentives/tenders are only given to companies who comply with the Act. ✓✓
- BBBEE scorecard/compliance. ✓✓
- Improve monitoring, evaluation and control. ✓✓
- Sanctions against companies who do not comply. ✓✓
- Any other relevant answer related to the government's contribution towards successful implementation of the Employment Equity Act.

NOTE: Mark first TWO (2) only.

(Any 2 x 2) (4)
[60]



BREAKDOWN OF MARKS

QUESTION 2	MARKS
2.1	10
2.2	10
2.3.1	2
2.3.2	6
2.3.3	12
2.4.1	6
2.4.2	4
2.5.1	2
2.5.2	4
2.5.3	4
TOTAL	60

QUESTION 3**3.1 LO4AS5 (Full process)**

- An employee who has a grievance must first bring it to the supervisor's attention, who must attempt to resolve the issue within one working day since the issue was raised. ✓✓
- If the employee is not satisfied with the supervisor's decision, the employee will have a right to raise a formal complaint in writing. ✓✓
- This is done by completing a Formal Grievance Form and submitting it to the relevant level of management. ✓✓
- The relevant manager will arrange a meeting within one working day./The time period may be extended upon agreement by both parties. ✓✓
- This meeting shall be attended by the employee, a representative, the supervisor or manager. ✓✓
- The manager ensures that the minutes are kept. ✓✓
- If the employee is not satisfied, he/she will be advised to take it to the next level of management. ✓✓
- The manager will advise top management who shall arrange the meeting, consisting of the parties named. ✓✓
- The decision will be recorded onto the Formal Grievance Form. ✓✓
- Should the employee still be dissatisfied with the results, he/she may make use of the statutory dispute resolving procedures, which includes the Bargaining Council / the Council for Conciliation, Mediation and Arbitration (CCMA). ✓✓ (Carries max of 2)
- A worker can appeal if he /she are not satisfied with the outcome. ✓✓

NOTE: Accept steps in any order.**OR
(OUTSIDE BUSINESS PREMISES)**

- The employee could consult a labour lawyer. ✓✓
- The employee should be allowed to react to these allegations by an appeal/declaring a dispute. ✓✓
- Sufficient time must be allowed to react as prescribed by law. ✓✓
- Assistance and representation of a trade union representative / colleague / legal advisor. ✓✓
- The appeal can be referred to the CCMA / Labour Court. ✓✓
- Mediation ✓✓
- Arbitration ✓✓
- If not satisfied it can be referred to the Labour Appeal Court. ✓✓
- Any other relevant answer related to the steps in the grievance procedure.

NOTE: Accept steps in any order.**(Max) (10)****3.2.1 LO3AS5**

- Autocratic/Boss-orientated/Authoritarian leadership style. ✓✓ **(2)**

3.2.2 LO3AS5

Autocratic leadership style could be successfully applied by businesses when:

- dealing with uncooperative employees in the workplace. ✓✓
- implementing policies of the organisation. ✓✓
- implementing government legislations. ✓✓

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- dealing with routine decisions/tasks are clearly defined. √√
- dealing with newly appointed employees. √√
- used in crisis situations. √√
- when urgent decisions are to be made. √√
- Any other relevant answer related to situations in which the autocratic leadership style can be applied.

NOTE: 1. The answer to 3.2.2 must be on Autocratic/Boss-orientated/Authoritarian leadership style.

2. Mark first THREE (3) only. (Any 3 x 2) (6)

3.2.3 **LO3AS5**

- Every situation is unique and a leader must adapt. √√
- It depends on the nature and function of the job/business/company. √√
- Workers have different personalities and management must approach each worker differently. √√
- A good manager/leader must learn to adapt to different management styles. √√
- Any other relevant motivation regarding the use of more than one leadership style (Max) (4)

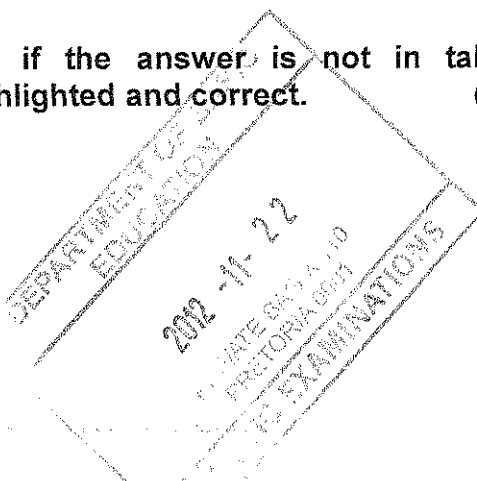
3.3 **LO3AS5**

MANAGER	LEADER
Exercise control over personnel. √√	Influence and motivate personnel. √√
Instructional in their approach. √√	Seek to empower people/inspire people. √√
Follows/implements the vision of the enterprise. √√	Provide a vision for the enterprise. √√
Minimise and control risks. √√	Always on the lookout for business opportunities. √√
Ensure adherence to rules and regulations. √√	Change rules to improve efficiency. √√
Ensure that tasks are completed. √√	Provide better ways to do tasks. √√
Act as a manager because of position/qualification. √√	Born with innate characteristics. √√
Distribute tasks and act as an advisor. √√	Active in most tasks. √√
Ensure that profit targets are met. √√	Strategize to increase profitability. √√

Any other relevant answer related to the differences between manager and leader.

NOTE: Award full marks if the answer is not in table form but differences are highlighted and correct.

(4)
(Manager 2 x 2) (4)
(Leader 2 x 2) (8)



3.4 LO4 AS5

Mediation

- The mediator (neutral person) will work through the process with the parties in order to help them reach a satisfactory resolution. ✓✓
- The mediator gives suggestions to solve the problem. (Not binding) ✓✓

(Sub max) (2)

Arbitration

- The arbitrator, which is agreed to by both parties, hears each side of the situation and then makes the final decision. ✓✓
- The arbitrator's decision is final and binding. ✓✓
- Any other relevant answer relating clearly to the differentiation between mediation and arbitration.

(Sub max) (2)

(Max) (4)

3.5 LO4 AS5

- Maintain and promote the interests of its members. ✓✓
- Improve the material benefits of members. ✓✓
- Negotiate with employers on behalf of its members. ✓✓
- Bargain for wage increases. ✓✓
- Institute and improve pension schemes. ✓✓
- Influence management decisions that are of benefit to workers. ✓✓
- Obtain medical aid benefits to improve the health of workers. ✓✓
- Negotiate for better working conditions inclusive of rest periods, security and safety in the workplace. ✓✓
- Ensure that the length of the working period (hours) is favourable to employees/compliance with BCEA. ✓✓
- Negotiate for favourable rates of pay including overtime, leave and sick leave for workers. ✓✓
- Ensure that racism and sexism is not practised in the workplace. ✓✓
- Express the views and aspirations of the employees through workplace forums, thus taking part in decision-making. ✓✓
- Ensure that democratic principles are applied in the workplace. ✓✓
- Monitor the enforcement of legislation and collective bargaining agreements. ✓✓
- Resist retrenchment of employees and strive for permanent employment. ✓✓
- Resolve grievances and disputes in the workplace. ✓✓
- Promote, support and unite trade unions. ✓✓
- Organise and unite the employees/workforce of the various industries into one strong body. ✓✓
- Aims at improving social security. ✓✓
- Recruit more members – increases bargaining power. ✓✓
- Any other relevant answer related to the functions of trade unions.

NOTE: 1. Allocate a maximum of 2 marks when examples demonstrate the same function.

2. Mark the first FIVE (5) only

(Any 5 x 2) (10)

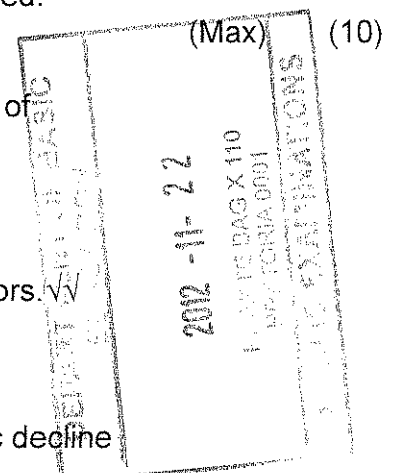
3.6 **LO4AS6**

- The general view is that bigger businesses can supply better quality products and services than smaller undertakings. ✓✓
- Quality assurance processes, may differ for small and large businesses/Total Quality Management. ✓✓
- Workers can specialise in different business functions in large businesses. ✓✓
- The larger the workforce, the more difficult it is to motivate and control all of them, and this may lead to a negative influence on quality. ✓✓
- Quality control can become difficult when manufacturing takes place on a large scale, because it is impossible to control the quality of each and every product. ✓✓
- A thorough and workable quality control system must be established and adapted for both small and large businesses. ✓✓
- It becomes difficult to ensure and control quality of the different business functions, e.g. financial/human resources functions, in smaller businesses as compared to larger ones. ✓✓
- Improved quality control can reduce rejects, resulting in the reduction of operational costs. ✓✓
- Large businesses have access to learnership programmes for skills development. ✓✓
- Large businesses have a better quality control system in place. ✓✓
- Any other relevant answer related to the impact of quality on small and large businesses.

NOTE: Comparisons can be in a table form. The maximum marks (10) for small and large businesses are not specified.

3.7 **LO1AS4**

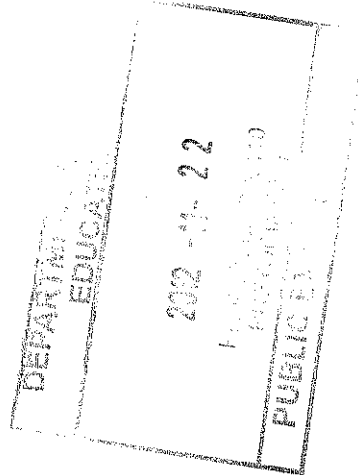
- Businesses will have to investigate the creditworthiness of customers/clients. ✓✓
- More prudent buying from suppliers. ✓✓
- The whole credit process must be transparent. ✓✓
- Lower bad debts. ✓✓
- Better cash flow, because there is control over the debtors. ✓✓
- Protects businesses against non-paying consumers. ✓✓
- Increases cash sales. ✓✓
- Gains goodwill and loyalty from the consumer. ✓✓
- Decrease in credit sales due to customer loss/economic decline (downturn). ✓✓
- May be restricted in getting generous overdraft facilities. ✓✓
- Creditors may not pester consumers to agree to a credit agreement telephonically or through visits at home. ✓✓
- More working capital is needed. ✓✓
- Business profit could decline because they now depend on customers who have easy access to credit. ✓✓
- Misinterpretation of the act may lead to decline in profit. ✓✓
- Failure to abide by all the provisions of the Act might result in a lawsuit, e.g. granting credit to a customer whose name is under review. ✓✓
- Any other relevant answer related to advantages/disadvantages of the NCA to businesses/service providers.



(6)

(Max)

(6)

**BREAKDOWN OF MARKS**

QUESTION 3	MARKS
3.1	10
3.2.1	2
3.2.2	6
3.2.3	4
3.3	8
3.4	4
3.5	10
3.6	10
3.7	6
TOTAL	60

QUESTION 4**4.1 LO3AS6**

- Encourages worker participation in the workplace. ✓✓
- Promote the interest of all employees at the workplace. ✓✓
- Active involvement in collective bargaining. ✓✓
- Look after the welfare of employees. ✓✓
- Consult with employers and employees. ✓✓
- Take part in decision making. ✓✓
- Enhance workplace efficiency. ✓✓
- Any other relevant answer related to the function of workplace forums.

NOTE: Mark first THREE (3) only.

(Any 3 x 2)

(6)

4.2 4.2.1 LO1AS4

- Ownership ✓✓
- Management ✓✓
- Employment Equity ✓✓
- Skills Development ✓✓
- Enterprise development ✓✓
- Corporate Social Investment ✓✓
- **NOTE: 1. Mark first THREE (3) only.**

Do not award marks for 'preferential procurement'. (Any 3 x 2)

(6)

4.2.2 LO1AS4

- Suppliers purchasing from BBBEE compliant businesses are given preference to Government tenders. ✓✓
- Businesses are measured according to the ownership status of their suppliers and will score points if they come from disadvantaged groups. ✓✓
- Any other relevant answer related to preferential buying. (Max)

(4)

4.2.3 **LO1AS4**

- Increase the participation of black people in all sectors of the economy. ✓✓
- Skills development ✓✓
- Job creation ✓✓
- Training ✓✓
- Encourage preferential procurement ✓✓ (Max) (4)

4.3 4.3.1 **LO4AS3**

- Help people who contributed to the fund and have lost their work ✓✓ due to circumstances beyond their control ✓✓, such as retrenchment. ✓✓
- Help people financially whilst seeking other jobs. ✓✓
- Help pregnant women during maternity leave ✓✓
- Adoption leave. ✓✓
- Long term sick leave. ✓✓
- Compensation to dependants of the breadwinner. ✓✓
- Any other relevant answer related to the purpose of UIF. (Max) (4)

- 4.3.2
- A 2% contribution is made to the fund. ✓✓
 - Employers contribute ✓ 1%. ✓
 - Employees contribute ✓ 1%. ✓ (Max) (4)

4.4 **LO2 AS8**

FACTOR	SUCCESS	FAILURES
Capital	<ul style="list-style-type: none"> - A larger amount of share capital as compared to other forms of ownership can be raised due to greater number of shareholders. ✓✓ - Adequate share capital raised in companies is good for business expansion. ✓✓ - Companies may also issue debentures to raise their capital. ✓✓ - Companies can also raise loans (from a bank) without affecting shareholders. ✓✓ - Any other relevant answer on how capital can impact on the success of a company. 	<ul style="list-style-type: none"> - Failure to raise enough share capital may limit growth in the company. ✓✓ - A private company is not allowed to sell shares to the public which limits potential for growth and for meeting its obligations. ✓✓ - Large loans lead to large capital repayment plus interest. ✓✓ - When a company is not performing well, it may be difficult to attract investors. ✓✓ - Any other relevant answer on how capital can impact on the failure of a company.

(Any 2 x 2)
Max (4)

DEPARTMENT OF BASIC EDUCATION 2012 -11- 22 PRIVATE BAG 240 PRETORIA 0001 LIC EXAMINATION	Taxation	<ul style="list-style-type: none"> – Companies pay 28% tax on taxable income which could be less than other forms of ownership. ✓✓ – 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 other relevant answer on how taxation can impact on the success of a company. 	<ul style="list-style-type: none"> – The companies and its shareholders are subjected to double taxation which reduces retained income for expansion of the business. ✓✓ – The high tax rate on profits of companies may lead to companies closing down. ✓✓ – Companies may experience cash flow problems when paying provisional tax and this may lead to failure. ✓✓ – Any other relevant answer on how taxation can impact on the failure of a company. <p style="text-align: right;">Any (2 x 2) Max (4)</p>
	Legislation	<ul style="list-style-type: none"> – A company is a separate entity from its shareholders. ✓✓ – Personal liability of its shareholders does not affect the company's assets. ✓✓ – The shareholders cannot lose their personal assets. ✓✓ – The limited liability of companies allows the directors to take calculated risks as this will not have any direct legal implications for them. ✓✓ – The ability to take risks also allows the company to show growth. ✓✓ – Any other relevant answer on how legislation can impact on the success of a company. 	<ul style="list-style-type: none"> – Failure to adhere to legislative requirements may result in a company being penalised or fined. ✓✓ – The lengthy establishment procedures laid down by the Companies Act may lead to the failure of the company. ✓✓ – The company's licence may be withdrawn by Companies Intellectual Property Registration Office (CIPRO). ✓✓ – Procedures and documentation must be completed prior to commencement of business. ✓✓ – Any other relevant answer on how legislation can impact on the failure of a company. <p style="text-align: right;">(Any 2 x 2) Max (4)</p>

Total Max (12)

4.5 LO3AS10

- Business enterprises are not compelled to rehabilitate employees e.g. where alcohol or drug abuse is applicable, but employers are compelled to consider offering rehabilitation to employees who need help.√√
- Encourage the employee to talk about his/her problems with people he/she can trust.√√
- Give him/her leave to sort out his/her problem.√√
- To guide or direct employees to professional counsellors for assistance.√√
- Employees can meet with counsellors to determine where their skills, knowledge and competencies can be best put to use in the business enterprise.√√
- This will give employees a goal to work towards.√√
- Send affected employee to rehabilitation centres.√√
- If an employee agrees to rehabilitation, it is done under the terms and conditions of the employer contract/legislation.√√
- Make contact with family. √√
- Any other relevant answer related to the wellbeing of an employee who has an alcohol problem. (Max) (8)

NOTE: Focus should be on non-punitive and exclude legal matters.

4.6 LO3AS6

- **Colleagues on the same level of management / Functional conflict**√√
e.g. conflict between the financial manager and the marketing manager about the marketing budget.√
- **A management and a subordinate**√√ e.g. a manager who is not happy with an employee who is not pulling his/her weight.√
- **Interpersonal conflict/Relationship conflict (occurs between individuals)** √√e.g. two colleagues who are disagreeing about an issue of some sort.√
- **Intra-group conflict (occurs between members of a group)** √√e.g. conflict between group members who are arguing about the best method to approach a difficult task.√
- **Intra-personal conflict**√√ e.g. conflict within one self. √
- **Inter-group conflict (occurs between members of different groups)** √√
e.g. between the administrative department and the production department, if the placing of orders is not on time. √
- **Inter-organisational conflict (occurs between organisations)** √√ e.g. conflict between an enterprise and its supplier.√
- **Process conflict**√√ e.g. how the work gets done.√
- **Task conflict**√√ e.g. where content and the goals differ.√
- **Fact based conflict**√√ e.g. differences of opinion.√
- **Dysfunctional conflict**√√ e.g. hinders the attainment of goals.√
- **Approach-approach (+ and +)** √√ two positives e.g. getting a salary increase or a company car. √
- **Approach-avoidance (+ and -)** √√ one positive and one negative e.g. continuing to be stressed/frustrated at work OR quitting the job. √
- **Avoidance-avoidance (- and -)** √√ two negatives e.g. unfit and staying on drugs. √
- Any other relevant answer related to types of conflict.

NOTE: Mark first FOUR only.

Heading (2)
Explanation (1)
(Any 4 x 3) (12)

BREAKDOWN OF MARKS

QUESTION 4	MARKS
4.1	6
4.2.1	6
4.2.2	4
4.2.3	4
4.3.1	4
4.3.2	4
4.4	12
4.4.1 (4)	
4.4.2 (4)	
4.4.3 (4)	
4.5	8
4.6	12
TOTAL	60

TOTAL SECTION B: 180**SECTION C****QUESTION 5 (LO1AS4)****5.1 Introduction**

- Corporate social investment refers to the contribution that the company makes to uplift, develop and solve problems in the community.✓
- Generally, most of the employees of the company come from the local community.✓
- Therefore, the company deems it fit to invest some of its funds to projects that are much needed by the community.✓
- The government cannot solve all the problems of the country and therefore encourages big businesses to foster partnerships with communities.✓
- The community in return buys the product of that company.✓
- Any relevant introduction related to CSI.

(max) (3)

5.2 Evaluation of CSI**5.2.1 Nature of Social Responsibility Programmes**

- HIV/Aids awareness e.g. sponsoring NGO's.✓✓
- Education and training e.g. providing bursaries to learners.✓✓
- Conservation of the environment and combating pollution e.g. sponsoring projects that preserve the environment.✓✓
- Poverty alleviation e.g. job creation.✓✓
- Pensioners, deprived children and orphans e.g. sponsoring housing projects.✓✓
- Empowerment of women e.g. sponsoring conferences.✓✓
- Rural development e.g. forming partnerships.✓✓

5.2.2 Purpose/Characteristics/Features of Corporate Social Investment

- CSI (Corporate Social Investment) is mainly implemented by big business. ✓✓
- Form partnerships with other stakeholders. ✓✓
- CSI is enforced by legislation. ✓✓
- CSI is seen as a political expectation. ✓✓
- CSI is seen as part of the business operations and is sustainable. ✓✓
- Business organizations choose the programmes for the community e.g. support for education. ✓✓
- Business organisations support the community with the product that they manufacture e.g. a paper manufacturing company may donate duplicating paper to the local schools in the community. ✓✓
- In South Africa BEE (Black Economic Empowerment) companies play a vital role in CSI. ✓✓
- Any other relevant answer related to the Characteristics/Features/Purpose of CSI. (max) (12)

5.2.3 Implementation of CSI / How it works /Assessment

- Businesses register projects with relevant authorities. ✓✓
- Ensure that programmes have a successful track record. ✓✓
- The purpose of a business is to make a profit. ✓✓
- To report on financial, social and environmental aspects. ✓✓
- This means that business enterprises must aim to be financially, socially and environmentally sustainable. ✓✓
- This issue is also known as the "triple bottom line". ✓✓
- The Johannesburg Security Exchange launches the Social Responsibility Index of companies that are listed on the JSE. ✓✓
- Companies need to implement strategies to be more environmentally, economically and socially sustainable. ✓✓
- Companies identify a particular need in the community and funds the project e.g. the building of a community hall. ✓✓
- Ethics has a decisive influence in the business, and, management and employees have an important role to play in the community. ✓✓
- Government legislation encourages companies to engage in social investment programmes. ✓✓
- Budget must be drawn up. ✓✓
- Competitors force a company to engage in social responsibility programs. ✓✓
- Any other relevant answer related to how CSI works/assessment/implementation of CSI. (max) (6)

5.2.4 Impact: Benefits for the business

- Can serve as a marketing strategy. √√
- Improve health for its workers. √√
- Sustained conservation of the environment may lead to reduction in costs which could be channelled elsewhere. √√
- May attract experienced employees which could benefit the enterprise in terms of increased productivity. √√
- Could be considered for tax rebates. √√
- The community supports the business by purchasing its products and thereby contributing to the business profitability. √√
- The business enjoys goodwill. √√
- Improves the image of the company. √√
- The more socially involved the business becomes, the less likely they are to be harassed by government officials or NGO's about social issues. √√
- Involves workers in community projects. √√
- Some business run social investment programmes that help increase the pool of skilled labour from which they can hire. √√
- CSI helps to attract investors. √√
- Any other relevant answer related to the benefit to the business from CSI.

(max) (6)

5.2.5 Impact: Benefits for the community

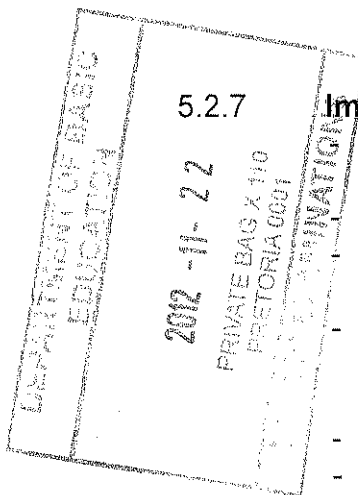
- The community provides the labour and customers and are also suppliers to the business enterprises. √√
- Provision of bursaries. √√
- Improves the welfare of society. √√
- The standard of living of the community is uplifted/quality of life of communities is improved. √√
- The business needs to give something back in the form of money, products, services, etc. √√
- Improves health for the community and customers. √√
- Any other relevant benefit for the community.

(max) (6)

5.2.6 Impact: Problems of CSI for the business

- The community may not support the enterprise i.e. does not buy the product of the enterprise. √√
- Difficulty in adherence to legislation governing the CSI. √√
- Small and medium enterprises find it difficult to implement CSI programmes. √√
- Distribution of scarce CSI resources to selected beneficiaries in the community may cause problems such as discrimination. √√
- CSI activities can distract businesses from the core commercial functions. √√
- Social involvement is paid from company's profit that could have been used to lower prices and this could benefit customers. √√
- Detailed reports must be drawn up. √√

- Social spending reduces a company's economic efficiency, making it less competitive. ✓✓
- As taxpayers it should be government's responsibility and not necessarily business which should fund CSI projects. ✓✓
- Company directors are accountable to shareholders, not to the communities. ✓✓
- Business people are not experts in social science. ✓✓
- It is difficult to accurately measure the effectiveness of social investment. ✓✓
- It is difficult to determine the exact needs of the communities. ✓✓
- Any other relevant answer related to the problems of CSI for the business. (max) (6)



5.2.7

Impact: Problems of CSI for the community

- The benefits of the programmes may not filter down to the intended persons within the community. ✓✓
- It cannot address all the needs of the community. ✓✓
- Insufficient provisioning that does not satisfy all the needs of the community may be rejected by the community. ✓✓
- Hand-out programmes discourage locals from taking their own initiative by making them dependent on social investment programmes. ✓✓
- Could only be a short-term solution. ✓✓
- Sustaining projects after businesses withdraw their assistance are often difficult without the right expertise. The best CSI programmes are designed to be self sustainable. ✓✓
- Any other relevant answer related to the problems of CSI for the community. (max) (6)

5.3 Conclusion

- From the above discussion it can be concluded that many communities have benefited from CSI initiatives. ✓✓
- Corporate Businesses in South Africa have come to the rescue of many poor communities by building schools, crèches, clinics, etc. ✓✓
- Government alone cannot handle all the problems in South Africa, thus the CSI programmes play an important role to uplift communities and the economy of South Africa. ✓✓
- Any other relevant conclusion related to CSI. (max) (2)

- NOTE:**
1. Candidates should be awarded marks when examples demonstrate understanding.
 2. If another approach is used in answering this question, take into consideration the sub max's as indicated above.

BREAKDOWN OF MARK ALLOCATION

DETAILS	MAXIMUM	TOTAL
Introduction	3	Max 32
Nature/Purpose/Characteristics/Features of Social Responsibility Programmes	12	
How it works/ Assessment of CSI	6	
Benefits of CSI for the enterprises	6	
Benefits of CSI for the community	6	
Problems of CSI for the enterprise	6	
Problems of CSI for the community	6	
Conclusion	2	
INSIGHT		
Layout		2
Analysis, interpretation		2
Synthesis		2
Originality, examples		2
TOTAL MARKS		40

*LASO - For each component:

Award 2 marks if all requirements are met.

Award 1 mark if some requirements are met.

Award 0 marks where requirements are not met at all.

QUESTION 6 (LO2AS7)**6.1 Introduction**

- Investors have a range of investment opportunities to choose from. ✓
- They measure these investment opportunities against criteria for good investment. ✓
- Investors set financial goals and consider different factors when making these decisions. ✓
- Any other relevant introduction related to investment. (max) (3)

6.2 Evaluation of Investment factors to be considered**6.2.1 Return on Investment (ROI) ✓✓**

- Refers to income from the investment, namely interest, dividends or capital appreciation (growth/increase) on the original amount invested. ✓✓
- Generally, there will be a direct link between risk and return. ✓✓
- The return should be expressed as net after-tax return. ✓✓
- The net after tax return should be higher than the inflation rate at the time. ✓✓
- Any other relevant answer related to the ROI. (Sub max) (4)

6.2.2 Risk ✓✓

- The higher the potential return, the higher the risk of a potential loss. ✓✓
- Example: investing in shares has a higher risk than investing in a fixed deposit. ✓✓
- Any other relevant answer related to risk. (Sub max) (4)

6.2.3 Liquidity ✓✓

- A certain amount of capital should be invested in a type of investment that can easily be converted to cash. ✓✓
- The term *liquidity* is used to describe the ease and speed with which you can convert an investment into cash. ✓✓
- Example: an investment in a savings account will be easier to convert into cash than an investment in a fixed deposit which is usually deposited for a fixed period of time or property which will take time to sell before the investment is converted. ✓✓
- Any other relevant answer related to liquidity. (Sub max) (4)

6.2.4 Taxation ✓✓

- A good investment will yield good after-tax returns. ✓✓
- Income tax implications must be considered in order to get to a high net after-tax rate of return. ✓✓
- Tax rates are not necessarily the same for different investments. ✓✓
- Any other relevant answer related to taxation. (Sub max) (4)

6.2.5 Inflation rate ✓✓

- Inflation generally refers to a decrease in the value of money and rising prices. ✓✓
- People are highly affected by a high inflation rate because if prices increase they can buy less with their money/purchasing power decreases. ✓✓
- Income from an investment should be higher than the inflation rate. ✓✓
- Inflation has a positive effect on some investments such as property and shares where the income will increase as the inflation increases. ✓✓
- Any other relevant answer related to inflation rate. (Sub max) (4)

6.2.6 Investment period ✓✓

- This is the duration of the investment. ✓✓
- It can be short, medium or long term. ✓✓
- The investment period will depend on the customer's personal needs. ✓✓
- Any other relevant answer related to investment period. (Sub max) (4)

6.2.7 Investment planning factors ✓✓

- Investors must consider the safest possible investment opportunities. ✓✓
- Some opportunities offer a low income on invested capital, but it could be a safer opportunity than an opportunity that promises a higher income. ✓✓
- Examine opportunities with a history of good return. ✓✓
- Divide your investment between different opportunities. ✓✓
- How will the interest on the investment be calculated? ✓✓
- Inflation also plays a role on your investment/general economic trends. ✓✓
- Any other relevant answer related to investment planning.

(Sub max) (4)

6.2.8 Budgets ✓✓

- After drawing up a budget, they can determine the amount of surplus money that can be invested. ✓✓
- Budgets can be short, medium or long term. ✓✓
- Must consider unforeseen costs. ✓✓
- Provision for contingency plans. ✓✓
- Any other relevant answer related to budgets.

(Sub max) (4)

6.2.9 Volatility of the market ✓✓

- Fluctuation in national and international economic trends. ✓✓
- The level of volatility will determine the amount of returns. ✓✓

(Sub max) (4)

(Max) (12)**6.3 Explanation of types of formal investments**

6.3.1 Unit trusts ✓✓ – It is a package made up of equity/capital investments in different companies and can be bought directly from the accredited service providers. ✓✓

Risk factor – low to medium risk. ✓✓ (Sub max) (6)

6.3.2 Managed portfolio ✓✓ – A financial institution or financial advisor invests your money in different investments such as shares and manages them over a period of time. ✓✓ If it does not perform well as expected, the portfolio may be re-structured. ✓✓

Risk factor – low to high risk ✓✓ unforeseen circumstances can impact negatively on the share/equity market. ✓✓ Net effect is not severe as changes are constantly made. ✓✓ (Sub max) (6)

- 6.3.3 **Endowment policies** ✓✓ – this is where companies invest over a longer period of time (usually more than 5 years) in different business opportunities. ✓✓ Customised between the needs of the clients and the broker/insurance companies. ✓✓

Risk factor – low to medium risk ✓✓ a forecast is made, which is not always accurate, and high unrealistic expectations of the investors are created. On maturity date, the investor could receive less than the original capital/legislation controls projected rates of return. ✓✓ (Sub max) (6)

- 6.3.4 **Fixed deposit** ✓✓ – this is a very conservative method of investment – it is based on a fixed rate but is also more secure. ✓✓

Risk factor – is very low as the investor will receive what was promised. ✓✓ (Sub max) (6)

- 6.3.5 **Notice deposits (32-days)** ✓✓ – e.g. your money is invested at a fixed rate, although you may withdraw it at anytime provided you give the bank 32 days notice. ✓✓

Risk factor – low because interest rate or rate of return can be predetermined ✓✓ - depends on repo/bank rates. ✓✓ (Sub max) (6)

- 6.3.6 **Bonds** ✓✓ – The investors' money is used to finance the purchasing of capital projects such as buildings where the rate of return is normally above average. ✓✓

Risk factor – is high as some buildings could be overvalued and may not generate the required return when resold. ✓✓ (Sub max) (6)

- 6.3.7 **Property** ✓✓ – Property can keep up with inflation and can be a very effective way of gearing (borrowed to own capital) your investment. ✓✓

Risk factor is moderate to high as much depends on the location of the property and the political and economic environment. ✓✓ (Sub max) (6)

- 6.3.8 **Retirement Annuities (RA's)** ✓✓ – Investment in which an individual pays a monthly premium over a long period of time before retirement. ✓✓

Risk factor - Low risk – can be guaranteed for life. ✓✓ (Sub max) (6)

- 6.3.9 **Offshore investment** ✓✓ is the keeping of money in a jurisdiction other than one's country of residence. ✓✓

Risk factor - Low medium or high risk influenced by the economic performance of the country where investment was made. ✓✓

(Sub max) (6)

- 6.3.10 **Life assurance** √√ the investment will be paid out after the occurrence of a particular event e.g. death of the insured/as specified in the policy. √√

Risk factor – low risk - fixed amount is guaranteed. √√

(Sub max) (6)

- 6.3.11 **Debentures** √√ Investors lend money to public companies and they will receive interest on this investment. √√

Risk factor – medium risk √√

(Sub max) (6)

- 6.3.12 **Investment in a business** √√ is when you start your own business or invest in an existing business as a partner, etc. √√

Risk factor – low to high risk √√

(Sub max) (6)

- 6.3.13 **Investment in arts** √√ is when investors choose to invest in arts for example buying paintings. √√

Risk factor – medium to high risk √√

(Sub max) (6)

- 6.3.14 **Shares/commodity markets/equity markets** √√ investment in private and public companies. √√

Risk factor – medium to high risk, it depends on the type of share. √√

(Sub max) (6)

- 6.3.15 **Stokvel** √√ – a structured body of investors registered with accredited service providers. √√

Risk factor – low to high risk √√

(Sub max) (6)

NOTE: Mark first FIVE (5) types of investment only.

Type: Sub max (4)
Risk: Sub max (2)
Max (30)

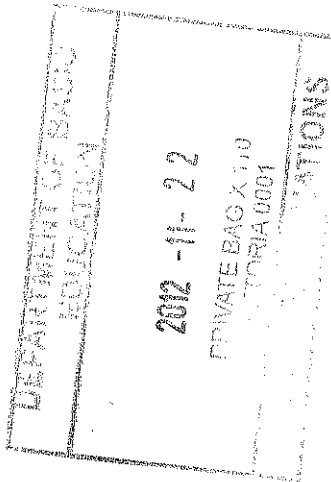
6.4 Conclusion

- After considering the various investment opportunities and risk factors, the partners can make a calculated decision. √√
- Any other relevant conclusion related to investments. (max) (2)

NOTE: Candidates should be awarded marks when examples demonstrate understanding.

BREAKDOWN OF MARKS

DETAILS	MAXIMUM	TOTAL
Introduction	3	Max 32
Investment factors	12	
Types of investment & Risk factors	5 x 6 = 30	
Conclusion	2	
INSIGHT		
Layout		2
Analysis, interpretation		2
Synthesis		2
Originality, examples		2
TOTAL MARKS		40



LASO – For each component

Award 2 marks if all requirements are met.

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

Award 0 marks where requirements are not met at all.

QUESTION 7 (LO3AS4)**7.1 Introduction**

- Businesses realise that they cannot exist in isolation but interact with the various environments.✓
- Many institutions in South Africa have their own code of conduct and a commitment to ethical and professional behaviour.✓
- Codes of practice have been developed to ensure that these issues are being addressed.✓
- Any other relevant introduction related to price fixing/ethical issues.

(max) (3)

7.2 Ethics

- Business ethics refers to rules and principles which influence the best business practice.✓✓
- Businesses develop their own code of ethics for best practices.✓✓
- Refers to a set of values that is morally acceptable in society defining right, good and fair actions.✓✓
- Any other relevant answer related to the meaning of ethics.

(max) (4)

NOTE: 1. Take particular note of the repetition of facts.

2. Allocate a maximum of 7 marks when ethics is discussed in both 7.1 and 7.2.

7.3 Unethical reasons for price fixing

- It is unethical as businesses are ensuring a huge profit at the expense of consumers.✓✓
- It is eliminating healthy competition that could bring prices down.✓✓
- Consumers are compelled to pay unjustly high prices, as the forces of demand and supply do not operate.✓✓
- Any other relevant answer related to reasons for unethical price fixing

(max) (6)

7.4

7.4.1

**Taxation
Evaluation**

- The government needs revenue from taxation to provide essential services such as housing, education, infrastructural development and health care.√√

Professional behaviour for the business in this regard would be for the business not to avoid tax by falsifying financial records.√√

Company tax, VAT and personal income tax are some of the main sources of income for the government.√√

- Tax evasion is illegal in South Africa and is regarded as a crime punishable with a fine or even prison sentence.√√

SARS oversees the collection of tax.√√

- Any other relevant evaluation on taxation. (Sub max) (6)

Recommendation/Suggestions

- All businesses must register with SARS in order to pay tax.√√
- Businesses should avoid penalties of tax evasion by paying tax due by them. √√
- Businesses should declare all income to SARS.√√
- Businesses who do not abide by the law should be fined. √√
- Money laundering should be stopped. √√
- Any other relevant recommendation on taxation.

(Sub max) (4)
(Max) (10)

7.4.2

Unauthorised use of funds**Evaluation**

- Fraud is a theft, misuse of money that belongs to the employer.√√
- Fraud increases the cost of doing business, affects competition and discourages investors by raising prices to absorb the losses.√√
- This leads up to money laundering which affect the economy and also unethical.√√
- Any other relevant evaluation on unauthorised use of funds.

(Sub max) (6)

Recommendations/Suggestions

- Limit the number of employees having access to the business funds.√√
- Identify risk areas and vulnerable areas.√√
- Systems such as internal audit and risk management must be put in place to reduce fraud.√√
- Businesses must educate employees about the impact of fraud.√√
- Fraud prevention should be a collective responsibility of business and employees.√√
- Any other relevant recommendation on unauthorised use of funds.

(Sub max) (4)
(Max) (10)

[Handwritten signatures and marks]

7.4.3 Abuse of working time

Evaluation

- Many business are faced with the dilemma that employees use working time for their personal activities. ✓✓
- It is unethical to use working time to do personal things, for example playing computer games during working time/doing private work, etc. ✓✓
- It increases the expenses of the business as workers are not productive. ✓✓

Any other relevant evaluation on abuse of working time.

(Sub max) (6)

Recommendations/Suggestions

Work must be structured in such a manner that workers have free time to conduct their personal business. ✓✓

There must be clear policy regarding the conduct of personal private matters during working hours. ✓✓

The business must have a policy in place for employees on the abuse of work time e.g. giving employees a quota on personal calls, using e-mails and faxing unrelated matters pertaining to their work duties during work time. ✓✓

- Business must introduce/implement time monitoring systems and time recording procedures. ✓✓
- There should be some flexibility when dealing with workers who are hardworking, work long hours and miss official work breaks when there is urgent work to be done. ✓✓
- Any other relevant recommendation on abuse of working time.

(Sub max) (4)

(Max) (10)

7.5 Conclusion

- Business need to implement policies and legislation. ✓✓
- Business should monitor and evaluate the implementation of these policies and legislations. ✓✓
- Any other relevant conclusion on price fixing/ethics.

(max) (2)

NOTE: Candidates should be awarded marks when examples demonstrate understanding.

BREAKDOWN OF MARK ALLOCATION

DETAILS	MAXIMUM	TOTAL
Introduction	3	Max 32
Explanation of ethics	4	
Why price fixing is unethical	6	
Taxation	10	
Abuse of working time	10	
Unauthorised use of company funds	10	
Conclusion	2	
INSIGHT		
Layout		2
Analysis, interpretation		2
Synthesis		2
Originality, examples		2
TOTAL MARKS		40

LASO – For each component

Award 2 marks if all requirements are met.

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

Award 0 marks where requirements are not met at all.

QUESTION 8 LO4 AS3**8.1 Introduction**

- Induction is one of the business activities that must be executed in a business. ✓
- Induction is a formal method of introduction of the employee to his new work environment. ✓
- How, what, where, when, and why must be communicated to the new employee in a formal way. ✓
- BCEA regulates the right to fair labour practices. ✓
- Legislation was put in place to rectify the imbalances of the past. ✓
- Any other relevant introduction related to induction/BCEA (max) (3)

**8.2 Induction process
Meaning**

- Newly appointed employees learn to function efficiently within a new organisational culture. ✓✓
- The new employee's obtain information, behavioural/technical skills and values associated with the new role in the business. ✓✓
- Any other relevant fact related to induction.

8.2.1 Objectives/Purposes/Advantages of induction

- Make new employees more productive. ✓✓
- Reduce fear ✓✓
- Reduce insecurity. ✓✓
- Acquaint the new employee with work procedures. ✓✓
- Establish relationships with fellow employees at different levels. ✓✓

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- Create a sense of belonging.√√
- Employee gets used to the objectives, policies and rules of the business.√√
- Create realistic employee expectations.√√
- Employee is more positive towards the employer.√√
- Any other relevant answer related to objectives/purposes/advantages of induction.

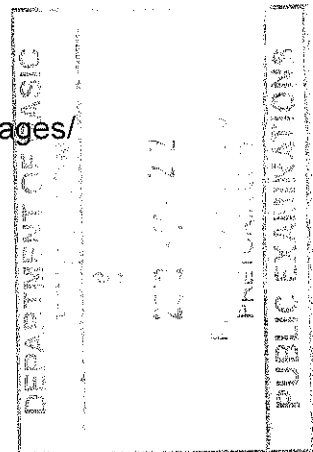
8.2.2 Disadvantages/Challenges/Lack of proper induction processes

The employee may/will:

- take much longer to settle down.√√
- regret taking up the post.√√
- feel uncertain and unwelcome.√√
- take a long time to become productive.√√
- resign.√√
- Any other relevant answer related to disadvantages/challenges/lack of proper induction processes.

8.2.3 Induction programme is the responsibility of:

- Supervisors.√√
- Heads of departments.√√
- The Human Resource Practitioners.√√
- Mentors and coaches.√√
- Shop Stewards.√√
- Staff representatives √√



8.2.4 Factors/Steps to be considered in planning induction programmes

- Prepare programme. √√
- Refer to the induction policy and design.√√
- Include relevant parts of company policy e.g.
 - Disciplinary code√√
 - Remuneration policy√√
 - Work ethics √√
 - Standard procedures√√
 - Background to company√√
 - Training policy√√
- Review budget constraints.√√
- Consider time needed for effective implementation.√√
- Take stock of materials, personnel and facilities to be used.√√
- Assess training needed by the new employee.√√
- Consider factors such as complexity of skills and education needed and relevant work experience. √√
- Study different commercial induction programmes. √√
- Outsource the induction process to experts/consultants. √√
- Any other relevant answer related to the planning and process of the induction.

(Max) (20)

- NOTE:**
1. Take particular note of the repetition of facts.
 2. Only a max of 4 marks for examples of induction programmes.
 3. The steps need not have to be in any particular

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order.

8.3 Basic Conditions of Employment Act (BCEA)

- The BCEA applies to all employers and employees, except members of the National Intelligence Agency, the South African Secret Service, and the South African National Academy of Intelligence. ✓✓
- The section of the Act that regulates working hours does not apply to workers in Senior Management. ✓✓
- Protects employees against unfair labour practices. ✓✓
- Lays down the minimum conditions of employment that neither employers nor employees may ignore. ✓✓
- Employers are free to offer better conditions should they wish to do so. ✓✓
- Meal intervals ✓✓: Are flexible. ✓✓
- Annual leave ✓✓: Employees are entitled to 21 days consecutive leave (that is taking 21 days together) per year, or by agreement one day per every 7 days of work completed. ✓✓
- Sick leave ✓✓: An employee is entitled to 36 days as paid sick leave in a period of 36 months (leave cycle). ✓✓
- Family responsibility leave ✓✓: Full time employees are entitled to three/five days of paid family responsibility leave during each annual leave cycle. You may take this leave when a child is born or sick and in the event of death of a member of immediate family. ✓✓
- Maternity leave ✓✓: Male employee – 4 days/
Female employee – 4 months ✓✓
- Termination of employment ✓✓: A contract of employment may be terminated only on notice of not less than one week if the person has been employed for 4 weeks or less; 2 weeks if employed for more than 4 weeks; and not less than 4 weeks if employed for one year or more. ✓✓
- Protects all workers in South Africa against exploitation. ✓✓
- Overtime ✓✓: Zander may not get paid for overtime. ✓✓
- Sundays/Public holidays ✓✓: not necessarily paid for. ✓✓
- Any other relevant answer related to the position of Financial Manager as outlined in the Basic Conditions of Employment Act.

NOTE:

- Award marks only if it is related to the financial manager.
- In cases where the provision of the Act is directly related to the senior manager, allocate a maximum of 4 marks, e.g. meal intervals ✓✓, flexible ✓✓.

(Max) (26)

8.4 Conclusion

- An effective human resources recruitment process will ensure a low employee turnover for the company. ✓✓
- This activity must ensure that the appropriate candidate with the relevant skills and experience is appointed to the post to enable the company to achieve its goal. ✓✓
- Any other relevant conclusion related to induction or BCEA. (Max) (2)

NOTE: Candidates should be awarded marks when examples demonstrate understanding.

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BREAKDOWN OF MARK ALLOCATION

DETAILS	MAXIMUM	TOTAL
Introduction	3	Max 32
Induction	20	
Basic Conditions of Employment Act	26	
Conclusion	2	
INSIGHT		
Layout		2
Analysis, interpretation		2
Synthesis		2
Originality, examples		2
TOTAL MARKS		40

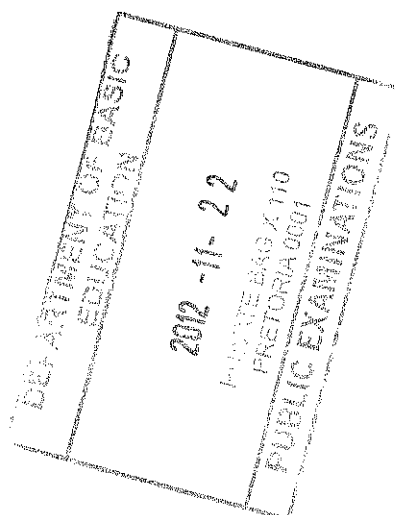
LASO – For each component

Award 2 marks if all requirements are met.

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

Award 0 marks where requirements are not met at all

TOTAL SECTION C: 80
GRAND TOTAL: 300



Handwritten initials and a signature. The initials appear to be 'P' and 'S'. Below them is a signature that looks like 'P. S.' followed by a long horizontal line.