



Province of the
EASTERN CAPE
EDUCATION

**NATIONAL
SENIOR CERTIFICATE**

GRADE 11

NOVEMBER 2014

**BUSINESS STUDIES
MEMORANDUM**

MARKS: 300

This memorandum consists of 26 pages.

NOTES TO MARKERS

1. Candidates' responses for SECTIONS B and C must be in full sentences. This will depend on the nature of the question.
2. 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 topic.

NOTE: There is no alternative answers for SECTION A.

3. 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.)
4. The word 'sub-max' is used to facilitate the allocation of marks within a question or sub-question.
5. 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.
6. In an indirect question, the theory as well as the response must be relevant and related to the question.
7. **Incorrect numbering of questions or sub-questions will be penalised. This is applicable to all the sections of the paper.**

SECTION B

8. 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 only applies 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 7 above still applies.
- 8.3 If candidates are required to provide their own examples/views, brainstorm this come up with alternative answers.
- 8.4 **USE OF THE COGNITIVE VERB AND ALLOCATION OF MARKS**
 - 8.4.1 All the questions that require candidates to 'explain/discuss/describe' will be marked as follows:
 - Heading 2 marks
 - Explanation 1 mark or as indicated in the memorandumThe 'heading' and 'explanation' are given separately to facilitate mark allocation.

8.4.2 If the number of facts is not specified, the candidate must be informed by the nature of the question and the maximum marks allocated.

8.5 **ONE mark will be awarded for answers that are easy to recall, requires one-word answers, or is quoted directly from scenario/case study. This applies to SECTIONS B and C in particular.**

SECTION C

10. 10.1 The breakdown of the mark allocation for the essays is as follows:

Introduction	Maximum: 32
Content	
Conclusion	
Insight	8
TOTAL	40

10.2 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/interpret it correctly to show understanding of what is being asked.)	2
Synthesis: (What parts of the question would you have included in the answer? Are there decisions made from a combination of relevant points?) Marks to be allocated using this guide: Mostly irrelevant facts: 0; Some irrelevant facts: 1; No irrelevant facts: 2	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.**
3. **No marks will be allocated for layout, if the headings 'Introduction, Conclusion,' etc. in 'Insight' is not supported by an explanation.**

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

SECTION A (COMPULSORY)**QUESTION 1**

- 1.1 1.1.1 D √√ Deontological theory (2)
- 1.1.2 B √√ The economic environment (2)
- 1.1.3 C √√ Critical patch analysis (2)
- 1.1.4 D √√ Delphi technique (2)
- 1.1.5 D √√ Sole proprietorship and partnership (2)
- 1.1.6 A √√ Product, price, distribution, advertising and publicity (2)
- 1.1.7 D √√ Belbin's role theory (2)
- 1.1.8 D √√ Interview (2)
- 1.2 1.2.1 Unit cost √√ (2)
- 1.2.2 Corporate social investment √√ (2)
- 1.2.3 Royalties √√ (2)
- 1.2.4 Forming √√ (2)
- 1.2.5 Fixed cost √√ (2)
- 1.2.6 Leasing √√ (2)
- 1.2.7 Prospectus √√ (2)
- 1.2.8 Trade union √√ (2)
- 1.3 1.3.1 C √√ Compensation for Occupational Injuries and Diseases Act (2)
- 1.3.2 F √√ Copyright (2)
- 1.3.3 D √√ Stress (2)
- 1.3.4 A √√ South African Bureau of Standards (2)

TOTAL SECTION A: 40

SECTION B

QUESTION 2

- 2.1 2.1.1 Macro environment √√ (2)
- 2.1.2
- Economic component √√
 - Technological component √√ (2 x 2) (4)
- 2.1.3
- Business has no control over this environment. √√
 - Business can only adapt to these changes. √√ (2 x 2) (4)
- 2.2 2.2.1
- Hoho Plantations √ – Primary sector √
 - Unathi Timber Products √ – Secondary sector √
 - Nedbank √ – Tertiary sector √
 - Metropolitan √ – Tertiary sector √ (4 x 2) (8)
- 2.2.2
- Primary sector – involves the extraction and cultivation of raw material from nature. √√
 - Secondary sector – involves the processing, transformation of raw material into useful commodities/products. √√
 - Tertiary sector – is responsible for the distribution of goods and services. √√ (Any 3 x 2) (6)
- 2.2.3
- Intermediaries √√
 - Consumers/Customers √√
 - Suppliers/Providers √√
 - Competitors √√
 - Unions √√ (Any 3 x 2) (6)
- 2.3 Advantages of leasing for lessee
- The lessee can obtain the use of expensive assets without a large financial outlay. √√
 - The leasing company bears the risk of obsolescence and repairs. √√
 - The landlord is responsible for maintenance and insurance of the assets. √√
 - The administration of leasing is simple and quick. √√
 - Any other relevant advantage for the lessee. √√ (Any 2 x 2) (4)
- Disadvantages of leasing for the lessee
- The assets remain the property of lessor. √√
 - The lessee is bound by the lease contract even when the business may not need the items any longer. √√
 - There is a regular amount of rent to be paid. √√
 - Any other relevant disadvantage of leasing. √√ (Any 2 x 2) (4)

2.4 Networking √√

- Networking to exchange information. √√
- To decrease duplication √√
- Leads to increased productivity/profit √√
- Entails negotiation and agreements with other influential business/interested parties √√
- Help people of different levels and background to interact √√
- Serve as a source of encouragement and motivation. √√
- Any relevant answer.

Power relationship √√

- This relationship is beneficial to both parties. √√
- Is an association with individuals/other businesses that is seen as an important/influential entities. √√
- Also refer to the sharing of power/decision-making in a business. √√
- E.g. agreement between management and workers/trade union √√

Lobbying √√

- Attempt to influence conditions to suit their business activities through other business, organisations and government structures. √√
- When a group of people get together seeking to influence others on a particular issue. √√
- Communication with influential people to influence their behaviour/decisions/legislation. √√
- From within business, e.g. workers solidarity on a labour issue and from outside business, e.g. action groups forcing business to change its business practices. √√

Subheading = 2 marks

Explanation = Max. 4 mark

(Any 6 x 2) (12)

2.5

	CRITERIA	PARTNERSHIP	CLOSE CORPORATION
2.5.1	Legal formation	No legal Formalities/Partnership articles √	Founding statement was used. √
2.5.2	Liabilities of members for debts	Partners are jointly and severally liable for the debts of the business √	Limited liability, except where CC has more than ten members for six months or longer √

2.5.3	Legal personality	Partners are jointly and severally liable for the debts of the business ✓	CC has own legal personality. Members have limited liability. ✓
2.5.4	Continuity	No continuity ✓	Has perpetual succession i.e. unlimited continuity ✓
2.5.5	Sources of capital	Partners provide own capital or may borrow capital ✓	Contribution of members ✓

(5 x 2) (10)
[60]

QUESTION 3

3.1 3.1.1 Types of packaging

- Speciality packaging ✓✓
- Packaging for double use ✓✓
- Combination packaging ✓✓
- Kaleidoscopic packaging ✓✓
- Packaging for immediate consumption/unit packaging ✓✓
- Packaging for re-sale/multiple packaging ✓✓
- Environmentally friendly packaging ✓✓ (Any 2 x 1) (2)

3.1.2 Requirements of good packaging

- Catches the eye of the consumers ✓✓ – young people are attracted to packaging. ✓✓
- Suits the product ✓✓ – the nature of the product suits the way it had been packed. ✓✓
- Packaging can be tailor-made ✓✓ – for a specific market. ✓✓
- Promotes the image of the enterprise ✓✓ – the packaging varies with a popular brand. ✓✓
- Packaging can make a product re-usable and easy to store ✓✓ – meals are packed in an easily storable box. ✓✓
- It should be easily distributed, handle, transport and use ✓✓ – the way it had been packed it suits any situation. ✓✓
- Any other relevant requirement of packaging. (Any 3 x 4) (12)

3.1.3 Forms of market

- Monopoly $\checkmark\checkmark$ – there is only one seller who determined the price of the product $\checkmark\checkmark$ e.g. Eskom
- Oligopoly $\checkmark\checkmark$ – there are only a few sellers of the product dominating the market, each seller can insist on his own price, $\checkmark\checkmark$ e.g. Telkom and Neotel
- Monopolistic competition $\checkmark\checkmark$ – one seller rules or leads the market even though there are other sellers selling the same or similar product/services and consumers are often loyal to the seller's brand. $\checkmark\checkmark$
- Perfect competition $\checkmark\checkmark$ – there are many sellers and buyers, prices are determined by supply and demand. $\checkmark\checkmark$ (Any 2 x 4) (8)

3.2 3.2.1 Gantt chart

TASK	WEEK 1	WEEK 2	WEEK 3	WEEK 4	WEEK 5	MEMBER RESPONSIBLE
Registration of CC		\checkmark				Patrick \checkmark
Raising of capital			\checkmark			Patrick \checkmark
Staffing				\checkmark		Nceba \checkmark
Rental contract and communication lines			\checkmark			Wilberforce \checkmark
Stock			\checkmark			Patrick \checkmark
Training of staff		\checkmark				Nceba \checkmark

(12)

3.2.2 Value of the Gantt chart

- Sets out what needs to be done. $\checkmark\checkmark$
- Sets due dates for tasks to be completed. $\checkmark\checkmark$
- Shows the people responsible for specific tasks. $\checkmark\checkmark$
- Indicates the manner in which tasks must be completed. $\checkmark\checkmark$
- Any other relevant value of Gantt charts. (4 x 2) (8)

3.3 Entrepreneurial qualities

- Work with people $\checkmark\checkmark$
- Have a positive attitude $\checkmark\checkmark$
- Have skills, expertise and aptitude $\checkmark\checkmark$
- Prepared to take risks $\checkmark\checkmark$
- Creative thinker $\checkmark\checkmark$
- Self-motivated / passionate / ambitious person $\checkmark\checkmark$
- Any other relevant answer related to qualities of the entrepreneur. (Any 5 x 2) (10)

3.4 Health and safety measures

- Systematic evaluation of the working environment. ✓✓
- Endorsing preventative measures which eliminate reasons for illnesses in the workplace. ✓✓
- Giving information on the subject of an employee's health. ✓✓
- Apply good business practices and economic principles for efficient use of resources. ✓✓
- Provide safety working clothes for workers. ✓✓
- Warning signs to be visible to all users of the industry. ✓✓
- Accept any relevant answer to health and safety measures. (Any 4 x 2)

(8)
[60]

QUESTION 4

4.1 4.1.1 Difference between business and personal ethics

- Business ethics is about operating a business in a transparent and responsible manner, where care is taken not to harm the environment and to uplift the community. ✓✓
- Personal ethics involves the individual choosing to conduct his/her life according to the law and in such a way that he/she is respectful, honest, fair and concerned about others. ✓✓ (2 + 2) (4)

4.1.2 Principles of business ethics

- Social responsibility ✓✓
- Confidentiality ✓✓
- Avoiding conflict of interest ✓✓
- Looking after the environment ✓✓
- Abiding by international law ✓✓
- Due care ✓✓
- Being objective and impartial ✓✓
- Separate the auditing function from the consulting function ✓✓
- Any other relevant principle for business ethics. (Any 4 x 2) (8)

4.1.3 Ethics theories

- Utilitarian theory ✓✓
- Deontological theory ✓✓
- Virtue-based theory ✓✓
- Care theory ✓✓
- Relative theory ✓✓
- Objectivity theory ✓✓
- Rights approach ✓✓
- Justice approach ✓✓
- Consequential theory ✓✓
- Common good approach ✓✓ (Any 4 x 2) (8)

4.2 Requirements for a successful presentation

- Must be well prepared ✓✓
- Consider the audience or target group. ✓✓
- Proper planning of the presentation. ✓✓
- Must focus on the topic of the presentation ✓✓
- Identify the method of presentation to be used ✓✓
- Plan format of the presentation – introduction, body and conclusion ✓✓
- Keep audience interested ✓✓
- Include verbal and non-verbal information ✓✓
- Keep to the allocated time ✓✓
- Any other relevant answer related to the requirements of a good presentation of business related information. (Any 5 x 2) (10)

4.3 4.3.1 Problem-solving steps

- Identify and analyse the problem √√
- State desired outcomes / Identify various solutions √√
- Find the cause of the problem √√
- Evaluate these various solutions and choose the most appropriate √√
- Implement the decision √√
- Evaluate the decision or results after implementation √√
- Accept any order (6 x 2) (12)

4.3.2 Steps in the Delphi technique

- Carefully select a panel of experts to answer questionnaire √
- Experts answer the questionnaire anonymous √
- From the answers of the first questionnaire, a second questionnaire is developed √
- This continues until the answer provided by the experts show that they agree with one another. √ (Any 4 x 1) (4)

4.4 Social community involvement

- Gain the trust of investors √√
- Increasing appeal as an employer √√
- Upliftment programmes can alleviate poverty and other socio- economic issues. √√
- Establishment of social networks in communities which increases social integration. √√
- Promotion of communities. √√
- Accept any other relevant reasons for social community programmes. (Any 4 x 2) (8)

4.5 Good business citizenship

- Social responsibility √√
- Environmental sustainability √√
- Economic prosperity √√
- Product stewardship √√
- Procurement √√
- Product access √√
- Dualistic economy, apartheid legacy, poverty and HIV and Aids. √√ (Any 3 x 2) (6)

[60]

QUESTION 5

5.1 5.1.1 Variable costs

Raw materials	R140 000 ✓	
+ Labour	R185 000 ✓	
+ Packaging materials	R 8 000 ✓	
= Variable costs	R333 000 ✓	(4)

5.1.2 Fixed costs

Insurance	R30 000 ✓	
+ Rent	R18 000 ✓	
+ Cleaning materials	R10 000 ✓	
= Fixed costs	R58 000 ✓	(4)

5.1.3 Total production costs = Variable cost + Fixed costs

Variable costs	R333 000 ✓	
+ Fixed costs	R 58 000 ✓	
= Total production costs	R391 000 ✓	(3)

5.1.4 Production costs per unit

Total production costs	R391 000 ✓	
÷ Number of ready meals	R 30 000 ✓	
= Unit cost of one ready meal	R 13 ✓	(3)

5.2 Employment Equity Act

- Promoting equal opportunities and fair treatment to all employees. ✓✓
- Eliminating unfair discrimination. ✓✓
- Ensuring equal representation of all population groups in all occupational categories and levels in the workforce. ✓✓
- Redress disadvantages in employment experienced by designated groups. ✓✓
- Implement affirmative action measures to redress the disadvantages in employment experienced by designated groups. ✓✓
- It provides for employees to refer unresolved disputes to the CCMA.
- Empowers the Director-General to impose fines. ✓✓
- Any other relevant purpose of the EEA. (Any 5 x 2) (10)

5.3 5.3.1 Employment contract

- An employment contract is a formal written agreement between an employer and the employee. √√
- Stating the various terms and procedures etc. regarding his/her conditions of service and code of conduct. √√ (2)

5.3.2 Details in the employment contract

- Name and address of the employer and the employee. √√
- Detailed job description √√
- The employee’s place of work √√
- Basic salary, working hours, and overtime √√
- Deductions from the salary – income tax, pension, UIF etc. √√
- Housing and car allowances √√
- Termination of contract √√
- Code of conduct. √√
- Any other relevant answer related to employment contracts. (Any 5 x 2) (10)

5.3.3 Differentiate job description and specification

- Job description – Describes the duties/job and responsibilities of the employee specific to the job. √√
- Job specification – The knowledge, skills and experience a person must have to be able to carry out the tasks described in the job description. √√ (2 + 2) (4)

5.4 Causes of conflict

- Scarce resources √√ – when businesses have few resources. √
- Gender bias √√ – when management favours workers of a specific gender conflict can arise. √
- Weak leadership √√ – workers may become disillusioned with management. √
- Social factors √√ – workers from different cultures may have difficult working relationships if they are not properly informed about each other’s culture. √
- Lack of teamwork √√ – if a member of a team believes his views are better to that of colleagues. √
- Poor communication √√ – conflict may arise if workers are not kept informed of developments in the workplace. √
- Discrimination √√ – when one member is treated differently. √
- Unfair treatment √√ – when only one member can benefit from the business √
- Personality clashes √√ – people who struggle to work together. √
- Different values √√ – working on Sundays √
- Any other relevant to causes of conflict when two or more employees work together. Heading (2)
Explanation/Example (1)
(Any 4 x 3) (12)

5.5 Advantages of induction programme

- It allows new employees to settle in quickly and become productive and efficient employees. √√
- It increases motivation and enthusiasm. √√
- It reduces staff turnover, lateness and absenteeism. √√
- It develops leadership and guidance. √√
- It ensures that all rules and regulations are known and understood. √√
- It reduces the need for long-term training and skills development. √√
- Any other relevant answer to the advantages of induction programme.

(Any 4 x 2) (8)

[60]**QUESTION 6**

6.1 Elements of a successful team

- Purpose and goals √√
- Interdependence √√
- Commitment √√
- Accountability √√

(4 x 2) (8)

6.2 Advantages of quality control

- Production costs are kept low and wastage is reduced. √√
- Customer satisfaction is improved as final goods and services meet quality standards and customer expectations. √√
- Workers are motivated because they know what is expected of them. √√
- Manufacturers provide salary and wages incentives for quality work and implement strict quality-control measures. √√
- Quality control reveals poor performance by workers and faulty machines. √√
- Quality assurance further enhances the performance of workers in that they are motivated to work in an environment where quality is a priority. √√

(Any 5 x 2) (10)

6.3 Techniques to manage change

- Involve everyone. √√
- Encourage support. √√
- Access the cultural landscape. √√
- Communicate the message. √√
- Prepare for the unexpected. √√
- Perseverance √√
- Reward. √√
- Transferring ownership to a working team. √√
- Knowing the environment. √√
- Showing a passion for their beliefs. √√
- Building strong teams. √√
- Challenging the existing knowledge within the organisation. √√(Any 6 x 2) (12)

6.4 Stages of team development

- Forming √√ – getting to know each other. √
- Storming √√ – true characters starting to show, perhaps with first round of conflict. √
- Norming √√ – settling and reconciliation. √
- Performing √√ – working as a team towards the goal. √

Heading (2)
Explanation/description (1)
(4 x 3) (12)

6.5 Advantages of outsourcing for the outsourcing business

- The business’s personnel costs are lower. √√
- The outsourcing business does not have to employ expensive specialised staff. √√
- Its taxes are lower because the producers are independent contractors. √√
- Production time is shortened. √√
- There is flexibility to change third-party vendors whenever necessary. √√
- The vendor’s expertise is useful. √√
- The business can save money instead of spending it on specialised equipment. √√
- Any other relevant advantage of outsourcing to outsource business.

(Any 5 x 2) (10)

6.6 Causes of stress in the workplace

- Work overload / unrealistic targets. √√
- A lack of power or influence. √√
- Long working hours. √√
- Lack of finances, human resources or physical resources. √√
- Change in a job description, in management, in technology or in the economy. √√
- Confrontations and conflict. √√
- An inadequately trained person. √√
- Any other relevant cause of stress in the workplace.

(Any 4 x 2) (8)

[60]

TOTAL SECTION B: 180

SECTION C**QUESTION 7**

7.1 Introduction

- There are three sectors involved in production and distribution, namely the primary, secondary and tertiary sectors. ✓
- They operate interdependently. ✓
- All three is necessary for the smooth functioning of trade. ✓
- Any applicable introduction. (3 x 1) (3)

7.2 Primary sector

- Involves the extraction of products / raw materials from natural resources. ✓✓
- Examples: Agriculture, forestry, fishing and mining. ✓✓ (2 x 2) (4)

7.3 Secondary sector

- Involves the processing of raw materials extracted from the primary sector ✓✓
- It consists of the manufacturing and construction industries. ✓✓
- Goods manufactured in this sector are either finished or semi-finished ✓✓
- Example: Mondi manufactures paper from wood. ✓✓ (Any 2 x 2) (4)

7.4 Tertiary sector

- Consists of distributors as well as services ✓✓
- Facilitates the flow of goods and services from primary and secondary sectors to customers ✓✓
- Adds value to goods and services, by bringing them to customers and making them available in the right quantities and at the right time. ✓✓
- Examples: Traders, transport, communication, etc. ✓✓ (4)

7.5 Interrelatedness/Links between the sectors

7.5.1 Primary Sector

- In the primary sector, there are farmers who need seed and food stock produced by other farmers. ✓✓
- The primary sector is also dependent on the secondary sector for manufactured goods such as machinery, equipment, etc. ✓✓
- The primary sector needs transport and financing provided by the tertiary sector. ✓✓

7.5.2 Secondary Sector

- The secondary sector is dependent on the primary sector for the raw materials that are processed into more useful products, e.g. wool jackets. ✓✓
- The secondary sector also rely on the tertiary sector for the provision of a variety of services e.g. warehouses for the storage of goods ✓✓
- In the secondary sector, there are manufacturers of components that are used by other manufacturers' in their final products. ✓✓

7.5.3 Tertiary Sector

- In the tertiary sector, retailers are dependent on wholesalers for the supply of their stocks. ✓✓
- The tertiary sector is also dependent on the secondary sector for manufactured goods such as office machines, office furniture, stationery, etc. ✓✓
- The various services of transport, communication, financing, insurance and advertising are provided to the primary and secondary sectors. ✓✓

Backward link

- Means that businesses in a sector buy products or services from another sector's business within the same sector. ✓✓
- Example is foods bought by food manufacturers in the secondary sector from farmers or coal bought by steel producers from coal mines in the primary sector. ✓✓
- Manufacturer of clothing buys zips and buttons from other manufacturers. ✓✓

Forward link

- A forward link means that businesses in a sector sell their products or services to another sector or to businesses within the same sector ✓✓
- Example: Cotton sold by cotton farmers to spinning and weaving factories. ✓✓
- Example of selling within a sector: Tyre manufacturers sell tyres to car manufacturers. ✓✓

(Maximum of 4 marks per link) (4 x 5) (20)

7.6 Conclusion

- Sectors do not operate in isolation. ✓
 - The economy of the country would not operate without this interrelatedness of the economic sectors. ✓
 - The participants in the economy they make sure of the real and money flow to boost our economy. ✓
- (Any applicable conclusion)

(Any 2 x 1) (2)
[40]

BREAKDOWN OF MARKS

Details	Maximum	Reduced	Maximum	Total
Introduction			3	
Sectors	20	Max. 12	30	Max. 32
Interrelatedness	30	Max. 20		
Conclusion			2	
INSIGHT*(LASO)				
Layout				2
Analysis, interpretation				2
Synthesis				2
Originality, examples				2
TOTAL MARKS				40

*LASO – For each component
Allocate 2 marks if all requirements are met.
Allocate 1 mark if only some of the requirements are met.
Allocate 0 marks where requirements are not met at all.

[40]

QUESTION 8: BUSINESS OPPORTUNITIES

8.1 Introduction

- There are factors which you take into consideration when deciding about the form of ownership you want to establish. ✓
- You need also to look at the advantages and disadvantages of establishing such a business. ✓
- It is wise to take an informed decision on the form of ownership you want to establish. ✓ (Any 2 x 1) (2)

8.2 Factors to be considered before you choose the form of ownership. (2)

8.2.1 Registration of the business ✓✓

- The formation of the form of ownership differs according to the nature of the business. ✓
- Look at the complicated documents which must be completed in order that you can run such a business ✓
- You need to look on how to register such a business. ✓
- Example in establishing a sole trader there are no legalities. ✓∴

8.2.2 Capital ✓✓

- The nature of a business determines the size of the capital needed to establish such a business. ✓
- For example with a close corporation the capital is limited to what the members had contributed. ✓

8.2.3 Capacity and growth ✓✓

- Limited capital could restrict the long term growth of the business. ✓
- The growth of the business depends on the members of the form of ownership. ✓
- Loans can be provided by members, in others debentures can be sold to gain extra capital. ✓

8.2.4 Legislation ✓✓

- The business does not have a separate legal entity, which implies that the partners might be more cautious and less prepared to take risks. ✓
- Legislation guides the form of ownership you choose and the route to follow. ✓ Max. (12)

8.3 PARTNERSHIPS

8.3.1 Description

- Formed by two (2) up to twenty (20) people who contribute capital, skills, and labour, to run the business for the benefit of them all. √√
- No distinction is made between the personal assets of partners and those assets of the business or partnership. √√ Max. (4)

8.3.2 Advantages

- Partners have access to joint knowledge and skills. √√
- Workload and responsibility is shared. √√
- More partners can be added. √
- Resources are shared. √√
- It is cheap and easy to establish a partnership √√
- Up to twenty partners can contribute money or capital. √√ Max. (4)

8.3.3 Disadvantages

- Personal savings at risks. √√
- Partners are jointly and severally liable for the debts of the business. √√
- Complicated management between partners. √√
- There can be a lack of capital and cash flow. √√
- Partners have unlimited liability for the debts of the business. √√
- When there is change in the partnership i.e. when one partner dies the partnership dissolves and a new one must be formed. √√
- A partnership is not a legal person; it can be sued. √√ Max. (4)

8.3.4 Details of the Partnership agreement

- Interest paid in capital of each partner. √√
- How disputes will be resolved. √√
- Salaries paid to partners. √√
- Name of partners and partnership. √√
- Type of business it will be. √√
- Proportion in which the profit or losses are to be divided. √√
- Amount of withdrawals and who has withdrawal rights. √√
- Leave agreements. √√
- Duties of each partner. √√ Max. (12)

8.4 Conclusion

- A partnership is the suitable form of ownership for two partners. ✓✓
- Choosing the suitable form of ownership is a crucial aspect as you have to consider the advantages and disadvantages. ✓✓ Max. (2)

BREAKDOWN OF MARKS

Details	Maximum	Reduced	Maximum	Total
Introduction			3	
Factors to be considered	12	28	28	Max. 32
Partnership: advantages and disadvantages	12			
Formation of the partnership	12			
Conclusion	2		2	
INSIGHT*(LASO)				
Layout				2
Analysis, interpretation				2
Synthesis				2
Originality, examples				2
TOTAL MARKS				40

- *LASO – For each component
 Allocate 2 marks if all requirements are met.
 Allocate 1 mark if only some of the requirements are met.
 Allocate 0 marks where requirements are not met at all.

[40]

QUESTION 9: BUSINESS ROLES

9.1 Introduction

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

9.2 Role of trade unions

- Resolve employee grievances and disputes. ✓✓
 - Prevent the retrenchment of workers. ✓✓
 - Be part of the decision-making processes. ✓✓
 - Strengthening union power by increasing membership. ✓✓
 - Strikes are used to pressurise the governments or employers to change policies. ✓✓
 - The object of collective bargaining is to obtain an agreement between the trade union and employer which will prevent strikes. ✓✓
 - Strikes are used as a last resort during the negotiation processes. ✓✓
- (Any 10 x 1) (10)

9.3 Types of strikes

- Wildcat strike ✓✓ – is where workers strike without the sanction of the trade unions. ✓✓
 - General strike ✓✓ – strikes that involve all workers. ✓✓
 - Sympathy strike ✓✓ – is a small scale version of a general strike in which one group of workers refuses to cross a picket line established by another. ✓✓
 - Partial strike or slowdown ✓✓ – is a tactic that is also often used. ✓✓
 - Picketing Strike ✓✓ – is when workers go picketing during certain times to put pressure on negotiations. ✓✓
 - Sit-in strike ✓✓ – is where the workers occupy the workplace so that no working process can take place. ✓✓
- (Any 12 x 1) (12)

9.4 Functions of the trade unions:

- Protects the fundamental rights of the employees. √√
- Acts on behalf of members in dispute resolution. √√
- Monitors the implementation of matters affecting legislation. √√
- Trade unions strive to improve the working conditions of employees. √√
- Takes part in the collective bargaining process. √√
- Negotiates on behalf of membership for better wages and other benefits √√
- Educating shop stewards on how to carry out their tasks in the unions. √√

(Any 10 x 1) (10)

9.5 Conclusion

- Trade unions are playing an effective role in the well-being of members or employees. √√
- Membership to the trade union is vital so the workers rights can be protected. √√

(Any 2 x 1) (2)

BREAKDOWN OF MARK ALLOCATION

Details	Maximum	Reduced to	Subtotal	Total
Introduction			2	Max. 32
Role of trade unions	10			
Different types of strikes	12		28	
Functions of trade unions	10	28		
Conclusion	2		2	
INSIGHT:				
Layout				2
Analysis, interpretation				2
Synthesis				2
Originality, examples				2
TOTAL MARKS				40

*LASO – For each component:
 Allocate 2 marks if all requirements are met.
 Allocate 1 mark if only some of the requirements are met.
 Allocate 0 marks where requirements are not met at all.

[40]

QUESTION 10**10.1 Introduction**

- Businesses must follow a step-by-step process to ensure that the most suitable and efficient candidates will be selected for a post. ✓
- It ensures that the aim and objective of the business are achieved and proper planning of human resources is done. ✓
- Human resources management is one of the business functions that contribute to the success of the business. ✓
- Any other relevant introduction related to human resource function.

(Any 3 x 1) (3)

10.2 Recruitment

- The job analysis must be done, e.g. the job description and job specification. ✓✓
- Determine the key performance areas of the specific job. ✓✓
- The human resources manager must decide on the specific source to be used to advertise the position. ✓✓
- The two kinds of sources are internal or external. ✓✓
- The internal source is when the candidate is sourced from within the business. ✓✓
- The external source is when the business makes use of advertising, educational institutions, head hunting, etc. ✓✓
- Any other relevant answer about recruitment.

(Any 2 x 2) (8)

10.3 Selection

- The human resources manager must formulate short-listing criteria for the applicants. ✓✓
- Read through application forms and curriculum vitae (CV) from applicants for the post. ✓✓
- The HR manager compiles a short list of all candidates who meet the requirements for the job. ✓✓
- Inform unsuccessful candidates about the outcome of their application. ✓✓
- The HR manager invites the candidates who were short-listed to an interview. ✓✓
- Candidates may also ask to complete certain tests, e.g. personality tests, aptitude tests and/or skills tests. ✓✓
- The successful candidate is informed in writing, that he/she is appointed. ✓✓
- The successful candidate will receive a written contract and he/she must sign it. ✓✓
- Any other related answer to the selection process.

(Any 4 x 2) (8)

10.4 Placement

- This is the process whereby the new employee is placed in the right job. √√
- When the employee who is newly appointed, is placed in the right job he/she is more productive. √√
- Specific responsibilities of the position must be defined. √√
- The newly appointed employee may be required to complete psychometric tests to determine his/her strengths or weaknesses. √√
- Any other related answer to placement. (Any 4 x 2) (8)

10.5 Induction

- This is the process whereby the newly-appointed employee works efficiently with other colleagues in the business environment. √√
- Induction aims to create realistic expectations and ensure that he/she becomes productive. √√
- Give the newly-appointed employee an opportunity to ask questions about the work environment. √√
- Identify another worker as mentor to the new employee. √√
- Introduce the new-appointed employee to the rules, regulations and code of conduct of the business. √√
- Any other relevant answer related to the induction process. (Any 4 x 2) (8)

10.6 Recent examples about legislation:

- Basic Conditions of Employment Act (BCEA) √√ e.g. when considering applicants for a permanent or contract post OR compliance in terms of the act when drawing up an employment contract. √
- Affirmative Action √√ e.g. consider applicants from disadvantaged groups. √
- Employment Equity Act e.g. consider applicants in terms of race, gender and equity.
- Skills Development Act √√ e.g. consider development and training. √
- Any other relevant answer related to current legislation when filing a vacancy. (Any 3 x 3) (9)

10.7 Conclusion

- Businesses spend large amounts of money to ensure that the correct employee is appointed. ✓✓
- Therefore, the human resources manager must follow the prescribed steps in order to appoint the most suitable candidate for the job. ✓✓
- Any other relevant conclusion related to the steps in filling a vacancy. (Any 1 x 2) (2)

BREAKDOWN OF MARK ALLOCATION

Details	Maximum	Reduced to	Subtotal	Total
Introduction			3	Max. 32
Recruitment	8	27	27	
Selection	8			
Placement	8			
Induction	8			
Matters regarding current legislation	9			
Conclusion			2	
INSIGHT				
Layout				2
Analysis, interpretation				2
Synthesis				2
Originality , example				2
TOTAL MARKS				40

- *LASO – For each component
 Allocate 2 marks if all requirements are met.
 Allocate 1 mark if only some of the requirements are met.
 Allocate 0 marks where requirements are not met at all. [40]

TOTAL SECTION C: 80
GRAND TOTAL: 300