



# **education**

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NORTH WEST PROVINCE**

## **PROVINCIAL ASSESSMENT**

**GRADE 11**

**BUSINESS STUDIES P2**

**NOVEMBER 2019**

**MARKING GUIDELINES**

**MARKS: 150  
TIME: 2 hours**

**These Marking guidelines consist of 22 pages.**

**NOTES TO MARKERS****PREAMBLE**

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

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

2. Learners' responses must be in full sentences for SECTION B and C. However, this would depend on the nature of the question.
3. Comprehensive marking guideline has been provided but this is by no means exhaustive. Due consideration should be given to an answer that is correct, but:
  - Uses a different expression from that which appears in the marking guideline
  - Comes from other sources
  - Original
  - A different approach is used

**NOTE:** There is only ONE correct answer in SECTION A.

4. Take note of other relevant answers provided by candidate and allocate mark accordingly. ( In case where the answer is unclear or indicate some understanding, part-marks should be awarded, for example, one mark instead of the maximum of two marks)
5. The word 'Sub-max' is used to facilitate the allocation of marks within a question or sub-question.
6. The purpose of circling marks (guided by 'max' in the breakdown of marks) on the right hand side is to ensure consistency and accuracy in the marking of scripts as well as for calculation purposes.
7. Subtotals to questions must be written in the right-hand margin. Circle the subtotals as indicated by the allocation of marks. This must be guided by 'max' in the marking guidelines. Only the total for each question should appear in the left-hand margin next to the appropriate question number.
8. In an indirect question, the theory as well as the response must be relevant and related to the question.
9. Incorrect numbering of question in SECTIONS A and B will be severely penalised. Therefore, correct numbering is strongly recommended in all sections.
10. No additional credit must be given for the repetition of facts. Indicate an 'R'.

11. Note that no marks will be awarded for indicating Yes/No in evaluation type questions requiring substantiation or motivation. (Applicable to SECTION B and C)
12. The differentiation between 'evaluate' and 'critically evaluate' can be explained as follows:
- 12.1 When 'evaluate' is used, candidates are expected to respond in either a positive/negative manner or take a neutral (positive and negative) stance, e.g. **Positive** *'COIDA eliminates time and costs spent√ on lengthy civil court proceedings.'*√
- 12.2 When 'critically evaluate' is used, candidates are expected to respond in either a positive/negative manner or take a neutral (positive and negative) stance. In this instance candidates are also expected to support their responses with more depth, e.g. *'COIDA eliminates time and costs spent√ on lengthy civil court proceedings√, because the employer will not be liable for compensation to the employee for injuries sustained during working hours as long as it can be proved that the business was not negligent.'*√
- NOTE:** 1.The above could apply to 'analyse' as well.  
2. Note the placing of the tick(√) in the allocation of marks.
13. The allocation of marks must be informed by the nature of the question, cognitive verb used, mark allocation in the memorandum and the context of each question.

Cognitive verbs, *such as:*

- 13.1 Advise, name, state, mention, recommend, suggest, (*list not exhaustive*) do not usually require much depth in candidates' responses. Therefore, the mark allocation for each statement/answer appears at the end.
- 13.2 Describe, explain, discuss, elaborate, justify, devise, analyse, evaluate, critically evaluate (*list not exhaustive*) require a greater depth of understanding, application and reasoning. Therefore, the marks must be allocated more objectively to ensure that assessing is conducted according to established norms so that uniformity, consistency and fairness are achieved.
14. Mark only the FIRST answer where candidates offer more than one answer for SECTION A and B.

## 15. SECTION B

15.1 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.

15.2 If two facts are written in one sentence, award the candidate FULL credit.

Point 15.1 above still applies.

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

### 15.4 Use of cognitive verbs and allocation of marks:

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

- Fact                    2 marks (or as indicated in the memorandum)
- Explanation        1 mark

The 'fact' and 'explanation' are given separately in the memorandum to facilitate mark allocation.

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

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

## 16. SECTION C

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

Introduction	<b>Maximum 32</b>
Content	
Conclusion	
Insight	<b>8</b>
<b>TOTAL</b>	<b>40</b>

## 16.2 Insight consists of the following components:

Layout/Structure	Is there an introduction, a body and a conclusion?	<b>2</b>
Analysis and interpretation	Is the candidate able to break down the question into headings/sub-headings/interpret it correctly to show understanding of what is being asked?	<b>2</b>
Synthesis	<p>Are there relevant decisions/facts/responses made based on the question?</p> <p>Marks to be allocated using this guide:            No relevant facts: 0 (Two '-S')            Some relevant facts: 1 (One '-S')            Only relevant facts: 2 (No '-S')</p> <p>Option 1: Where a candidate answers 50% or more of the question with only relevant facts; no '-S' appears in the left margin. Award the maximum of TWO (2) marks for synthesis.</p> <p>Option 2: Where a candidate answers less than 50% of the question with only OR some relevant facts; one '-S' appears in the left margin. Award a maximum of ONE (1) mark for synthesis.</p> <p>Option 3: Where a candidate answers less than 50% of the question with no relevant facts; two '-S' appear in the left margin. Award a ZERO mark for synthesis.</p>	<b>2</b>
Originality	Is there evidence of examples, recent information, current trends and developments?	<b>2</b>
<b>TOTAL FOR INSIGHT:</b>		<b>8</b>
<b>TOTAL MARKS FOR FACTS:</b>		<b>32</b>
<b>TOTAL MARKS FOR ESSAY (8 + 32):</b>		<b>40</b>

- NOTE:**
- 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 awarded for layout, if the headings INTRODUCTION and CONCLUSION are not supported by an explanation.**
  - 4. With effect from November 2017 a candidate will be awarded a maximum of ONE (1) mark for headings/sub-headings and ONE (1) mark for interpretation (16 or more out of 32 marks). This applies specifically to the analysis and interpretation part of insight.**

- 16.3 Indicate insight in the left-hand margin with a symbol, e.g. ('L, A, S and/or O')
- 16.4 The breakdown of marks is indicated at the end of the suggested answer/ marking guidelines to each question.
- 16.5 Mark all relevant facts until the SUB MAX/MAX mark in a sub-section has been attained. Write SUB MAX/MAX after maximum marks have been obtained.
- 16.6 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.

<b>CONTENT</b>	<b>MARKS</b>
Facts	<b>32 (max.)</b>
L	<b>2</b>
A	<b>2</b>
S	<b>2</b>
O	<b>2</b>
<b>TOTAL</b>	<b>40</b>

- 16.7 When awarding marks for facts, take note of the sub-maxima indicated, especially if candidates do not make use of the same sub-headings. Remember, headings and sub-headings are encouraged and contribute to insight (structuring/logical flow/sequencing) and indicate clarity of thought. (See MARK BREAKDOWN at the end of each question.)
- 16.8 If the candidate identifies/interprets the question INCORRECTLY, then he/she may still obtain marks for insight.
- 16.9 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.
- 16.10 16.10.1 Award TWO marks for completed sentences. Award ONE mark for phrases, incomplete sentences and vague answers.
- 16.10.2 With effect from November 2015, the TWO marks will not necessarily appear at the end of each completed sentence. The ticks(√) will be separated and indicated next to each fact, e.g. 'Product development is a growth strategy/where businesses aim to introduce new products into existing markets.'√  
This will be informed by the nature and context of the question, as well as the cognitive verb used.
- 16.11 With effect from November 2017, the maximum of TWO (2) marks for facts shown as headings in the memo, will not necessarily apply to each question. This would also depend on the nature of the question.

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

- 1.1 1.1.1 D✓✓  
 1.1.2 A✓✓  
 1.1.3 A✓✓  
 1.1.4 B✓✓  
 1.1.5 C✓✓ (5x2) (10)
- 1.2 1.2.1 acquisition✓✓  
 1.2.2 memorandum of incorporation (MOI)✓✓  
 1.2.3 indigenous✓✓  
 1.2.4 code of ethics✓✓  
 1.2.5 Jungian .✓✓ (5x2) (10)
- 1.3 1.3.1 D✓✓  
 1.3.2 E✓✓  
 1.3.3 H✓✓  
 1.3.4 F✓✓  
 1.3.5 A✓✓ (5x2) (10)

**TOTAL SECTION A: 30****BREAKDOWN OF MARKS**

QUESTION 1	MARKS
1.1	10
1.2	10
1.3	10

**SECTION B****QUESTION 2: BUSINESS VENTURES****2.1 Success factors**

- Sustainability✓
- Profitability✓
- Customer base✓
- Corporate Social Investment✓
- Business skills✓
- Know your market✓
- Good leadership✓
- Ethics, control and good governance✓
- Stable workforce✓
- Uniqueness✓
- Any other relevant answer related to the success factors of a business venture.

**NOTE: Mark the first THREE (3) only****(3x1) (3)**

## 2.2 Quotation from the scenario

2.2.1 She took it upon herself to open a business centre to assist small businesses with completing their business profiles. ✓ (1)

### 2.2.2 Qualities of an entrepreneur

- Committed✓
- Perseverance✓
- Ability to adapt quickly✓
- Desire for responsibility✓
- Good management and leadership✓
- Confidence in the ability to succeed✓
- High levels of energy✓
- Passion✓
- Organisational skill /Management skills✓
- Willpower to overcome obstacles✓
- Opportunity-seeking✓
- Dreamer with clear visions✓
- Good communication skills✓
- Patience✓
- Ambitious✓
- Honest✓
- Hard worker✓
- Taking calculated risk✓
- Enthusiastic✓
- Any other relevant answer related to the qualities of an entrepreneur

**NOTE: Mark the first FOUR (4) only (4 X 1) (4)**

## 2.3 Factors to be considered before starting a business

- Culture of the organization✓✓
- Ensure the code of conduct is in place✓✓
- Provision for on-going training✓✓
- Possible environmental changes✓✓
- Possible risk factors✓✓
- Planning and minimizing the environmental impact on the business✓✓
- Action plan to satisfy the needs of customers✓✓
- Cutting of costs on unnecessary waste and expenditure✓✓
- The sources of raw materials/suppliers ✓✓
- The sources of funding that the business would use✓✓
- The form of ownership that will be used by the business✓✓
- The registration of the business✓✓
- The location/business premises to be used✓✓
- Consumer services✓✓
- Possibility of business growth✓✓
- Possibility of saving costs✓✓
- Any other relevant answer related to the factors that must be considered before starting a business.

**NOTE: Mark the first FOUR (4) only (4 x 2) (8)**



## 2.4. Action Plan

### 2.4.1 Meaning of action plan

- An action plan is a record of activities ✓ showing how those activities will be organized ✓ to achieve the goals set out in the business plan. ✓
- Is a planning and monitoring tool ✓ that specifies what tasks must be done by whom, when and with what resources ✓ in order to reach specific goals.
- Is a process that will help to focus ideas ✓ and to decide on the steps to achieve a particular goal. ✓
- Any other relevant answer related to the meaning of action plan.

**Max (4)**

### 2.4.2 Importance/Advantages of an action plan

- It enables projects to be completed ✓ within the specified time. ✓
- It helps the person responsible for achieving certain goals ✓ to be organized. ✓
- It is a control measure against which standards ✓ and performance can be measured. ✓
- It turns plans ✓ into action. ✓
- It prioritise actions ✓ according to their importance. ✓
- Identify problems ✓ that could occur. ✓
- Acts as a monitoring tool ✓ that makes it possible to check progress. ✓
- Any other relevant answer related to the importance/advantages of an action plan.

**Max (8)**

### 2.4.3 Sources of financing

- Equity capital (own funds) ✓✓/Money the owners of the business invest in the business/Owner's savings/Shares issued, Retained profit. ✓✓
- Debt/loans ✓✓/Money that has been borrowed ✓✓
- Loans from family or friends. ✓✓
- Bank loans. ✓✓
- Mortgage ✓✓/a particular type of bank loan that is used to buy property. ✓✓
- Debenture ✓✓/the company borrows money from the public. ✓✓
- Lease/Hire purchase ✓✓/involves monthly payments by the business for use of vehicle or equipment. ✓✓
- Overdraft ✓✓/a bank allows a business to take out more money than it has in its bank account. ✓✓
- Trade credit ✓✓/suppliers who provide goods and services to the business are often willing to wait a certain period for payment. ✓✓
- 'Grants ✓✓/ money made available by government for small developing businesses ✓✓
- 'Venture capital' ✓✓/wealthy business people who want to invest in promising small businesses in return for a profit share in the business. ✓✓
- 'Angel funding ✓✓/financing is given for an ownership share in the business as its start-up capital. ✓✓
- Any other relevant answer related to the sources of funding

**NOTE: Mark the first FOUR (4) only**

**(4 X 2) (8)**

## 2.5 Reasons why an entrepreneur may decide to purchase an existing business.

- The buyer can investigate the part record of the company, the profit and finances.√√
- Easier to raise finance if the business has a good history/image.√√
- Immediate cash flow as there are already existing customers.√√
- Market research has already been done and there is an established customer base.√√
- Distribution, supply links and staff are already established/established networks/experienced staff.√√
- The market is not being further divided by extra business.√√
- Many problems have already been solved.√√
- Any other relevant answer related to why an entrepreneur may decide to purchase an existing business.

**NOTE: Mark the first TWO (2)**

**(2 X 2) (4)**

**[40]**

### BREAKDOWN OF MARKS

QUESTION 2	MARKS
2.1	3
2.2.1	1
2.2.2	4
2.3	8
2.4.1	4
2.4.2	8
2.4.3	8
2.5	4
<b>TOTAL</b>	<b>40</b>

## QUESTION 3: BUSINESS ROLES

### 3.1.1 Stressful work environment

- Area/surrounding √ where work takes place is making people feel overwhelmed and overloaded. √
- People feel √ helpless, tired and can even make them ill. √
- The unsafe environment √ that employees are exposed to √ would add to the stressful work environment. √
- Any other relevant answer related to a stressful environment.

**(Max 4 x 1) (4)**

### 3.1.2 Working hours of EMR services can contribute to stress levels

- Long hours/shifts. √√
- Working hours at night. √√
- Any other relevant answer related to how working hours of EMR workers can contribute to their stress levels.

**(Max 2 x 2) (4)**

### 3.1.3 Reasons for resisting change

**-Loss of security.**

Workers feel secure with what they know and a new manager or new technology may frighten them. ✓

**-Fear of economic loss.**

Workers may disapprove of a new production process because they feel that it will lead to retrenchments. ✓

**-Loss of power and control.** ✓

Restructuring may change the amount of power some people have. ✓

**-Reluctance to change old habits.** ✓

New processes require a different mode of thinking. ✓

**-Awareness of weakness in the proposed change.** ✓

Employees resist change because they see that it may cause problems. ✓

**-Peer pressure.** ✓

Groups of people may pressurize others to resist change. ✓

**-Timing and scope of change.** ✓

Change should happen when people are receptive and well prepared for it. ✓

**-Misunderstanding.** ✓

People might resist because they do not fully understand. ✓

-Any other relevant answer related to the reasons for resisting change.

**(Max 6 x 2) (12)**

## 3.2

### 3.2.1 Problem solving techniques

Delphi technique. ✓

"He requested a group of business experts to complete questionnaires." ✓  
**(2)**

### 3.2.2 Advantages of Delphi technique

- A group of experts will be used ✓ without bringing them together. ✓  
Experts will give anonymous ideas.
- They feel safe and can be more creative.
- Experts can elaborate on each other's ideas.
- Experts will give clear ideas/solutions ✓ on how to improve on low productivity/profitability. ✓
- Panel members/Experts can give new information ✓ on problems. ✓
- Information received from experts ✓ can be kept confidential. ✓
- It reduces noise levels in an office environment ✓ since there is no group discussion. ✓
- Panel members/Experts need to reach consensus, ✓ so that the best solution is found. ✓
- All experts are given equal opportunity to give their opinions, ✓ so no-one dominates the process. ✓
- Any other relevant answer related to the advantages of the Delphi technique.

**Max (6)**

**3.2.3 Creative thinking**

- The process used to come up ✓ with new/fresh ideas. ✓
- Using lateral thinking ✓ solves problems through reasoning ✓ to find solutions ✓ that are not immediately obvious. ✓
- Any other relevant answer related to creative thinking.

**(Max 2 x 1) (2)****3.2.4 Mental blocks**

- Internal blocks. ✓
- – Blocks that are ruled by emotions, fear, judgements and reflections. ✓
- Perceptual blocks. ✓
- – Blocks that are obstacles that prevent people from seeing the problem clearly or finding a possible solution. ✓
- –Intellectual and expressive blocks. ✓
- Intellectual blocks ✓
- – lead to poor strategies or plans to solve the problem. ✓
- Expressive blocks ✓
- – mean that the ability to communicate ideas is difficult. ✓
- Cultural blocks. ✓
- – Blocks that imply that people do not want to go against their traditional beliefs. ✓
- Environmental blocks. ✓
- – Environmental blocks include the social and physical environment in which people live and work. ✓
- The social environment should be where there is honesty, trust and support. ✓
- Any other relevant answer related to mental blocks.

**NOTE: Mark the first FIVE (5) only.**

**Heading (1)**  
**Explanation (1)**  
**Max (10)**  
**[40]**

**BREAKDOWN OF MARKS**

QUESTION 3	MARKS
3.1.1	4
3.1.2	4
3.1.3	12
3.2.1	2
3.2.2	6
3.2.3	2
3.2.4	10
<b>TOTAL</b>	<b>40</b>

**QUESTION 4: MISCELLANEOUS TOPICS****BUSINESS VENTURES****4.1 Visual aids**

- 4.1.1 Handouts √√
- 4.1.2 Flowchart √√
- 4.1.3 Power point/ Slide show √√
- 4.1.4 Pie-chart √√

**(4 x 2) (8)****4.2 Difference between verbal and non-verbal communication**

<b>Verbal</b>	<b>Non-verbal</b>
<ul style="list-style-type: none"> <li>- Exchange information using oral presentation/spoken. √√</li> <li>- Information can be heard. √√</li> <li>- Information can not be stored. √√</li> <li>- Any other relevant answer related to verbal communication.</li> </ul>	<ul style="list-style-type: none"> <li>- Communication by means of printed media. √√</li> <li>- Communication can be read. √√</li> <li>- Communication can be stored. √√</li> <li>- Any other relevant answer related to non-verbal communication.</li> </ul>
Sub max (2)	Sub max (2)

**NOTE: The difference must be clear.****Max (4)****4.3 Benefits of establishing a company versus other forms of ownership**

- A company has its own legal status √ and is protected unlike sole proprietorship and partnerships. √
- A company has continuity √ of existence. √
- Shareholder's private assets are protected √ as they have limited liability. √
- Companies have legal constraints √ and more accountability than sole proprietorship and partnerships. √
- A company can have more shareholders √ to fund the establishment of the business. √
- Shareholders are able to buy √ and sell shares freely in a public company. √
- Shareholders share in the profits of the company √ through dividends. √
- The company is managed by a qualified √ and competent board of directors. √
- A company is less likely to use consultants √ as it has a larger pool of skills and expertise. √
- Companies have a better √ cash flow. √
- Directors do not have to take out personal loans √ to grow the business. √
- Company shares can be √ transferred/bought/sold. √
- Companies have tax benefits √ other enterprises do not have. √
- Any other relevant answer related to the benefits of establishing a company over other forms of ownership.

**Max (8)**

## BUSINESS ROLES

### 4.4 Differences between ethics and professionalism

ETHICS	PROFESSIONALISM
- Set of standards√ of expected behaviour √ - Set of values√ that are normally acceptable√	- Knowledge and skills of a profession
- Acceptable√ to society/group/community√	- Used for good√ of the employees/individuals √
- Forms part of the employees'√ code of conduct√	- Apply a code of conduct√ set by the profession or business√
- Focus is on developing a moral compass√ to use in decision making√	- Focus is on upholding the reputation√ of the business/profession√
- Seeks to avoid harm√ while promoting benefit to others√	- Conforms to a specific standard in terms of quality and competence√ while also being legal and ethical√
- Any other answer related to ethics	- Any other relevant answer related to professionalism
Sub max (4)	Sub max (4)

**NOTE: 1. The differences must be clear.**

**2. The answer does not have to be in tabular format.**

**3. Award maximum of FOUR (4) marks if the differences are not clear.**

**Mark either ethics or professionalism**

**Max (8)**

### 4.5 Ways to conduct business professionally, responsibly, ethically and effectively

- Businesses should treat all employees equally√√
- Plan properly and put preventative measures in place.√√
- Pay fair wages/salaries which are in line with the minimum requirements of the BCEA/Remunerate employees for working overtime/during public holidays.√√
- Engage in environmental awareness programmes/Refrain from polluting the environment, e.g. by legally disposing of toxic waste.√√
- Avoid starting a business using ideas from other businesses that are protected by legislation.√√
- Business decisions and actions must be clear/transparent to all stakeholders.√√
- Business should be accountable/responsible for their decisions and actions/patent rights.√√
- Hiring honest/trustworthy accountants/financial officers with good credentials.√√
- Regular/Timeous payment of taxes.√√
- Draw up a code of ethics/conduct.√√
- Ongoing development of and training of for all employees.√√
- Performance management systems/Appraisals should be in place.√√
- Adequate internal controls/monitoring/evaluation.√√
- Any other relevant answer related to ways in which professional, responsible, ethical and effective business practices should be conducted.

**Max (6)**

**4.6 Functions of workplace forums**

- Prevent unilateral decisions made by employers on issues affecting the employees. ✓✓
- Encourages workers' participation in decision making. ✓✓
- Workplace forum has the right to be consulted by the employer on:
  - Restructuring of work methods and new work methods.
  - Restructuring of workers.
  - Mergers and transfer of ownership
  - Job grading
  - Criteria for merits and bonuses
  - Health and safety measures
  - Measures to establish an affirmative action program
  - Partial or total closure of the business
- To promote the interests of all employees in the workplace.
- To promote efficiency in the workplace through co-operation.
- To be consulted by an employer and to reach consensus about working conditions.
- Any other relevant answer related to the functions of workplace forum.

**Max (6)****[40]****BREAKDOWN OF MARKS**

<b>QUESTION 4</b>	<b>MARKS</b>
<b>4.1</b>	<b>8</b>
<b>4.2</b>	<b>4</b>
<b>4.3</b>	<b>8</b>
<b>4.4</b>	<b>8</b>
<b>4.5</b>	<b>6</b>
<b>4.6</b>	<b>6</b>
<b>TOTAL</b>	<b>40</b>

## SECTION C

### QUESTION 5: BUSINESS VENTURES

#### 5.1 Introduction

- A branch of the business is then sold to another person and in this way the business can expand.
- There are three main types of franchises: product, system and manufacturing franchise.
- A franchise is often referred to as 'in business for yourself', but 'not by yourself'.
- Any other relevant answer related to franchising.

**Max (2)**

#### 5.2 Franchise

- Is a license√ to use the name, idea, processes and goodwill of an existing business √ in a specific geographic area.√
- Is able to run a business √ that has established name, products and reputation. √
- Any other relevant answer related to a franchise.

**Max (4)**

#### 5.3 Advantages of a franchise

- Other successful franchises can be studied √ before making a commitment.√
- The business will use a recognized √ brand name and trademark. √
- The business will benefit from any advertising or promotion √ by the franchisor.√
- The franchisor gives the business support √ in the form of training, setting up the business, how to operate the business and advice.√
- The franchisee can obtain exclusive rights √ in a certain geographical area. √
- The franchisor will undertake not to sell √ any other franchises in the same area.√
- Financing the business may be easier √/Banks are more likely to lend money√ to buy a franchise with a good reputation. √
- The business can communicate and share ideas with, √ and receive support from, other franchisees in the network. √
- Relationships with suppliers √ have already been established. √
- Greater chance of success √ because financial risk is much lower. √
- Specialist managers can be appointed √ as owners and managers can be separate positions. √
- Accounting records√ have to be audited (giving the firm financial credibility).√
- Operational costs are lower√ due to centralized purchasing of the franchisor.√
- Any other relevant answer related to the advantages of a franchise.

**Sub max (20)**



**Disadvantages of a franchise**

- The cost may be higher ✓ than expected ✓/The initial costs of buying the franchise as well as royalties ✓ and the business may have to agree to buy products from the franchise. ✓
- There may be restrictions ✓ in the franchise agreement on how you can operate the business. ✓
- The franchisor ✓ might go out of business. ✓
- Other franchisees could give ✓ the brand a bad reputation ✓
- It may be difficult ✓ to sell the business together with the franchise. ✓/The franchisor first ✓ may need to approve the new buyer. ✓
- A percentage of sales ✓ is usually shared with the franchisor in the form of royalties. ✓
- Any other relevant answer related to the disadvantages of a franchise.

**Sub max (8)**  
**Max (24)**

**5.4 Parties involved in a franchise**Franchisee ✓✓

- The party who pays for the franchise ✓ in fees and a proportion of the profits/the person buying the franchise. ✓

**Party (2)**  
**- Explanation (2)**  
**Sub max (4)**

Franchisor ✓✓

- The person who owns the rights and trademarks ✓ of a business and which grants the rights to operate a branch of the business to another party ✓ (franchisee) in exchange for a fee and apportion of the profits. ✓

**Party (2)**  
**Explanation (2)**  
**Sub max (4)**  
**Max (8)**

**NOTE: Mark the first TWO (2) only**

**5.5 Contractual implications of a franchise**

- The franchisor and the franchisee will enter into a formal agreement. ✓✓
- The agreement will stipulate the roles, rights and responsibilities of both parties. ✓✓
- The franchise agreement will also specify the following payments:
  - Initial fee ✓✓
  - Monthly management fee ✓✓
  - Royalties on turnover ✓✓
  - Fees for machinery and equipment ✓✓
  - Fees for advertising ✓✓
- Any other relevant answer related to the contractual implications of a franchise.

**Max (10)**

**5.6 Conclusion**

- A franchise remains one of the most successful ways to start a business. ✓✓
- Any other relevant conclusion relating to a franchise.

**Max (2)**  
**[40]**

**QUESTION 5: BREAKDOWN OF MARK ALLOCATION**

<b>DETAILS</b>	<b>MAXIMUM</b>	<b>TOTAL</b>
Introduction	2	
Definition of a franchise	4	
Advantages and disadvantages of a franchise	24	
Parties involved in a franchise	8	
Contractual implications of a franchise	10	
Conclusion	2	Max 32
<b>INSIGHT</b>		
Layout	2	
Analysis/Interpretation	2	
Synthesis	2	
Originality	2	8
<b>TOTAL MARKS</b>		40

LASO – For each component:

Allocate 2 marks if all requirements are met.

Allocate 1 mark if some requirements are met.

Allocate 0 mark where requirements are not met at all

**QUESTION 6: BUSINESS ROLES****6.1 Introduction**

- Conflict management is the process of planning to prevent conflict where possible and organizing to resolve conflict where it does happen, as quickly and smoothly as possible. ✓
- Teamwork is essential to the success of businesses. ✓
- Teamwork encourages creativity and communication, and allows workers to share knowledge, expertise and skills. ✓
- People working together complement one another and weaknesses are largely eliminated. ✓
- Any relevant introduction related to conflict, causes of conflict and team development. **Max (2)**

**6.2 Conflict**

- Is a serious disagreement ✓ between people because of a difference in beliefs, values, morals or opinions. ✓
- Any other relevant answer related to explaining conflict. **Max (2)**

### 6.3 Causes of conflict

- Conflict as a result of personality clashes. √√
- Ego problems and low self-esteem. √√
- Underlying stress and tension. √√
- Differences in values and beliefs. √√
- Miscommunication. √√
- Perceived breach of faith and trust. √√
- Unresolved issues. √√
- Poor management. √√
- Unfair treatment in the workplace. √√
- Unclear job roles. √√
- Increase in workload. √√
- Inadequate training. √√
- Poor communication. √√
- Poor work environment. √√
- Lack of equal opportunities. √√
- Bullying and harassment. √√
- Change. √√
- Lack of information needed to do jobs properly. √√
- Stereotyping. √√
- Inconsiderate behavior. √√
- Deadlines being missed or exceeded. √√
- Company policy being ignored. √√
- Any relevant answer related to the causes of conflict.

**NOTE: Mark the first SIX only**

**Max (12)**

### 6.4 Stages of team development

#### Forming. √√

- Getting to know each other. √
- The team members do not have clarity of the purpose, objectives and aims of the team and the role they need to play. √
- Members test the tolerance of the leader.
- Any other relevant answer related to forming as a stage of team performance.

**Sub max (4)**

#### Storming. √√

- True character shows. √
- The team members fight for the roles they want to play. √
- Clarity of purpose is given, but plenty of uncertainties continue. √
- There may be power struggles for the position of the team leader. √
- Any other relevant answer related to storming as a stage of team performance.

**Sub max (4)**

#### Norming. √√

- Settling and reconciliation. √
- Team members form agreement and consensus. √
- Roles and responsibilities are clear and accepted. √
- Team makes big decisions. √
- Processes, working styles and respect develop. √
- Conflict may occur, but commitment and unity are strong. √
- Any other relevant answer related to norming as a stage of team performance.

**Sub max (4)**

**Performing.**√√

- Working as a team towards goal.√
- Team members are aware of strategies and aims of the team and have direction without interference from the leader.√
- Processes and structures are set.√
- Leader delegates and oversees.√
- Conflict may appear, but is resolved quickly.√
- Any other relevant answer related to performing as a stage of team performance.

**Sub max (4)**  
**Max (16)**

**6.5 Belbin role theory****Cerebral roles.** √√

## Planter. √

- The source of original ideas, creative and imaginative.√
- Can solve difficult problems in conventional ways.√
- Prefer to work away from the team√ because of their introverted nature.√
- Struggles to deal with criticism.√

## Specialist. √

- Experts in their fields, highly focused and capable. √
- Driven by professional standards. √

## Monitor-evaluator. √

- Sees all the options and judges accurately. √
- Breaks everything down into manageable chunks and has the ability to strategise. √
- Monitor-evaluator are analytical, √ strategic √ and unemotional. √
- They are good at analyzing √ the ideas of other team members. √

**Action roles.** √√

## Shaper √

- Gives shape to the team √
- Looks for pattern in discussion.√
- Competitive, dynamic, achievement-driven and thrives under pressure. √
- Shapers challenge √ the team to improve. √
- They do not believe in quitting, √ even when the going gets tough. √

## Implementer. √

- Turns decisions and strategies into manageable tasks. √
- Disciplined, reliable, practical and efficient. √
- Acts on ideas. √
- Implementers are people who get things done.

## Completer-finisher. √

- Gives attention to detail. √
- Has high standards and motivates team to keep to due dates. √
- They ensure that the projects are completed thoroughly √ and are perfectionists. √

**People roles.** √√

## Co-ordinator. √

- Usually the chairperson/team leader. √
- Clarifies group objectives and sets agenda. √
- They are mature and confident, promotes decisions-making and delegates effectively. √
- They are rational thinkers √ who are capable of delegating work effectively. √

## Team workers. √

- Sort out division and disruption in the team. √
- Co-operative, relationship-focused, sensitive and diplomatic. √
- A good listener who builds relationships and who dislikes confrontation.√
- They are responsible for ensuring that team members work together. √

## Resource investigator. √

- Explores opportunities. √
- Goes out to bring in new ideas by networking with others. √
- Extrovert, enthusiastic, communicates and negotiates easily. √
- Any other relevant answer related to the Belbin role theory.

**Max (16)**

**6.6 Conclusion**

- Managers need to be able to recognize and resolve conflict to promote co-operation and productivity. ✓✓
- Successes in business context depends on how well team members work together with each other and combine talents, skills and expertise to reach one common business goal. ✓✓
- Any other conclusion related to conflict, causes of conflict and team development.

**Max (2)**  
**[40]**

**QUESTION 6: BREAKDOWN OF MARK ALLOCATION**

<b>DETAILS</b>	<b>MAXIMUM</b>	<b>TOTAL</b>
Introduction	<b>2</b>	
Definition of Conflict	<b>2</b>	
Causes of conflict	<b>12</b>	
Stages of team development	<b>16</b>	
Components of a balanced team according to Belbin role theory	<b>16</b>	
Conclusion	<b>2</b>	<b>32</b>
<b>INSIGHT</b>		
Layout	<b>2</b>	
Analysis/Interpretation	<b>2</b>	
Synthesis	<b>2</b>	
Originality/Examples	<b>2</b>	<b>8</b>
<b>TOTAL MARKS</b>		<b>40</b>

LASO – For each component:

Allocate 2 marks if all requirements are met.

Allocate 1 mark if some requirements are met.

Allocate 0 mark where requirements are not met at all.

**TOTAL SECTION C: 40**  
**GRAND TOTAL: 150**