



# education

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Department:  
Education  
North West Provincial Government  
**REPUBLIC OF SOUTH AFRICA**

## PROVINCIAL ASSESSMENT

**GRADE 12**

**BUSINESS STUDIES P2  
JUNE 2024  
MARKING GUIDELINE**

**MARKS: 150**

**This marking guideline consists of 28 pages.**

**NOTES TO THE 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

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

Marker:	Red
DH:	Green
LEO/Cluster moderator:	Orange
Provincial moderator:	Pink

2. Candidates' responses must be in full sentences for SECTIONS B and C. However, this would depend on the nature of the question.
3. A comprehensive marking guideline has been provided but this is by no means exhaustive. Due consideration should be given to an answer that is correct but:
- Uses a different expression from that which appears in the marking guideline
  - Comes from another credible source
  - 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 candidates and allocate marks accordingly. (In cases where the answer is unclear or indicates some understanding, part-marks should be awarded, for example, one mark instead of the maximum of two marks.)
5. The word 'Sub-max' is used to facilitate the allocation of marks within a question or sub-question.
6. The purpose of circling marks (guided by 'max' in the breakdown of marks) on the right-hand side is to ensure consistency and accuracy in the marking of scripts as well as for calculation and moderation purposes.
7. Subtotals to questions must be written in the right-hand margin. Circle the subtotals as indicated by the allocation of marks. This must be guided by 'max' in the marking guidelines. Only the total for each question should appear in the left-hand margin next to the appropriate question number.

## Grade 12-Marking Guideline

8. In an indirect question, the theory as well as the response must be relevant and related to the question.
9. Correct numbering of answers to questions or sub questions is recommended in SECTIONS A and B. However, if the numbering is incorrect, follow the sequence of the candidate's responses. Candidates will be penalised if the latter is not clear
10. No additional credit must be given for repetition of facts. Indicate with an 'R'.
11. The differentiation between 'evaluate' and 'critically evaluate' can be explained as follows:
- 11.1 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: 'The autocratic leadership style provides strong leadership ✓ which makes new employees feel confident and safe' ✓.
- 11.2 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. 'The autocratic leadership style provides strong leadership ✓ which makes new employees feel confident and safe ✓, as expectations/roles are clearly explained to avoid confusion' ✓.
- NOTE:**
1. The above could apply to 'analyse' as well.
  2. Note the placing of the tick (✓) in the allocation of marks.
12. The allocation of marks must be informed by the nature of the question, cognitive verb used, mark allocation in the marking guideline and the context of each question.
- Cognitive verbs, such as:
- 12.1 Advise, name, state, outline, motivate, recommend, suggest, (list not exhaustive) do not usually require much depth in candidates' responses. Therefore, the mark allocation for each statement/answer appears at the end.
- 12.2 Define, describe, explain, discuss, elaborate, distinguish, differentiate, compare, tabulate, 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.
13. Mark only the FIRST answer where candidates offer more than one answer for SECTION B and C questions that require one answer.

## 14. SECTION B

14.1 If for example, FIVE facts are required, mark the candidate's FIRST FIVE responses and ignore the rest of the responses. Indicate by drawing a line across the unmarked portion.

- NOTE:**
1. This applies only to questions where the number of facts is specified.
  2. The above also applies to responses in SECTION C (where applicable)

14.2 If two facts are written in one sentence, award the candidate FULL credit. Point 14.1 above still applies.

14.3 If candidates are required to provide their own examples/views, brainstorm this at the marking centre to finalise alternative answers and consult with the Internal Moderator at the province for approval.

### 14.4 Use of the cognitive verbs and allocation of marks:

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

- Fact 2 marks (or as indicated in the marking guidelines)
- Explanation 1 mark (two marks will be allocated in Section C)

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

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

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

## 15. SECTION C

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

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

## Grade 12-Marking Guideline

15.2 Insight consists of the following components:

Layout/Structure	Is there an introduction, paragraphs and a conclusion?	<b>2</b>
Analysis and interpretation	Is the candidate able to break down the question into headings/subheadings/interpret it correctly to show understanding of what is being asked? Marks to be allocated using this guide: All headings addressed: 1 (One 'A') Interpretation (16 to 32 marks): 1 (One 'A')	<b>2</b>
Synthesis	Are there relevant decisions/facts/responses made based on the questions? Option 1 <b>Only relevant facts: 2 marks (No '-S')</b> Where a candidate answers 50% or more (two to four sub-questions) of the question with only relevant facts; no '-S' appears in the left margin. Award the maximum of TWO (2) marks for synthesis. Option 2 <b>Some relevant facts: 1 mark (One '-S')</b> Where a candidate answers less than 50% (only one sub-question) 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. Option 3 <b>Some relevant facts: 1 mark (One '-S')</b> Where a candidate answers FOUR sub-questions, but one/two/three sub-questions with no relevant facts; one '-S' appears in the left margin. Award a maximum of ONE (1) mark for synthesis. Option 4 <b>No relevant facts: 0 mark (Two '-S')</b> Where a candidate answers less than 50% (only one sub-question) of the questions with no relevant facts; two '-S' appears in the left margin. Award a ZERO mark for synthesis.	<b>2</b>
Originality	Is there evidence of one or two examples TWO of the four sub-questions, not older than two (2) years, that are based on recent information, current trends and developments?	
<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.**

## Grade 12 – Marking Guideline

- 15.3 Indicate insight in the left-hand margin with a symbol e.g. ('L, A, -S and/or O').
- 15.4 The breakdown of marks is indicated at the end of the suggested answer/ marking guideline to each question.
- 15.5 Mark all relevant facts until the SUB MAX/MAX mark in a subsection has been attained. Write SUB MAX/MAX after maximum marks have been obtained, but continue reading for originality "O".
- 15.6 At the end of each essay indicate the allocation of marks for facts and marks for insight as follows: (L – Layout, A – Analysis, 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>

- 15.7 When awarding marks for facts, take note of the sub-maxima indicated, especially if candidates do not make use of the same subheadings. Remember, headings and subheadings are encouraged and contribute to insight (structuring/logical flow/sequencing) and indicate clarity of thought. (See MARK BREAKDOWN at the end of each question.)
- 15.8 If the candidate identifies/interprets the question INCORRECTLY, then he/she may still obtain marks for layout.
- 15.9 If a different approach is used by candidates, ensure that the answers are assessed according to the mark allocation/subheadings as indicated in the marking guideline.
- 15.10 15.10.1 Award TWO marks for complete sentences. Award ONE mark for phrases, incomplete sentences and vague answers.
- 15.10.2 With effect from November 2015, the TWO marks will not necessarily appear at the end of each completed sentence. The ticks (✓) will be separated and indicated next to each fact, e.g. 'Product development is a growth strategy ✓, where businesses aim to introduce new products into existing markets.' ✓
- This will be informed by the nature and context of the question, as well as the cognitive verb used.
- 15.11 With effect from November 2017, the maximum of TWO (2) marks for facts shown as headings in the marking guidelines, will not necessarily apply to each question. This would also depend on the nature of the question.

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

1.1

- 1.1.1 B√√
- 1.1.2 C√√
- 1.1.3 D√√
- 1.1.4 C√√
- 1.1.5 A√√

(5 × 2) (10)

1.2

- 1.2.1 Problem-solving √√
- 1.2.2 Storming √√
- 1.2.3 Over-insurance √√
- 1.2.4 Management √√
- 1.2.5 Compound interest √√

(5 × 2) (10)

1.3

- 1.3.1 E√√
- 1.3.2 D√√
- 1.3.3 J√√
- 1.3.4 F√√
- 1.3.5 B√√

(5 × 2) (10)

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

<b>QUESTION 1</b>	<b>MARKS</b>
<b>1.1</b>	<b>10</b>
<b>1.2</b>	<b>10</b>
<b>1.3</b>	<b>10</b>
<b>TOTAL</b>	<b>30</b>

**SECTION B**

Mark the answers to the **FIRST TWO** questions only.

**QUESTION 2: BUSINESS VENTURES****2.1 Types of preference shares**

- Participating preference shares ✓
- Non-participating preference shares ✓
- Redeemable preference shares ✓
- Non-redeemable preference shares ✓
- Convertible preference shares ✓
- Non-convertible preference shares ✓
- Cumulative preference shares ✓
- Non-cumulative preference shares ✓
- Any other relevant answer related to types of preference shares

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

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

**2.2 Rights of ordinary shareholders**

- Vote at the Annual General Meeting. ✓✓
- Attend the Annual General Meeting to learn about the company's performance. ✓✓
- Receive interim and annual reports. ✓✓
- Claim on company assets in the event of bankruptcy after all other creditors and preferential shareholders have been paid. ✓✓
- Any other relevant answer related to the rights of ordinary shares.

**Max (6)**

**2.3 Leadership style****2.3.1 Impact of democratic leadership style from the scenario**

- The employees of KDD participate in making business decisions. ✓
- Incorrect decisions can be made by inexperienced staff members. ✓

**NOTE: 1. Mark the first TWO (2) only**

**2 Only award marks for impact of leadership style quoted from the scenario.**

**(2 x 1) (2)**

**Other Impact of democratic leadership style  
Positives/Advantages**

- 2.3.2**
- Staff gives a variety of ideas/inputs/feedback/viewpoints ✓ that can lead to innovation/improved production methods/increased sales. ✓
  - Clear/Two-way communication ✓ ensures group commitment to final decision(s). ✓
  - Authority is delegated which can motivate/inspire workers ✓ to be more productive. ✓
  - Complex decisions can be made with inputs ✓ from specialists/skilled workers. ✓
  - Any other relevant answer related to the positive impact/advantages of the democratic leadership style on businesses.

**AND/OR**



**Negatives/Disadvantages**

- Decision making may be time consuming ✓ because stakeholders have to be consulted. ✓
- Employees may feel discouraged ✓ if their opinions/inputs are not considered. ✓
- The leader can rely too much on the input of the followers ✓ and fail to make a final decision. ✓
- Not effective in times of crisis ✓ when quick decisions need to be made. ✓
- Some employees only pretend to participate in decision making ✓ and their feedback may not always be accurate. ✓
- Any other relevant answer related to the negative impact/disadvantages of the democratic leadership style on businesses.

**NOTE: Do not award marks for responses provided in QUESTION 2.3.1.**

**Max**

**(6)**

**2.4 The role of personal attitude in successful leadership**

- Positive attitude ✓ releases leadership potential for personal growth. ✓
- A leader's good attitude ✓ can influence the success of the business. ✓
- Leaders must know their strengths and weaknesses ✓ to apply their leadership styles effectively. ✓
- Great leaders understand that the right attitude ✓ will set the right atmosphere. ✓
- Leaders' attitude ✓ may influence employees'/teams' thoughts/behaviour. ✓
- Leaders should model the behaviour ✓ that they want to see in team members. ✓
- Successful leaders consider the abilities/skills ✓ of team members to allocate tasks/roles effectively. ✓
- Enthusiasm produces confidence in a leader ✓ and inspires them to work even harder. ✓
- A positive attitude is critical for good leadership ✓ because good leaders will stay with the task regardless of difficulties/challenges. ✓
- Successful leaders and employees have a constant desire ✓ to work and achieve personal/professional success. ✓
- Leaders with a positive attitude ✓ know that there is always more to learn/space to grow. ✓
- Any other relevant answer related to the role of personal attitude in successful leadership.

**Max**

**(6)**

## 2.5 Principles of insurance from the scenario.

PRINCIPLE OF INSURANCE	MOTIVATION
1. Security/Certainty√√	WIC aims to provide financial security to the insured at retirement/the dependents of the deceased√
2. Utmost good faith√√	They encourage disclose everything that may affect the extent of the risk. √
Submax (4)	Submax (2)

- NOTE: 1 Mark the first TWO(2) only.**  
**2 The answer does not have to be in tabular format.**  
**3 Award marks for insurance principle even if the quotes were incomplete.**  
**4 Do not award marks for motivations if the principle of insurance were incorrect.**

Max (6)

## 2.6 Excess as an insurance concept.

- Excess is the amount that the insured agrees to pay upfront√ when he/she takes out an insurance policy√/The amount the insured agrees to pay upfront √ as stipulated in the insurance policy. √
- A portion of the insurance claim that the insured will have to pay √ towards the cost of replacing/repairing goods/property concerned. √
- Excess payments protect the insurer against fraudulent claims √ as the insured is less likely to submit a false claim/when he/she needs to pay the amount upfront. √
- It is the amount paid to the insurer √ when a claim for damages is lodged/ in the event of a claim. √
- Higher excess amounts keep the insurance premium lower√ and discourage fraud. √
- Excess payment prevents the insured √ from claiming for minor damages. √
- Any other relevant answer related to the meaning of excess as an insurance concept.

**NOTE: Award a maximum of TWO (2) marks for an example that is used as an explanation.**

Max (6)

## 2.7 Functions of the Johannesburg Securities Exchange

- Gives opportunities to financial institutions such as insurance companies investing their surplus funds in shares. √√
- Serves as a barometer/indicator of economic conditions in South Africa. √√
- Keeps investors informed by publishing share prices daily. √√
- Acts as a link between investors and public companies. √√
- Shares are valued and assessed by experts. √√
- Small investors are invited to take part in the economy of the country through the buying/selling of shares. √√
- Venture capital market is made possible on the open market. √√
- Strict investment rules ensure a disciplined/orderly market for securities. √√

## Grade 12-Marking Guideline

- Raises primary capital by encouraging new investments in listed companies. ✓✓
- Mobilises the funds of insurance companies and other institutions. ✓✓
- Regulates the market for trading in shares. ✓✓
- Plans, researches and advises on investment possibilities. ✓✓
- Ensures that the market operates in a transparent manner. ✓✓
- Provides protection for investors through strict rules/legislation. ✓✓
- Encourages short-term investment as shares can be sold at any time. ✓✓
- Facilitates electronic trading of shares/STRATE. ✓/Channels financial resources✓ and facilitates trading. / Channels financial resources✓ into productive economic activities✓✓
- Enhance job creation and increases economic growth/development. ✓✓
- Any other relevant answer related to the functions of the Johannesburg Securities Exchange/JSE.

Max (4)

**BREAKDOWN OF MARKS**

<b>QUESTION 2</b>	<b>MARKS</b>
<b>2.1</b>	<b>4</b>
<b>2.2</b>	<b>6</b>
<b>2.31</b>	<b>2</b>
<b>2.3.2</b>	<b>6</b>
<b>2.4</b>	<b>6</b>
<b>2.5</b>	<b>6</b>
<b>2.6</b>	<b>6</b>
<b>2.7</b>	<b>4</b>
<b>TOTAL</b>	<b>40</b>

**QUESTION 3: BUSINESS ROLES****3.1 Types of unprofessional business practices.**

- Sexual harassment. ✓
- Unauthorised use of workplace funds and resources. ✓
- Abuse of work time. ✓
- Any other relevant answer related to unprofessional business practice.

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

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

**3.2 Challenges posed by taxation/tax evasion as an unethical business practice.**

- Businesses may pay heavy fines for evading tax. ✓✓
- Tax evasion may negatively impact on the business image. ✓✓
- The accountant may charge high fees for falsifying financial statements. ✓✓
- Businesses may lose key stakeholders if the act of tax evasion is reported. ✓✓
- Some businesses submit fraudulent/incorrect returns to SARS resulting to penalties. ✓✓
- Businesses may not be familiar with the latest changes in tax legislation. ✓✓
- Any other relevant answer related to challenges posed by taxation/tax evasion as an unethical business practice.

**Max (6)**

**3.3.1 Stage of team development from scenario.**

- Performing ✓✓

**Motivation**

- Differences among members at GL are appreciated and used to enhance the team's performance. ✓

**(3)**

**3.3.2 Performing**

- Team members are aware of strategies✓ and aims of the team. ✓
- They have direction✓ without interference from the leader. ✓
- Processes and structures✓ are set. ✓
- Leaders delegate✓ and oversee the processes and procedures. ✓
- All members are now competent, autonomous✓ and able to handle the decision making process without supervision.✓
- Any other relevant answer related to performing.

**Max (4)**

**3.4 The importance of team dynamic theories**

- Team dynamic theories explain how✓ effective teams work/operate. ✓
- Businesses are able to allocate tasks✓ according to the roles of team members.✓
- Team members can maximise performance✓ as tasks are allocated according to their abilities/skills/attributes/personalities.✓
- Team members with similar strengths may compete✓ for team tasks/ responsibilities that best suit their abilities/competencies.✓
- Theories assist team leaders to understand the personality types of team members✓ so that tasks are assigned more effectively.✓
- Conflict may be minimised✓ when team members perform different roles.✓
- Any other relevant answer related to the importance of team dynamic theories

in improving team performance.

**Max (6)**

**3.5 Problem solving technique from the scenario**

3.5.1 Force field analysis√√

**(2)**

**3.5.2 Impact of Force Field analysis**

**Positives/Advantages**

- Employees feel included √and understood. √
- Employees develop√ and grow with the business. √
- It provides a visual summary of all the various factors √supporting and opposing a particular idea√
- Informed decisions can be made √as forces for and against are critically evaluated. √
- Enables businesses to strengthen the driving forces√ and weaken the restraining forces. √
- Businesses are able to have an idea of the timeline required√ and the requirements of additional resources.√
- Any other relevant answer related to the positives /advantages of Force field analysis.

**AND/OR**

**Negatives/Disadvantages**

- Requires the participation√ of all business units. √
- It is time consuming since the business must stabilise √before more changes can be made. √
- The analysis developed is entirely dependent√ upon the skill level and knowledge of the group working on the analysis. √
- Any other relevant answer related to the negative/disadvantages of Force field analysis.

**Max (6)**

**3.6 Application of brainstorming to solve complex business problems**

- State/Define the business problem clearly, √so that all participants/stakeholder understand the problem. √
- Members state possible causes√ of the business problems. √
- Set a time limit√ for each brainstorming session. √
- Record/Write ideas down, √ where all participants can see it./Ideas may also be shared online√ during an E-brainstorming session. √
- Use each suggestion, √to inspire new thoughts/ideas. √
- Do not judge/criticise/discuss the ideas, √so that many ideas could be generated as quickly as possible. √
- All members of the group √randomly make suggestions. √
- The group rates ideas √according to its usefulness/success/difficulty/cost to implement. √
- The group evaluates all ideas, √and combines similar ones/draw up a refined list. √
- Discuss a plan of action√ on how to implement the best ideas. √
- Any other relevant answer related to application of brainstorming

**Max (4)****3.7 Steps in handling conflict in the workplace**

- Acknowledge that there is conflict in the workplace.√√
- Identify the cause of the conflict.√√
- Arrange pre-negotiations where workers/complainants will be allowed to state their case/views separately.√√
- Arrange a time and place for negotiations where all employees involved are present.√√
- Arrange a meeting between conflicting employers/employees.√√
- Make intentions for intervention clear so that parties involved may feel at ease.√√
- Each party has the opportunity to express his/her own opinions/feelings.√√
- Conflicting parties may recognise that their views are different during the meeting.√√
- Analyse/Evaluate the cause(s) of conflict by breaking it down into different parts.√√
- Blame shifting should be avoided and a joint effort should be made.√√
- Direct conflicting parties towards finding/focusing on solutions.√√
- Devise/Brainstorm possible ways of resolving the conflict.√√
- Conflicting parties agree on criteria to evaluate the alternatives.√√
- Select and implement the best solution.√√
- Provide opportunities for parties to agree on the best solution.√√
- Evaluate/Follow up on the implementation of the solution(s).√√
- Monitor progress to ensure that the conflict has been resolved.√√
- Source experts on handling conflict from outside the business.√√
- Any other relevant answer related to how businesses could handle conflict in the workplace.

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

<b>QUESTION 3</b>	<b>MARKS</b>
<b>3.1</b>	<b>3</b>
<b>3.2</b>	<b>6</b>
<b>3.3.1</b>	<b>3</b>
<b>3.3.2</b>	<b>4</b>
<b>3.4</b>	<b>6</b>
<b>3.5.1</b>	<b>2</b>
<b>3.5.2</b>	<b>6</b>
<b>3.6</b>	<b>4</b>
<b>3.7</b>	<b>6</b>
<b>TOTAL</b>	<b>40</b>

**QUESTION 4: MISCELLANEOUS TOPICS**

**BUSINESS VENTURES**

**4.1 Types of insurable risks**

- Theft ✓
- Fidelity insurance ✓
- Burglary ✓
- Money in transit ✓
- Fire ✓
- Natural disaster/Storms/Winds/Rain/Hail ✓
- Damage to/Loss of assets/Vehicles/equipment/buildings/premises ✓
- Injuries on premises ✓
- Any other relevant answer related to examples of insurable risks.

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

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

**4.2 Difference between insurance and assurance**

<b>INSURANCE</b>	<b>ASSURANCE</b>
- Based on the principle of indemnity ✓✓	- Based on the principle of security/certainty ✓✓
- The insured transfers the cost of potential loss to the insurer at a premium ✓✓	- The insurer undertakes to pay an agreed sum of money after a certain period has expired/on the death of the insured person, whichever occurred first ✓✓
- Covers a specified event that may occur ✓✓	- Specified event is certainty, but the time of the event is uncertain ✓✓
- Applicable to short term insurance ✓✓	- Applicable to long term insurance ✓✓
- Examples: Property insurance/money in transit/theft/burglary/fire ✓	- Examples: Life insurance/endowment policies/retirement annuities, ✓
- Any other relevant answer related to insurance.	- Any other relevant answer related to assurance.
Submax (2)	Submax (2)

**Max (4)**

**4.3 Leadership styles from the scenario**

**4.3.1 Transactional leadership style ✓✓**

**(2)**

**4.3.2 Application of the transactional leadership style on businesses**

- When the business wants ✓ to maximise employee performance. ✓
- When deadlines have to be met ✓ on short notice/under pressure. ✓
- When workers ✓ have a low morale. ✓
- When the strategies/business structures ✓ do not have to change. ✓
- When productivity levels ✓ are very low/not according to targets. ✓
- Any other relevant answer related to application of transactional leadership style.

**Max (4)**

**4.4 Impact of shares as a form of investment****Positives/ Advantages**

- Can be freely transferred/traded on the JSE. √√
- Shareholders' liability to the debt of the company is limited to what was invested/Shareholders have limited liability for company debts √√
- Shareholders have voting rights at the annual general meeting (AGM). √√
- Investing in shares provides protection against inflation. √√
- Investing in shares can provide solid returns√ at retirement age. √√
- Rate of return on investment (ROI) is linked to the performance of the company. √√
- Ordinary shares are usually cheaper than preference shares on the open market. √√
- Holding a higher number of shares may result in higher proportional dividend pay-outs.√√
- Any other relevant answer related to positives/advantages of shares as a form of investment.

**AND/OR****Negative/Positives**

- Shareholders may receive less dividends/no dividends when company profits are low. √√
- Companies have no legal obligation to pay dividends to shareholders. √√
- Risk may be high, as investment may be lost when companies are liquidated√√.
- Dividends declared may be determined by the management/directors of the company/business. √√

**Max (6)****BUSINESS ROLES****4.5 Advantages/Benefits of creative thinking in the workplace**

- Better/Unique/Unconventional ideas/solutions are generated. √√
- Complex business problems may be solved. √√
- Improves motivation amongst staff members. √√
- Management/employees may keep up with fast changing technology which may lead to an increased market share. √√
- Creativity may lead to new inventions which improves the general standard of living/attract new investors. √√
- May give the business a competitive advantage if unusual/unique solutions/ ideas/strategies are implemented. √√
- Productivity increases as management/employees may quickly generate multiple ideas which utilises time and money more effectively. √√
- Managers/Employees have more confidence as they can live up to their full potential. √√
- Managers will be better leaders as they will be able to handle/manage change(s) positively and creatively. √√
- Managers/Employees can develop a completely new outlook, which may be applied to any task(s) they may do. √√
- Leads to more positive attitudes as managers/employees feel that they have contributed towards problem solving. √√
- Managers/Employees have a feeling of great accomplishment and they will not



resist/obstruct the process once they solved a problem/contributed towards the success of the business. ✓✓

- Stimulates initiative from employees/managers, as they are continuously pushed out of their comfort zone. ✓✓
- Businesses can continuously improve on product development by exploring new ways to enhance growth. ✓✓
- Any other relevant answer related to the advantages of creative thinking in the workplace.

**Max (4)**

**4.6 Successful team performance**

**4.6.1 Characteristics of successful team performance from scenario**

- There is a climate of respect/trust and honesty in her company. ✓
- Teams value the contributions of individual members and reach consensus on differences. ✓

**NOTE:**

1. **Mark the first TWO only**
2. **Only award marks for characteristics of successful team performance that were quoted from the scenario**

**(2 x 1) (2)**

**4.6.2 Other characteristics of successful team performance**

- Successful teams share a common goal✓ as team members are part of the process of setting goals for the group. ✓
- Share a set of team values✓ and implement group decisions. ✓
- Successful teams ✓have sound intra-team relations. ✓
- Team members enjoy open communication✓ and deal with items of conflict immediately. ✓
- Teams are accountable✓ and members know the time frame for achieving their goals. ✓
- Teams pay attention ✓to the needs of the individual team members. ✓
- Creates an environment where team members are given opportunities✓ to develop so that team members grow and learn from the experience of working in a team. ✓
- Regular reviews of team processes and progress✓ may detect/solve problems sooner. ✓
- Balance the necessary skills/knowledge/experience/expertise✓ to achieve the objectives. ✓
- Any other relevant answer related to characteristics of successful team performance.

**NOTE: Do not award marks for characteristics of successful team performance quoted in the scenario.**

**Max (4)**

**4.7 Challenges posed by sexual harassment as an unprofessional business practice**

- The affected party may stay away✓ regularly from work. ✓
- Businesses could lose female employees✓ and attract/retain less female applicants. ✓
- Sexual harassment causes discomfort/humiliation✓ and negatively affects work relations in the workplace. ✓
- A victim may be severely traumatised ✓and this may affect other employees' emotionally. ✓
- The affected party is normally reluctant to report the incident✓ due to fear of

victimisation which can reduce productivity. ✓

- Any other relevant answer related to challenges posed by sexual harassment as an unprofessional business practice.

**Max (6)**

**4.8 Ways in which businesses can deal with difficult employees in the workplace**

- Get perspective from others who have experienced the same kind of situation to be able to understand difficult employees. ✓✓
- Act pro-actively if possible, as a staff/personnel problem is part of a manager's responsibilities. ✓✓
- Regular meetings with supervisors/departmental heads should help to identify difficult/problem behaviour. ✓✓
- Ask someone in authority for their input into the situation. ✓✓
- Identify the type of personality which is creating the problem. ✓✓
- Meet privately with difficult employees, so that there are no distractions from other employees/issues. ✓✓
- Make intentions and reasons for action known, so that difficult person/people feel at ease. ✓✓
- Employees should be told what specific behaviours are acceptable by giving details about what is wrong/ unacceptable and also an opportunity to explain their behaviour. ✓✓
- A deadline should be set for improving bad/difficult behaviour. ✓✓
- The deadline date should be discussed with the difficult employee ✓ and his/her progress should be monitored/ assessed prior to the deadline. ✓✓
- Guidelines for improvement should be given. ✓✓
- Do not judge the person, but try to understand him/her/Understand his/her intentions and why he/she reacts in a certain way. ✓✓
- Keep communication channels open/Encourage employees to communicate their grievances to management. ✓✓
- Build rapport/sound relations by re-establishing personal connection with colleagues, instead of relying on e-mails/messaging/social media. ✓✓
- Help difficult employees to be realistic about the task at hand. ✓✓
- Remain calm and in control of the situation to get the person(s) to collaborate. ✓✓
- Treat people with respect, irrespective of whether they are capable/ competent or not. ✓✓
- Sometimes it may be necessary to ignore and only monitor a difficult person. ✓✓
- Identify and provide an appropriate support program to address areas of weakness. ✓✓
- Any other relevant answer related to ways in which businesses can deal with difficult employees in the workplace

**Max (4)  
[40]**

**BREAKDOWN OF MARKS**

<b>QUESTION 4</b>	<b>MARKS</b>
<b>4.1</b>	<b>4</b>
<b>4.2</b>	<b>4</b>
<b>4.3.1</b>	<b>2</b>
<b>4.3.2</b>	<b>4</b>
<b>4.4</b>	<b>6</b>
<b>4.5</b>	<b>4</b>
<b>4.6.1</b>	<b>2</b>
<b>4.6.2</b>	<b>4</b>
<b>4.7</b>	<b>6</b>
<b>4.8</b>	<b>4</b>
<b>TOTAL</b>	<b>40</b>

**SECTION C**

**Mark the answers to the FIRST question only.**

**QUESTION 5 BUSINESS VENTURES (INVESTMENT INSURANCE)**

**5.1 Introduction**

- Insurance enables businesses to function smoothly as they are compensated for any possible loss that they may suffer. ✓
- Businesses must be aware of compulsory and non-compulsory insurance ✓
- Businesses should also familiarise themselves with RABS that compensates for injuries on the road. ✓
- Businesses should be aware of the advantages that business will benefit from. ✓
- COIDA relieves businesses' financial burden by compensating their employees for occupational injuries and diseases. ✓
- Any other relevant introduction related to compulsory insurance/non-compulsory insurance/ RABS /advantages of insurance for businesses/Compensation Fund/COIDA.

**Any (2 x 1) (2)**

**5.2 Difference between compulsory and non-compulsory insurance**

<b>Compulsory insurance</b>	<b>Non-compulsory insurance</b>
- Required by Law/there are legal obligations for it to be taken out and paid for. ✓✓	- Is voluntary/the insured has a choice whether to enter into an insurance contract. ✓✓
- It is regulated by Government and does not require insurance contracts/brokers. ✓✓	- Insured will enter into a legal insurance contract with the insurer, who may be represented by an insurance broker. ✓✓
- Payment is in the form of a levy/contribution paid into a common fund from which benefits may be claimed under certain conditions. ✓✓	- Monthly/Annual payments/premiums that must be paid in order to enjoy cover for a nominated risk. ✓✓
- Examples UIF, RABS and Compensation Fund/COIDA ✓	- Examples Short term insurance/Multi-peril insurance (theft, fire, etc.) Long term insurance/Life insurance ✓
Submax(4)	Submax(4)

- NOTE:**
1. The answer does not have to be in tabular format.
  2. The differences do not have to link, but must be clear.
  3. Award a maximum of FOUR(4) marks if the differences are not clear/Mark either compulsory or non-compulsory insurance.
  4. Award (ONE(1) mark for each example of compulsory/non-compulsory.

**Max (8)**

### 5.3 Road Accident Beneficiary Scheme (RABS)

- RAF/RABS insures road users ✓ against the negligence of other road users. ✓
- The RAF/RABS provides compulsory cover for all road users ✓ in South Africa, which include South African businesses. ✓
- Drivers of business vehicles are indemnified against claims ✓ by persons injured in vehicle accidents. ✓
- RAF/RABS is funded ✓ by a levy on the sale of fuel/diesel/petrol. ✓
- The amount that can be claimed for loss of income ✓ is limited by legislation. ✓
- The next of kin of workers/breadwinners who are injured/killed in road accidents, ✓ may claim directly from the RAF/RABS. ✓
- Injured parties and negligent drivers ✓ are both covered by RAF/RABS. ✓
- The injured party will be compensated, irrespective of whether the negligent driver is rich/poor/insured/uninsured. ✓
- RAF/RABS aims to provide a benefit scheme ✓ that is reasonable/equitable/affordable/sustainable. ✓
- RAF/RABS aims to simplify/speed up the claims process ✓ as victims of road accidents no longer have to prove who caused the accident. ✓
- RAF/RABS enables road accident victims" speedy access to medical care ✓ as delays due to the investigation into accidents has been minimised. ✓
- Any other relevant answer related to RAF/RABS as a type of compulsory insurance.

**Max (12)**

### 5.4 Advantages of insurance for business

- Transfers the risk from the business/insured ✓ to an insurance company/insurer. ✓
- Transfer of risk is subject to the terms and conditions ✓ of the insurance contract. ✓
- Protects businesses against theft/loss of stock and/or damages ✓ caused by natural disasters such as floods, storm damage. ✓
- Businesses will be compensated for insurable losses, ✓ such as the destruction of property through fire. ✓
- Business' assets such as vehicles/equipment/buildings need to be insured ✓ against damage and/or theft. ✓
- Businesses are protected against the loss of earnings ✓, such as strikes by employees which may result in losses worth millions. ✓
- Protects businesses ✓ against dishonest employees. ✓
- Life insurance can be taken on the life of partners in a partnership ✓ to prevent unexpected loss of capital. ✓
- Should the services of key personnel be lost due to accidents/death, ✓ the proceeds of an insurance policy can be paid out to the business/beneficiaries. ✓
- Replacement costs for damaged machinery/equipment are very high, ✓ therefore insurance can reduce/cover such costs. ✓
- Protects businesses from claims made by members of the public ✓ for damages that businesses are responsible for. ✓
- Protects businesses against losses ✓ due to death of a debtor. ✓
- Any other relevant answer related to the advantages of insurance for businesses.

**Max (14)**

**5.5 Compensation for Occupational Injuries and Diseases/COIDA/Compensation Fund**

- The fund covers occupational diseases and workplace injuries. ✓✓
- Compensates employees for injuries and diseases incurred at work. ✓✓
- Compensation paid is determined by the degree of disablement. ✓✓
- The contribution payable is reviewed every few years according to the risk associated with that type of work. ✓✓
- All employers are obliged to register with the Compensation Fund so that employees may be compensated for accidents and diseases sustained in the workplace. ✓✓
- The fund covers employers for any legal claim that workers may bring against them. ✓✓
- Employers are required to report all accidents within 7 days and occupational diseases within 14 days to the Compensation Commissioner. ✓✓
- Employers are responsible for contributing towards the fund and may not claim money back from employees/deduct contributions from wages. ✓✓
- In the event of the death of an employee as a result of a work-related accident/disease, his/her dependant(s) will receive financial support. ✓✓
- Employees do not have to contribute towards this fund. ✓
- Employees receive medical assistance provided there is no other party/medical fund involved. ✓✓
- Any other relevant answer related to COIDA/Compensation Fund as a type of compulsory insurance.

**Max (12)****5.6 Conclusion**

- Businesses should be aware of compulsory and non-compulsory insurance of their property/assets as they may suffer financial loss upon the occurrence of a specified event stated in the contract. ✓✓
- Businesses should review their insurance contract on a regular basis to be aware of the advantages of insurance. ✓✓
- Insurance allows businesses to recover from losses suffered after an unexpected event took place. ✓✓
- Employers and employees should ensure they follow precautionary measures to avoid workplace injuries. ✓✓
- Any other relevant conclusion related to difference between compulsory and non-compulsory insurance /Road accident beneficiary scheme(RABS) /advantages of insurance for businesses/Compensation Fund/COIDA.

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

## Grade 12-Marking Guideline

**QUESTION 5: BREAKDOWN OF MARK ALLOCATION**

<b>DETAILS</b>	<b>MAXIMUM</b>	<b>TOTAL</b>
Introduction	<b>2</b>	<b>Max 32</b>
Difference between compulsory and non-compulsory insurance	<b>8</b>	
Road Accident Beneficiary Scheme (RABS)	<b>12</b>	
Advantages of insurance for businesses.	<b>14</b>	
Compensation for Occupational Injuries and Diseases/COIDA/Compensation Fund	<b>12</b>	
Conclusion	<b>2</b>	
<b>INSIGHT</b>		
Layout	<b>2</b>	<b>8</b>
Analysis, interpretation	<b>2</b>	
Synthesis	<b>2</b>	
Originality/Examples	<b>2</b>	
<b>TOTAL MARKS</b>		<b>40</b>

LASO – For each component:

Allocate 2 marks if all requirements are met.

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

Allocate 0 marks where requirements are not met at all.

**QUESTION 6: BUSINESS ROLES (ETHICS AND PROFESSIONALISM)**

**6.1 Introduction**

- Employees are expected to project a professional image by applying the principles of professionalism. ✓
- Unethical business practices can result in a negative business image and hamper business growth. ✓
- Businesses need to develop suitable and progressive ways to deal with challenges posed by each type of unethical business practice. ✓
- Professional, responsible, ethical and effective business practice ensures good corporate governance and attract investors. ✓
- Any other relevant introduction related to the differences between ethical and professional behaviour/application of King Code principles/pricing of goods in rural areas and unfair advertising /ways in which professional, responsible, ethical and effective business practice should be conducted.

**Any (2 x 1) (2)**

**6.2 The difference between ethical and professional behaviour**

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

- NOTE:**
- 1 The answer does not have to be in tabular format.**
  - 2 The differences do not have to link, but must be clear.**
  - 3 Award a maximum of FOUR(4) marks if the differences are not clear/Mark either ethical or professional behaviour.**
  - 4 Award (ONE(1) mark for each example of ethical and professional behaviour .**

**Max (8)**



### 6.3 Ways in which businesses can apply King Code principles for good corporate governance.

#### 6.3.1 Transparency ✓✓

- Decisions/Actions must be clear ✓ to all stakeholders. ✓
- Staffing and other processes ✓ should be open and transparent. ✓
- Employees/Shareholders/Directors ✓ should be aware of the employment policies of the business. ✓
- Auditing and other reports ✓ must be accurate/ available to shareholders/employees. ✓
- Regular audits should be done ✓ to determine the effectiveness of the business. ✓
- Business deals should be conducted openly ✓ so that there is no hint/sign of dishonesty/corruption. ✓
- Businesses should give details of shareholders' voting rights ✓ to them before/at the Annual General Meeting (AGM). ✓
- The board of directors must report on both the negative and positive impact of the business on the community/environment.
- The board should ensure that the company's ethics ✓ are effectively implemented. ✓
- Any other relevant answer related to transparency as a King Code principle.

Principle	(2)
Explanation	(2)
Submax	(4)

#### 6.3.2 Accountability ✓✓

- There must be regular communication ✓ between management and the stakeholders such as shareholders. ✓
- Businesses should be accountable/ responsible ✓ for their decisions/actions. ✓
- Company should appoint internal and external auditors ✓ to audit financial statements. ✓
- The board should ensure that the company's ethics ✓ are effectively implemented. ✓
- Businesses should present accurate annual reports ✓ to shareholders at the Annual General Meeting (AGM). ✓
- Top management should ensure that other levels of management ✓ are clear about their roles and responsibilities to improve accountability. ✓
- Any other relevant answer related to accountability as a King code principle.

Principle	(2)
Explanation	(2)
Submax	(4)

6.3.3 **Responsibility** ✓ ✓

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

Principle	(2)
Explanation	(2)
Submax	(4)
<b>Max</b>	<b>(12)</b>

6.4 **Strategies to deal with unethical business practice**6.4.1 **Strategies to deal with pricing in rural areas in the workplace**

- Work together with suppliers ✓ to share delivery costs to remote rural areas. ✓
- Businesses can buy in bulk ✓ to get a discount to avoid charging high prices. ✓
- Charge market related/fair/affordable prices ✓ for goods and services. ✓
- Avoid unethical business practices ✓ to attract customer loyalty. ✓
- A business may lobby with other businesses in the area ✓ to convince government to improve infrastructure in the rural area ✓
- Investigate cost-effective ways ✓ of transporting products ✓/Hire a large truck ✓ to combine deliveries to shop-owners in the same area. ✓

Any other relevant answer related to pricing in rural areas.

Submax	(8)
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6.4.2 **Strategies to deal with taxation/tax evasion in the workplace**

- VAT needs to be charged ✓ on VAT-able items. ✓
- Submit the correct tax returns ✓ to SARS on time. ✓
- All products should be correctly invoiced ✓ and recorded. ✓
- Disclose all sources of income for tax payment purposes. ✓
- Keep abreast with the latest SARS regulations ✓ and tax laws. ✓
- Businesses that have evaded tax should apply for amnesty and declare their income. ✓
- Effective systems to determine the appropriate amount of tax to be paid should be in place. ✓
- Business should keep an accurate record ✓ of income statements/financial transactions.
- The employees' payroll needs to reflect accurate deductions ✓ according to the progressive tax system ✓
- Any other relevant answer related to strategies to deal with taxation/tax evasion in the workplace.

Submax	(8)
<b>Max</b>	<b>(16)</b>

**6.5 Ways in which professional, responsible, ethical and effective business practice should be conducted**

- Mission statement should include the values of equality/respect. √√
- Businesses should develop equity programmes/promote strategies to ensure that all employees are treated equally regardless of status/rank/power. √√
- Treat workers with respect/dignity by recognising work well done/the value of human capital. √√
- 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 such as legally disposing of toxic waste. √√
- Refrain from starting a venture using other businesses' ideas that are protected by law. √√
- Business decisions and actions must be clear/transparent to all stakeholders. √√
- Businesses should be accountable /responsible for their decisions and actions/patent rights. √√
- Hire honest/trustworthy accountants/financial officers with good credentials. √√
- Regular/Timeous payment of taxes. √√
- All workers should have access to equal opportunities/ positions/ resources. √√
- Ensure that employees work in a work environment that is conducive to safety/fairness/free of embarrassment. √√
- Employers and employees need to comply with legislation with regard to equal opportunities/human rights in the workplace. √√
- Training/ Information/Business policies should include issues such as diversity/discrimination/harassment. √√
- Employers should respond swiftly and fairly to reported incidents of discrimination in the workplace. √√
- Orders/Tasks should be given respectfully and allow the recipient/employee to have a say in the way that task should be performed. √√
- Draw up a code of ethics/conduct. √√
- On-going development and training 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 practice should be conducted.

**Max (10)**

6.6 **Conclusion**

- Businesses should develop a simple and clear code of conduct that will easily be implemented in the workplace. √√
- Awareness of ethical and professional behaviour should be made. √√
- Dealing with pricing of goods in rural areas and unfair advertising may increase market share resulting in business sustainability and profitability. √√
- Businesses must apply King Code principles to succeed √√
- Businesses must continuously conduct research on how they should act professionally, responsibly, ethically and effectively. √√
- Any other relevant conclusion related to the differences between ethical and professional behaviour/application of King Code principles/pricing of goods in rural areas and unfair advertising /ways in which professional, responsible, ethical and effective business practice should be conducted.

**Any (1x2) (2)**  
**[40]**

**QUESTION 6: BREAKDOWN OF MARK ALLOCATION**

DETAILS	MAXIMUM	TOTAL
Introduction	2	<b>Max 32</b>
<i>The difference between ethical and professional behaviour.</i>	8	
Application of the King Code principles <ul style="list-style-type: none"> <li>○ Transparency</li> <li>○ Accountability</li> <li>○ Responsibility</li> </ul>	12	
Ways in which businesses could deal with pricing of goods in rural areas and unfair advertising.	16	
Ways in which professional, responsible, ethical and effective business practice should be conducted.	10	
Conclusion	2	
<b>INSIGHT</b>		
Layout	2	<b>8</b>
Analysis, interpretation	2	
Synthesis	2	
Originality/Examples	2	
<b>TOTAL MARKS</b>		<b>40</b>

LASO – For each component:

Allocate 2 marks if all requirements are met.

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

Allocate 0 marks where requirements are not met at all.

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

