



education

Department:
Education
North West Provincial Government
REPUBLIC OF SOUTH AFRICA

PROVINCIAL ASSESSMENT

GRADE 11

BUSINESS STUDIES P2

JUNE 2024

MARKING GUIDELINES

MARKS: 150



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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

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

Marker: Red
Moderator: Green

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 responses provided by candidates, which are relevant within the context of a particular question 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.

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:** *'COIDA eliminates time and costs spent✓ on lengthy civil court proceedings.'*✓
 - 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. *'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
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 DBE for approval.

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

- 14.4.1 If the number of facts required is 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 (where applicable).**

15. **SECTION C**

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

Introduction	Maximum: 32
Content	
Conclusion	
Insight	8
TOTAL	40

15.2 Insight consists of the following components:

Layout/Structure	Is there an introduction, a body, and a conclusion?	2
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')	2
Synthesis	Are there relevant decisions/facts/responses made based on the questions? Option 1: Only relevant facts: 2 marks (No '-S') 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: Some relevant facts: 1 mark (One '-S') 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: Some relevant facts: 1 mark (One '-S') 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: No relevant facts: 0 mark (Two '-S') Where a candidate answers less than 50% (only one sub-question) of the question with no relevant facts; two '-S' appear in the left margin. Award a ZERO mark for synthesis.	2
Originality	Is there evidence of examples based on recent 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 awarded for layout, if the headings **INTRODUCTION** and **CONCLUSION** are not supported by an explanation.

- 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/marketing 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.

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

- 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**

- 1.1 1.1.1 D✓✓
 1.1.2 B✓✓
 1.1.3 A✓✓
 1.1.4 C✓✓
 1.1.5 B✓✓
- (5 X 2) **(10)**

- 1.2 1.2.1 Prospectus✓✓
 1.2.2 franchisee✓✓
 1.2.3 force field analysis✓✓
 1.2.4 retrenchment✓✓
 1.2.5 good✓✓
- (5 X 2) **(10)**

- 1.3 1.3.1 G✓✓
 1.3.2 H✓✓
 1.3.3 B✓✓
 1.3.4 D✓✓
 1.3.5 A✓✓
- (5 X 2) **(10)**

TOTAL SECTION A: 30

BREAKDOWN OF MARKS

QUESTION 1	MARKS
1.1	10
1.2	10
1.3	10
TOTAL	30

SECTION B

Mark only the FIRST TWO answers.

QUESTION 2: BUSINESS VENTURES**2.1 Aspects of a prospectus**

- Name of the company✓
- Company overview, including the vision, mission, and goals of a business✓
- Product or service portfolio✓
- Market analysis and strategy✓
- Management team ✓
- The risks and potential of the business✓
- Available financial and share information✓
- Company's assets and liabilities✓
- Financial position✓
- Profits and losses✓
- Cash flow✓
- Prospects for growth✓
- Pre-incorporation contracts that have been signed✓
- Date of registration of the prospectus✓
- The minimum subscription✓
- Purpose of the offer✓
- Share capital✓
- Shares issued✓
- Property owned✓
- Preliminary expenses✓

NOTE: Mark the first FOUR (4) only.

(4 x 1) (4)

2.2 Procedure for the formation of companies

- Determine the people establishing the company. ✓✓
- Prepare a Memorandum of Incorporation, open a bank account, and register for taxation. ✓✓
- File a notice of incorporation and obtain a unique registration number. ✓✓
- Draw up a prospectus for potential investors. ✓✓
- Register the company at the Companies and Intellectual Property Commission (CIPC). ✓✓
- A company becomes a legal entity once registration has been finalised. ✓✓
- A company is registered and may start doing business once:
 - o The name of the company has been approved. ✓✓
 - o The prescribed fees have been paid. ✓✓
 - o The Notice of Incorporation✓ have been lodged. ✓
 - o The application to incorporate a new company has been processed by the CIPC.✓✓
- Any other relevant answer related to the procedure for the formation of companies.

Max (6)

2.3 Forms of ownership

2.3.1 Advantages of a partnerships from scenario.

- Mpho, Gift and Emily are experienced lawyers, who decided to combine their expertise to form a law partnership. ✓
- The formation of the partnership was easy as with minimal legal procedures. ✓
- By pooling their resources, they can afford to invest in better office facilities, legal software, and marketing initiatives. ✓

NOTE: 1. Mark the first THREE (3) only.

2. Only award marks for responses quoted from the scenario.

(3 x 1) (3)

2.3.2 Characteristics of a partnership

- A partnership is an agreement ✓ between two or more persons. ✓
- Each partner contributes to the partnership, ✓ for example, skills, resources or money into the business. ✓
- Profit and losses are shared among partners ✓ according to the partnership agreement. ✓
- Partnerships are not legal entities. ✓ This means that partnerships do not pay tax in their personal capacities. ✓
- Profit is divided among partners in a ratio ✓ as agreed in the partnership agreement. ✓
- No legal requirements ✓ regarding the name of the business. ✓
- Partners have unlimited liability ✓ and are jointly and severally liable for the debts of the business. ✓
- The auditing of financial statements ✓ is optional. ✓
- Partners share responsibilities ✓ and they are all involved in decision-making. ✓
- No legal formalities to start, ✓ only a written partnership agreement is required. ✓
- Partnership has no legal personality ✓ and therefore has no continuity when a partner leaves the business. ✓
- Partners share responsibilities ✓ and they are all involved in decision-making. ✓
- The legal liabilities lie with the partners ✓ and they cannot shift the liability to the business. ✓
- Any other relevant answer related to the characteristics of a partnership.

Max (6)

2.4 The reasons why entrepreneurs may decide to purchase an existing business

- **Established business**
An established business should not take up too much time to set up ✓ as all requirements needed to run the business is already in place. ✓
- **Established customer base**
An established business ✓ should have an existing customer base. ✓
- **Established name and reputation**
When an entrepreneur buys an existing business, ✓ it may come with goodwill from an established good reputation on the market. ✓
People are creatures of habit ✓ – if they have shopped at the same hardware store for several years, they will likely continue to shop there – even when a new owner takes over. ✓ It is a good idea to state that the transfer of ownership includes ✓ the company's phone number, website and registered name. ✓
- **Known market**
The market research has already been done for an existing business, ✓ so the new owner can use that information to form any future plans. ✓

- **Mentorship**
Starting a business✓ can be overwhelming. ✓ If you purchase an existing business, the owner may often be willing to stay on for an agreed amount of time✓ to mentor and guide the incoming owner. ✓
- **Cash flow**
An existing business already has customers✓ and continued cash flow. ✓ By comparison, a start-up can take a long time to attract new customers✓ and become cash positive. ✓ Buying an existing business can offer greater security over working capital✓ and help the new owner to improve cash flow sooner. ✓
- **Financing**
Many existing companies have three or more years of profitable financials✓ that makes it easier to secure financing either from a traditional bank, government organisation, or venture capitalist. ✓
- **Current staff**
Only one in ten start-ups make it past the second year and many businesses fail during growth✓ as the business tries to hire more staff. ✓ Having trained staff in place✓ can ensure a smooth transfer and contribute to the success of the business. ✓
- **Market position**
When an entrepreneur buys✓ an existing business, ✓ it can increase its market position. ✓ Similarly, it can increase its customer base, market share, and resources✓
- Any other relevant answer related to the reasons why entrepreneurs may decide to purchase an existing business.

Max (4)**2.5.1 Identify the business avenue used by MP.**

AVENUE IDENTIFIED	MOTIVATION
Leasing✓✓	Businesses contract with MP and pay them every month for the use of a property for a specified period. ✓
Submax (2)	Submax (1)

- NOTE:**
1. Mark the first ONE (1) only.
 2. Award marks for the avenue even if the quote is incomplete.
 3. Do not award marks for the motivation if the business avenue was incorrectly identified.

Max (3)**2.5.2 Advantages of leasing**

- Leasing improves the cash flow✓ of the business. ✓
- Leasing is regarded as an expense for the lessee✓ and is therefore not regarded as debt. ✓
- The lessor receives✓ a continual rental income. ✓
- The lessor can get quantity discount by buying goods in bulk✓ to supply various lessees. ✓
- The asset can be returned to the lessor✓ when it is no longer needed. ✓
- Makes budgeting and planning easier✓ and it provides better control over cash flow. ✓

- Retains ownership of the asset, ✓ which can be sold to recover money at the end of the lease. ✓
- There is no large financial outlay ✓ as the cost is spread over a number of months/years. ✓
- The lessor normally covers ✓ the maintenance/ replaces any damaged parts of equipment. ✓
- There are tax advantages ✓ as rental payment are calculated as operating costs and therefor tax deductible. ✓
- It is easy to lease a better/ newer version of the product ✓ without the capital outlay. ✓
- Any other relevant answer related to the advantages of leasing.

Max (6)**2.6 Contractual implications of franchising**

The following conditions should be included in the contract:

- Policies that govern the product and services. ✓✓
- Royalties and the dates of payment. ✓✓
- The form of ownership that the franchise will use. ✓✓
- Operation specifications like marketing strategy and pricing. ✓✓
- A termination clause that details the circumstances under which the parties may end the legal relationship. ✓✓
- Any other relevant answer related to the contractual implications of franchising.

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

QUESTION 2	MARKS
2.1	4
2.2	6
2.3.1	3
2.3.2	6
2.4	6
2.5.1	3
2.5.2	6
2.6	6
TOTAL	40

QUESTION 3: BUSINESS ROLES**3.1 FOUR internal causes of change**

- New business objectives or goals✓
- High employee turnover where many employees must join the business✓
- New policies and procedures implemented in the business✓
- New management✓
- Restructuring✓
- Retrenchment✓
- New equipment✓

NOTE: Mark the first FOUR (4) only.**(4 x1) (4)****3.2 Meaning of creative thinking**

- Is associated with a RIGHT brain function✓ where new ideas are generated. ✓
- The focus is on being creative, using one's imagination, insight, art, and music awareness✓ to find solutions to unique challenges✓.
- This process is used to come up with new ideas to solve problems✓ in a way that is unusual and different from how things had been done before. ✓
- This results in exploring innovative ideas and different ways of doing✓ things in order to obtain better results. ✓
- Any other relevant answer related to the meaning of creative thinking.

Max (4)**3.3 Creative thinking and problem solving****3.3.1 Problem solving technique from the scenario.**

- Delphi Technique✓✓

Max (2)**3.3.2 Application of the Delphi Technique**

- Businesses should invite a panel of experts✓ to study the complaints from customers. ✓
- Experts do not have to be in the same place✓ and will be contacted individually.✓
- A questionnaire consisting of questions on how to improve the quality of products or services must be designed✓ and distributed to the panel members and experts. ✓
- The panel should respond to the questionnaire individually to suggest improvements to the products✓ and then return them to businesses. ✓
- The responses from the experts must be summarised✓ in a feedback report. ✓
- The feedback report and a second set of questions or questionnaires based on the feedback report✓ must be sent to the panel members. ✓
- The panel members are requested to provide further input or ideas on how to improve the quality of products or services✓ after they have studied the results and documentation. ✓
- A third questionnaire based on previous feedback from the second round✓ is distributed to panel members and experts. ✓
- A final summary or feedback report with all the methods to improve the quality of products✓ or services is prepared. ✓
- After consensus has been reached, ✓ the best solution is chosen. ✓
- Any other relevant answer related to the application of the Delphi-technique.

Max (6)

3.4 The benefits of creative thinking in the workplace

- Creative thinking will lead to improved participation of staff members, ✓ which will ensure the generation of new ideas. ✓
- The business will have competitive advantage ✓ over other businesses because of the unique strategies that are introduced. ✓
- Businesses will be able to solve ✓ complex problems. ✓
- As management and employees introduce and create many ideas, saving time and money for the business, productivity will increase.
- Managers and employees will demonstrate more confidence ✓ as they perform their duties. ✓
- Managers will be inspired ✓ to lead their teams more efficiently. ✓
- Managers and employees will apply their knowledge ✓ in a collaborative manner when performing their duties. ✓
- The morale among staff members ✓ will be improved. ✓
- Leads to a more positive attitude ✓ as managers and employees feel that they have contributed towards problem-solving. ✓
- Creative thinking will ensure that managers and employees stay abreast ✓ of the latest developments in technology. ✓
- Managers and employees will be more creative ✓ as they are challenged to work outside of their comfort zones. ✓
- Creativity may lead to new inventions, ✓ which will improve the general standard of living. ✓
- Managers and employees will feel that they have contributed ✓ towards problem-solving. ✓
- Any other relevant answer related to the benefits of creative thinking in the workplace.

Max (4)**3.5 Professionalism and ethics****3.5.1 Ways in which WM conducted business in a professional, responsible and ethical manner from the scenario.**

- WM promotes a positive image for their business by paying employees fair wages. ✓
- They also treat all employees equally. ✓

NOTE: 1. Mark the first (2) TWO only**2. Only award marks for responses quoted from the scenario.****(2x1) (2)****3.5.2 Other ways in which business can be conducted in a professional, responsible and ethical manner.**

- The Mission Statement of a business ✓ should include the values of equality and respect. ✓
- The workplace should be a safe, fair environment ✓ where employees can do their work and not be embarrassed or exposed. ✓
- Employees should be paid for working overtime ✓ and on public holidays. ✓
- The business should respect employees and treat them with dignity ✓ by recognising the value of their human capital for work well done. ✓
- All goods and services produced should be done according to the required standards ✓ and ethical requirements. ✓
- New businesses should avoid using business names and ideas ✓ that are copyrighted, trademarked, and protected by law when starting a business. ✓

- New business owners must plan effectively✓ and ensure that they put preventative measures in place to protect their business. ✓
- To foster employee confidence and loyalty, it is important to ensure that all staff has equal access✓ to opportunities, positions, and resources. ✓
- Any other answer related to ways business should be conducted in a professional, responsible and ethical manner.

NOTE: Do not award marks for responses quoted in QUESTION 3.5.1.

Max (6)

3.6 Benefits of ethical business ventures

- Businesses can build a good reputation and attract more investors, ✓ thus increasing profitability. ✓
- Customer loyalty is created and nurtured, ✓ and a positive business image will be created. ✓
- Staff morale can be built and maintained✓ by paying employees fairly. ✓
- Staff who are hard-working and productive✓ will be loyal and dedicated to the business. ✓
- Positive relationships will develop between co-workers, ✓ which will result in improved productivity. ✓
- Businesses that become compliant with environmental regulations✓ will avoid unnecessary fees or sanctions. ✓
- Any other relevant answer related to the benefits of ethical business ventures.

Max (6)

3.7 Ways businesses can create an environment that stimulate creative thinking.

- Businesses must emphasise the importance of creative thinking to ensure that all staff know that their ideas will be heard. ✓✓
- Inspire staff to come up with new ideas. ✓✓
- Plan regular workshops so that brainstorming sessions can be held✓ to generate new ideas. ✓✓
- Ensure that communication channels remain open by placing suggestion boxes around the workplace. ✓✓
- Train staff members to think creatively, to solve problems, use mind mapping and lateral thinking. ✓✓
- Encourage job exchanges within the organisation and other businesses to improve creativity in the workplace. ✓✓
- Encourage alternative ways of working and doing things. ✓✓
- Accommodate employees' ideas and try not to let anyone feel less important in the workplace. ✓✓
- Any other relevant answer related ways businesses can create an environment that stimulates creative thinking.

Max (6)

[40]

BREAKDOWN OF MARKS

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

QUESTION 4: MISCELLANEOUS TOPICS**BUSINESS VENTURES****4.1 Aspects included in MOI**

- Name of the company ✓
- Nature of the company ✓
- Main objectives of the company ✓
- Securities of the company ✓
- Directors and officers ✓
- The extent of and restriction placed on directors' powers of authority ✓
- How the company will operate in terms of acquiring or disposing of assets and other procedural and administrative issues. ✓
- Shareholders, meetings, and procedures ✓
- Number of shares each incorporator will purchase ✓
- Amount of share capital registered ✓
- Rules and regulations of the company ✓
- Name of the auditor ✓
- Any other relevant answer related to aspects included in MOI.

NOTE: Mark the first TWO (2) only.**(2 x 1) (2)****4.2 Difference between a private company and a personal liability company.**

PRIVATE COMPANY	PERSONAL LIABILITY COMPANY
- The name ends with (PTY) Ltd. ✓✓ - The directors are not personally liable for the debts of the business. ✓✓ - Any other relevant answer related to the difference between a private company and personal liability company.	- The name ends with INC. ✓✓ - The directors are personally liable for the debts of the business. ✓✓ - Any other relevant answer related to the difference between a private company and personal liability company.
Submax (2)	Submax (2)

NOTE:

1. The answer does not have to be in tabular format.
2. The distinction does not have to link but must be clear.
3. Award a maximum of TWO (2) marks if the distinction is not clear/
Mark either a private company or a personal liability company.

(4)

4.3 Characteristics of sole proprietor

- A sole trader is a business that is owned✓ and managed by one person. ✓
- Assets and profits in this business✓ belong to the owner.✓
- Legally there is no separation✓ between the business and the individual running it. ✓
- If the business is facing legal action, the owner is held legally responsible✓ for the debts of the business ✓
- The sole proprietorship does not pay tax ✓as the owner pays tax in their own capacity ✓
- The profit made by the sole proprietorship✓ is added to any other income earned by the owner and SARS then calculates the amount payable. ✓
- There are no legal and administrative formalities✓ in the formation of a sole trader ✓
- A sole proprietor is not a legal entity✓ and agreements are entered into by the owner in their personal capacity. ✓
- Business has unlimited liability✓, and the private possessions of the owner can be used to pay the debts of the business. ✓
- Any other relevant answer related to the characteristics of a Sole Proprietorship.

Max (6)**4.4 Impact of outsourcing
Advantages**

- Will provide continuity✓ during periods of high staff turnover. ✓
- Allows businesses to focus✓ on important business activities. ✓
- Operations, where costs are running out of control, ✓ can benefit from outsourcing. ✓
- Staffing flexibility is possible because the business can make use of seasonal cyclical demands, ✓ for example, when there are only certain times when extra labour is needed. ✓
- On-site outsourcing will bring people with a certain skill set into the company, ✓ and existing employees can collaborate with them to gain new skills. ✓
- A company is able to reduce costs✓ as outsourcing can lead to a decrease in staff, remuneration, control and operating costs. ✓
- The business can focus on its vision, goals and to apply its staff more effectively✓ in its core business. ✓
- Improved access to skilled people as the outsourced work will be done by highly skilled people, ✓ without the company having to employ them. ✓
- A business has access to resources and equipment✓ for a specific function. ✓
- Fixed cost and overhead costs are lower✓ for the business. ✓
- Any other relevant answer related to the advantages of outsourcing.

AND/OR**Disadvantages**

- The loss of management control over the task may affect the staff✓ and can lead to frustration. ✓
- There may be a lack of personal care and quality✓ as the business is not personally involved in the execution of the function. ✓
- There are often hidden costs✓ in outsourcing. ✓
- The business relies on the outsourced company to produce the goods and services and non-delivery by a supplier✓ can lead to the loss of unsatisfied staff

- or customers, financial loss and frustration. ✓
- Confidential issues could be at risk✓ if the information is given to another company that performs the function that is outsourced. ✓
 - Control of the outsourced products✓ can be more complex. ✓
 - The outsourcing company will dictate the terms of the contract, ✓ which could put you at a disadvantage – if you are in desperate need – when negotiations start. ✓
 - It could be risky to share information about payroll, medical records, or any other confidential information✓ with the outsourcing company. ✓
 - An outsourcing company could go bankrupt, ✓ and this can seriously affect the business. ✓
 - If only part of the business operations is outsourced, ✓ current staff might feel threatened and staff morale may suffer. ✓
 - Any other relevant answer related to the disadvantages of outsourcing.

Max (4)**4.5 The contractual implications of outsourcing**

- An exact description of the service/product.✓✓
- Duration of the contract.✓✓
- A detailed description of the duties and the responsibilities of both parties.✓✓
- Confidentiality.✓✓
- Payment terms and conditions. ✓✓
- Penalties for not delivering the agreed services ✓✓
- Any other relevant answer regarding the contractual implications of outsourcing.

Max (4)

BUSINESS ROLES**4.6 FOUR external causes of change**

- Political factors✓
- Social factors✓
- Legal factors✓
- Economic factors✓
- Technological factors✓
- Market factors✓

NOTE: Mark the first FOUR (4) only.**(4 x 1) (4)****4.7 Major changes that people and business deal with**

4.7.1	MAJOR CHANGE	MOTIVATION
	1. Globalisation ✓✓	MM stays keeps up with new technology, processes, and development to ensure they have a competitive advantage. ✓
	2. Retrenchment ✓✓	Due to restructuring and economic changes, this has led to many layoffs in MM. ✓
	Submax (4)	Submax (2)

NOTE: 1. Mark the first TWO (2) only.**2. Award marks for the major change even if the quote is incomplete.****3. Do not award marks for the motivation if the major change was incorrectly identified.****Max (6)****4.7.2 Strategies businesses can use to deal with affirmative action.**

- Businesses should ensure that they are compliant with affirmative action procedures✓ and that all employees are aware that these are being implemented within the business. ✓
- Employees should research new ideas and opportunities✓ to keep track of the latest trends and to improve their workplace practices. ✓
- All staff should work together✓ and practice mindfulness about their job. ✓
- Skill levels should be improved✓ so that eligible staff can apply for future positions and promotion within the business. ✓
- Differences amongst staff members should be acknowledged and respected, ✓ and emphasis should be placed on achieving the goals and objectives of the business. ✓
- Self-employment opportunities✓ should be explored. ✓
- Any other relevant answer regarding the strategies businesses can use to deal with affirmative action.

Max (6)

4.8 Ways businesses can deal with crisis in the workplace

- Assess and evaluate the nature of the crisis. ✓✓
- When a crisis happens the affected department or persons should respond to the situation in a calm manner and determine what the nature and cause of the crisis is in order to plan an appropriate response. ✓✓
- If necessary, seek advice from experts. ✓✓
- Manage the seriousness of the situation by responding to the situation immediately. ✓✓
- Ensure that accurate and correct information is provided when managing the situation or crisis. ✓✓
- Provide training and support to staff members affected by the situation. ✓✓
- Contain the situation as effectively as possible to minimise any potential damage to the business. ✓✓
- Communicate with all stakeholders to ensure that they are properly briefed about the events, its impact and the actions that should be taken. ✓✓
- The management team of the business should appoint a spokesperson to manage all the media briefings. ✓✓
- Debriefing sessions should be arranged for all those directly involved in the crisis. ✓✓
- Implement and evaluate the efficacy of the emergency plan during the crisis. ✓✓
- If necessary, revise and amend the emergency plan after the crisis. ✓✓
- Any other relevant answer relating to the ways businesses can deal with crisis in the workplace.

Max (4)**BREAKDOWN OF MARKS**

QUESTION 4	MARKS
4.1	2
4.2	4
4.3	6
4.4	4
4.5	4
4.6	4
4.7.1	6
4.7.2	6
4.8	4
TOTAL	40

TOTAL SECTION B: 80

SECTION C:

Mark the FIRST answer only.

QUESTION 5 BUSINESS VENTURES (BENEFITS OF A COMPANY OVER OTHER FORMS OF OWNERSHIP)**5.1 Introduction**

- When establishing a company, adherence to legal requirements for the chosen company name is paramount. ✓
- Public companies creates investment opportunities and contributes to the overall market stability. ✓
- An advantage of a company over other forms of ownership is the limited liability protection it offers to its owners. ✓
- To set up a company is an expensive and complicated procedure with many legal requirements. ✓
- Any other relevant answer related to the legal requirements for the name of a company, the impact of a public company, benefits of a company versus other forms of ownerships and the challenges of establishing a company versus other forms of ownership.

Any (2 x 1) (2)

5.2 Legal requirements for the name of the company

- If a name is reserved at the CIPC, it cannot be used by another company. ✓✓
- Names can be reserved by a business for six months. ✓✓
- The name of a company is subject to approval by CIPC. ✓✓
- The name of a company must be original and may not be misleading. ✓✓
A company's name must appear on all company documents. ✓✓
- The name of a company must show the type of company, that is: ✓✓
 - o the name of the non-profit company must end with NPC. ✓✓
 - o the name of a personal liability company must end with Incorporated or Inc. ✓✓
 - o the name of a private company must end with Proprietary Limited or Pty Ltd. ✓✓
 - o the name of a public company must end with Limited or Ltd. ✓✓
 - o the name of a state-owned company must end with SOC Ltd. ✓✓
- The name of the company must not be offensive, promote violence or hatred and cause any harm. ✓✓
- The name must not be shortened and translated. ✓✓
- A company is not allowed to use a misleading name. ✓✓
- Any other relevant answer relating to the legal requirements of the name of a company.

Max (10)

5.3 Impact of a public company**Advantages of a public company**

- The business has its own legal identity ✓ and can own assets and property. ✓
- No limitation on the number of shareholders, ✓ so growth and expansion are not limited. ✓
- Competent and knowledgeable directors ✓ may be appointed by shareholders. ✓
- Easy to raise large amounts of capital for growth through ✓ the issuing of shares to the public. ✓

- Shareholders have a limited liability for the debt of the company. ✓ Shareholders may only lose the amount which they invested. ✓
- Attracts small investors ✓ as shares can be transferred freely and easily. ✓
- Shareholders can sell or transfer their shares ✓ freely. ✓
- The public has access to the information as financial reports must be published annually. ✓ This could motivate the public to buy shares from a company. ✓
- Strict regulatory requirements ✓ protect shareholders. ✓
- Additional capital can be raised ✓ by issuing debentures to the public. ✓
- The company keeps its shareholders regularly informed ✓ about its performance, share values and future. ✓
- Any other relevant answer related to the advantages of a public company.

AND/OR

Disadvantages of a public company

- Tax is paid on the taxable income of the company, ✓ and companies pay secondary tax on dividends distributed to shareholders. ✓
- Complicated process ✓ to incorporate a public company. ✓
- Must appoint ✓ an auditor, audit committee, and a company secretary. ✓
- A large amount of funds is spent ✓ on financial audits. ✓
- Stocks must be traded ✓ publicly. ✓
- A full report must be submitted ✓ to the major shareholders each year. ✓
- Difficult and expensive to establish as the company ✓ is subjected to many legal requirements. ✓
- The more shareholders, ✓ the less profit acquired. ✓
- Shareholders may be allowed little or no input ✓ into the affairs of the company.
- Due to legislation, ✓ decisions take longer and there may be disagreements. ✓
- Financial affairs must be known publicly, ✓ this information could be used to competitors' advantage. ✓
- Any other relevant answer related to the disadvantages of a public company.

Max (12)

5.4 Benefits of establishing a company versus other forms of ownership

- Legal status and liability
 - o A company has its own legal status, ✓ trading name, and owns its assets. ✓
 - o Shareholders' private assets are protected ✓ as they have limited liability. ✓
 - o The shareholders have no direct ✓ legal responsibility. ✓
 - o Companies have their names, ✓ and these are protected. ✓
- Profit-sharing
 - o Shareholders share in the profits of the company ✓ in the form of dividends. ✓
 - o Other forms of ownership will share profit according to their contribution ✓ or internal agreement. ✓

- Ownership and management
 - o Shareholders are able to buy and sell shares freely✓ in a public company. ✓
 - o The company is managed✓ by qualified and competent board of directors. ✓
 - o A company is less likely to use consultants✓ as it has a larger pool of skills and expertise. ✓
 - o Directors are more likely to take risks✓ and allow growth opportunities for the business. ✓
 - o Some of the other forms of ownership e.g. sole proprietor has to rely on his/her own abilities✓ to manage the business. ✓
- Capital and cash flow
 - o A company may have more investors✓ to fund the setting up of the business. ✓
 - o Companies have a better cash flow✓ than sole traders. ✓
 - o A company is not limited to the individual contribution✓ of the members' capital. ✓
 - o The long-term growth opportunities for companies are good✓ as there are always possibilities of getting in more investors. ✓
 - o Directors do not have to take out personal loans✓ to grow the business. ✓
 - o Companies have a bigger potential to gain capital✓ than any other form of ownership. ✓
- Life span and continuity
 - o A company has continuity✓ of existence. ✓
 - o Company shares✓ can be transferred, bought, or sold. ✓
 - o The life span of a sole proprietor and partnership✓ is limited. ✓
- Taxation
 - o Companies have tax benefits✓ that other enterprises do not have. ✓
 - o They may obtain tax rebates✓ if they are involved in social responsibility projects. ✓
 - o Allowances made for companies such as tax-deductible business expenses✓ are:
 - Day to day expenses such as: material and equipment costs, employee costs and administrative costs, business/office rental costs ✓
 - Capital expenses✓
 - Education ✓
 - Entertainment✓
 - Business start-up expenses ✓
 - o The life span of a sole proprietor and partnership✓ is limited. ✓
- Any other relevant answer regarding the advantages of a company versus other forms of ownership

Max (12)

5.5 Challenges of establishing a company versus other forms of ownership

- The owners of the company have more liability. Directors might not have a personal stake in the company. ✓✓
- If directors change, there might be a difference in the continuity of management. ✓✓
- Directors may not have a personal interest in the business, and this could prevent the business from gaining help to maximise growth and profits. ✓✓
- There may be a conflict between the owners of the company and the management in control. ✓✓
- Politics can get in the way and directors are appointed for the wrong reasons. ✓✓
- A company may cease to exist if it is deregistered by CIPC. ✓✓
- Directors who do not have a personal interest in the business might not attract investors. ✓✓
- The limited liability aspect of the company generates more paperwork in the registration process. ✓✓
- When directors change, there could be a lack of continuity in management. ✓✓
- Companies have more taxation requirements. ✓✓
- The more shares there are the less profit per share. ✓✓
- A company must submit a detailed report to all stakeholders at the end of each financial year. ✓✓
- A large amount of money is spent on financial audits and accounting fees because of government regulations. ✓✓
- Companies must disclose all financial information. This could provide their competitors with an unfair advantage. ✓✓
- State-owned companies often deliver non-profitable services that leads to the government losing money through the business. ✓✓
- Any other relevant answer related to the challenges of establishing a company.

Max (12)**5.6 Conclusion**

- A company is not allowed to use a misleading name. ✓✓
- Public companies are exposed to market volatility and fluctuations in stock prices, which can impact shareholder confidence. ✓✓
- Companies have greater continuity compared to other forms of ownership, as they can exist beyond the lifespan of their founders or key stakeholders. ✓✓
- Establishing a company poses various challenges, including appointing the wrong directors as politics can get in the way. ✓✓
- Any other relevant answer related to the legal requirements for the name of a public company, the impact of a public company. The benefits of a public company over other forms of ownership and the challenges of establishing a public company.

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

QUESTION 5: BREAKDOWN OF MARK ALLOCATION

DETAILS	MAXIMUM	TOTAL
Introduction	2	Max 32
Legal requirements for the name of a public company	10	
Impact of a public company	12	
Benefits of a company versus other forms of ownership	12	
Challenges of establishing a company versus other forms of ownership	12	
Conclusion	2	
INSIGHT		8
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

QUESTION 6: BUSINESS ROLES (STRESS AND CRISIS MANAGEMENT)**6.1 Introduction**

- In the dynamic landscape of business, stress is an inevitable aspect that impacts individuals at various levels. ✓
- Rooted in factors like workload, deadlines, interpersonal dynamics, stress can hinder productivity and well-being. ✓
- Recognizing the importance of stress management is crucial, as it not only enhance employee satisfaction but also foresters a more resilient and productive workforce. ✓
- By implementing strategies such as time management, employees can manage stress and maintain a healthy work-life balance. ✓
- Any other relevant answer related to the meaning of stress, the causes of stress, the importance of stress management and the ways employees can manage stress in the workplace.

Any (2 x 1) (2)**6.2 Meaning of stress**

- Stress can be defined as a mental state or emotional strain or tension✓ resulting from negative or demanding circumstances. ✓
- The strain that an individual is placed under can affect their ability to remember information✓ and can affect their attention span and overall efficiency in the workplace. ✓
- Stress is the response of a person's body✓ to anything that requires more action or work from an individual than normal. ✓
- An employee is generally referred to as being stressed✓ when they are not able to sufficiently balance the demands of getting work done versus the amount of work that they must do. ✓
- An individual's physical and emotional response to stress may be debilitating, ✓ which could result in lower productivity levels at work. ✓
- The strain that individuals experience to meet the daily demands of the business may cause them to be stressed✓ and may cause high levels of absenteeism from work. ✓
- Stress may also result in low self-esteem✓ and morale for employees. ✓
- Any other relevant answer related to the meaning of stress.

Max (8)**6.3 Causes of stress in the workplace**

- a heavy workload, unrealistic targets, and deadlines✓ aggravated by time pressure. ✓
- working long hours✓ without adequate breaks. ✓
- shift systems not properly designed ✓and coordinated. ✓
- changes✓ in job description, management or in technology. ✓
- working at home to complete tasks✓ not done at the office. ✓
- staying abreast✓ of the latest technology. ✓
- attending many meetings that take time✓ and do not allow employees to complete their work tasks during working hours. ✓
- work demands✓ that affect an employee's family and personal life. ✓
- inadequate training✓ given to employees. ✓
- managers who are not competent✓ and efficient. ✓

- a heavy workload, unrealistic targets, and deadlines√ aggravated by time pressure. √
- working long hours√ without adequate breaks. √
- shift systems not properly designed √and coordinated. √
- changes√ in job description, management or in technology. √
- working at home to complete tasks√ not done at the office. √
- staying abreast√ of the latest technology. √
- attending many meetings that take time√ and do not allow employees to complete their work tasks during working hours. √
- work demands√ that affect an employee's family and personal life. √
- inadequate training√ given to employees. √
- managers who are not competent√ and efficient. √
- job insecurity, √ bullying and harassment. √
- conflict with those in the business√ who have different beliefs and values. √
- the nature of interpersonal relationships√ with colleagues. √
- the frequency√ of work-related travel. √
- lack of accountability√ of employees and managers. √
- lack of participation√ in decision-making. √
- insufficient funds√ and vacant posts not filled. √
- uncondusive√ working conditions. √
- a lack of power√ and influence. √
- lack of teamwork√ and conflict situations amongst employees. √
- Any other relevant answer related to the causes of stress in the workplace.

Max (14)**6.4 Importance of stress management in the work environment**

- If stress is not managed effectively, √ it can result in absenteeism, poor performance of staff, conflict, grievances and complaints, amongst other things.√
- Stressed employees are more likely to miss work√ because they cannot cope or due to serious health problems. √
- Managing workplace stress will minimise absenteeism√ and maintain productivity in the workplace. √
- Workers who suffer from stress often make poor decisions and errors of judgement√ in times of crisis or emergencies may occur. √
- Grievances or complaints that lead to staff turnover can be addressed√ if stress is well-managed. √
- Conflict and interpersonal problems can be avoided√ if stress is managed at the workplace. √
- Having stressed and tired employees serving the public√ may lead to poor service and unhappy customers and this can be corrected through management of stress. √
- Stressed employees are more likely to cling to the old ways of doing things√ by resisting change and this can be controlled through proper management of stress. √
- Constant stress can cause many problems for a business√ since it can become an unhealthy environment. √
- Too much stress can become a barrier to success√ and lowers the performance of workers. √
- Any other relevant answer related to the importance of stress management in the workplace

Max (12)

6.5 Ways employees can manage stress in the workplace

- Be aware of what they require to complete their daily tasks at work. ✓✓
- Self-awareness will assist employees to minimise stress. ✓✓
- Consult their work schedule to identify potential stressful situations and make changes to the schedule where possible. ✓✓
- Ensure that effective time management strategies are practiced. ✓✓
- Try to avoid conflict situations with co-workers. ✓✓
- It is important to get enough sleep and rest to perform work tasks efficiently. ✓✓
- Take regular breaks to relax and recharge. ✓✓
- Follow a balanced lifestyle by eating healthily, exercising, and participating in activities that promote relaxation. ✓✓
- Any other relevant answer related to ways employees can manage stress in the workplace.

Max (12)**6.6 Conclusion**

- Managing stress effectively is paramount in fostering a healthy and productive work environment. ✓✓
- By acknowledging and addressing the root cause of stress, individuals can enhance their wellbeing and overall job satisfaction. ✓✓
- Employers play a pivotal role in supporting their workforce by providing resources, promoting open communication, and prioritizing work- life balance. ✓✓
- Ultimately, a proactive approach to stress management not only benefits employees' mental health but also contributes to the success of a company. ✓✓
- Any other relevant answer related to the meaning of stress, causes of stress in workplace, importance of stress management and ways employees can manage stress in the workplace.

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

QUESTION 6: BREAKDOWN OF MARK ALLOCATION

DETAILS	MAXIMUM	TOTAL
Introduction	2	Max 32
Meaning of stress	8	
Causes of stress in the workplace	14	
Importance of stress management	12	
Ways employees can manage stress in the workplace	12	
Conclusion	2	
INSIGHT		8
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.

TOTAL SECTION C: 40
GRAND TOTAL: 150