



Province of the
EASTERN CAPE
EDUCATION

Iphondo leMpuma Kapa: Isibhe leMfundo
Provinsie van die Oos Kaap: Departement van Onderwys
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NATIONAL SENIOR CERTIFICATE

GRADE 11

NOVEMBER 2025

BUSINESS STUDIES P2 MARKING GUIDELINE

MARKS: 150

This marking guideline consists of 26 pages.

NOTES TO MARKERS**PREAMBLE**

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

- (a) Fairness, consistency and reliability in the standard of marking
- (b) Facilitate the moderation of candidates' scripts at 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 the schools/institutions of learning

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

Marker:	Red
School moderation:	Green
District moderation:	Orange
Provincial moderation:	Purple

Candidates' responses must be in full sentences for SECTIONS B and C. However, this would depend on the nature of the question.

2. 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 source
 - Original
 - A different approach is used

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

3. Take note of other relevant answers provided by candidates and allocate marks accordingly. (In cases where the answer is unclear or indicates some understanding, part-marks should be awarded, for example, one mark instead of the maximum of two marks.)
4. The word 'Sub-max' is used to facilitate the allocation of marks within a question or sub-question.
5. The purpose of circling marks (guided by 'max' in the breakdown of marks) on the right-hand side is to ensure consistency and accuracy in the marking of scripts as well as for calculation and moderation purposes.
6. 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.
7. In an indirect question, the theory as well as the response must be relevant and related to the question.

8. 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.
9. No additional credit must be given for repetition of facts. Indicate with an 'R'.
10. The differentiation between 'evaluate' and 'critically evaluate' can be explained as follows:
 - 10.1 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.'* ✓
 - 10.2 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.

11. 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:

- 11.1 Advise, name, state, mention, 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.
 - 11.2 Define, describe, explain, discuss, elaborate, distinguish, differentiate, compare, tabulate, justify, 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.
12. Mark only the FIRST answer where candidates offer more than one answer for SECTION B and C questions that require one answer.

13. SECTION B

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

NOTE: This applies only to questions where the number of facts is specified.

- 13.2 If two facts are written in one sentence, award the candidate FULL credit. Point 13.1 above still applies.
- 13.3 If candidates are required to provide their own examples/views, brainstorm this at the marking centre to finalise alternative answers.
- 13.4 Use of the cognitive verbs and allocation of marks:
- 13.4.1 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 awarded in Section C)
- The 'fact' and 'explanation' are given separately in the marking guideline to facilitate mark allocation.
- 13.4.2 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.
- 13.5 ONE mark may be awarded for answers that are easy to recall, require one word answers or is quoted directly from a scenario/case study. This applies to SECTIONS B and C in particular (where applicable).

14. SECTION C

- 14.1 The breakdown of the mark allocation for the essays is as follows:
- 14.2 Insight consists of the following components:

Introduction	Maximum: 32
Content	
Conclusion	
Insight	8
TOTAL	40

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? Marks to be allocated using this guide: Option 1: Only relevant facts: 2 marks (No '-S') Where a candidate answers 50% or more (two to four sub-question) 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 questions, but one /two/three sub-question 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 marks (Two '-S') Where a candidate answers less than 50% of the question with no relevant facts; two '-S' appear in the left margin. Award a ZERO mark for synthesis.	2
Originality	Is there evidence of one or two examples, not older than two (2) years that are 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.

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

- 14.4 The breakdown of marks is indicated at the end of the suggested answer/ marking guideline to each question.

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

- 14.5 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.
- 14.6 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 above table.
- 14.7 When awarding marks for facts, take note of the sub-maximum indicated, especially if candidates do not make use of the same subheadings. Remember, headings and subheadings are encouraged and contribute to insight (structure/logical flow/sequencing) and indicate clarity of thought. (See MARK BREAKDOWN at the end of each question.)
- 14.8 If the candidate identifies/interprets the question INCORRECTLY, then he/she may still obtain marks for layout.
- 14.9 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.
- 14.10 14.10.1 Award TWO marks for complete sentences. Award ONE mark for phrases, incomplete sentences and vague answers.
- 14.10.2 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.
- 14.11 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 (COMPULSORY)**QUESTION 1**

- 1.1 1.1.1 B✓✓
- 1.1.2 A✓✓
- 1.1.3 C✓✓
- 1.1.4 C✓✓
- 1.1.5. D✓✓ (5 x 2) (10)
- 1.2 1.2.1 private✓✓
- 1.2.2 angel funding✓✓
- 1.2.3. flyer✓✓
- 1.2.4. stress✓✓
- 1.2.5. good✓✓ (5 x 2) (10)
- 1.3 1.3.1 C✓✓
- 1.3.2 E✓✓
- 1.3.3 I✓✓
- 1.3.4 F✓✓
- 1.3.5 J✓✓ (5 x 2) (10)

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

QUESTION 1	MARKS
1.1	10
1.2	10
1.3	10
TOTAL	30

SECTION B

Mark the answers to the FIRST TWO questions only

QUESTION 2: BUSINESS VENTURES**2.1 Stages of action plan**

- The summary of the vision, mission, long term and short term goals must be defined. ✓
- Define the steps you would take to get there. ✓
- Start with what must be done first/prioritise. ✓
- Identify the end point for each step. ✓
- Arrange the steps in logical order. ✓
- Think about any problem that may occur. ✓
- Review progress regularly. ✓
- Identify indicators to confirm progress. ✓
- Any other relevant answer related to stages of action plan.

OR

Steps to follow when drawing up an action plan

- Strategic planning of the business./Know where you want to go ✓
- Create measurable goals. ✓
- List the task to be performed. ✓
- Divide the big tasks into smaller tasks or more manageable parts. ✓
- Decide on deadlines for every activity. ✓
- Create a visual representation of the action plan. ✓
- Regularly check the progress. ✓
- Any other relevant answer related to the step to follow when drawing up an action plan.

Note: Mark the first FOUR (4) only

(4 x 1) (4)

2.2 Aspects that must be included in the 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 ✓✓
- Any other relevant answer related to aspects that must be included in the prospectus **Max.** (6)

2.3 Entrepreneurial qualities

2.3.1 Perseverance ✓✓ (2)

2.3.2 Creativity ✓✓ (2)

2.4 Purpose of a business plan

- Gain insight ✓ in the market and competition. ✓
- Offers direction ✓ of a proposed business. ✓
- Explain the business objectives, how it will operate, how the finances, resources will be handled ✓ and what the business aims to achieve. ✓
- Used to check the performance ✓ of the business against set goals. ✓
- Make correct decisions ✓ and manage the business. ✓
- A tool used to sell ✓ or market the business. ✓
- To identify ✓ possible strengths, weaknesses, opportunities and threats. ✓
- Used to convince other people of the profitability of the business, ✓ such as applying for finance from a bank. ✓
- Any other relevant answer related to purpose of a business plan. **Max.** (6)

2.5 Factors to be considered before starting a business

2.5.1	Factors to be considered before starting a business	Motivations
	Customer service ✓✓	- Ntombi the owner of TG conducted research to identify her target market. ✓
	Environmental change ✓✓	- She also changed some of her original business plans, due to new technology. ✓
	Sub max. (4)	Sub max. (2)

- NOTE:**
1. Mark the first TWO (2) ONLY.
 2. Award marks for the factors to be considered before starting a business even if the quotes are incomplete.
 3. Do not award marks for the motivations if factors to be considered before starting a business were incorrectly identified.
 4. Accept response in any order. **Max.** (6)

2.6 Preparing visual aids for presentation.

2.6.1 Preparing Slides

- Use keywords instead ✓ of full sentences. ✓
- Use legible font ✓ and font size. ✓
- Limit the amount of information ✓ on each slide. ✓
- Avoid too much writing ✓ and complicated graphs. ✓
- Choose images ✓ that may help to communicate the message. ✓
- Include ✓ graphics. ✓
- Keep slides/images/graphs ✓ simple. ✓
- Make sure there are no grammatical/spelling ✓ errors. ✓
- Use bright colours ✓ to increase visibility. ✓
- Structure information ✓ in a logical sequence. ✓
- Any other relevant answer related to preparing slides. **Max.** (4)

2.6.2 Preparing posters

- Use the title on the poster to ✓ draw the attention of the reader. ✓
- The poster must be designed to be attractive ✓ and eye-catching. ✓
- People must find the poster easy and quick ✓ to read. ✓
- Keep the poster simple ✓ and free of unnecessary information. ✓
- Include a few words ✓ on the poster. ✓
- Use a font ✓ that is big and bold. ✓
- Include graphics ✓ that are large and visible from a distance. ✓
- Use contrasting colours ✓ on the poster. ✓
- Any other relevant answer related to preparing posters. **Max.** (4)

2.7 Legal requirements of 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 (examples)
 - 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, or 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 related to the legal requirement of the company.

Max. (6)
[40]

BREAKDOWN OF MARKS

QUESTION 2	MARKS
2.1	4
2.2	6
2.3.1	2
2.3.2	2
2.4.	6
2.5	6
2.6.1	4
2.6.2	4
2.7.	6
TOTAL	40

QUESTION 3: BUSINESS ROLES**3.1 External causes of change**

- Political factors, for example, changes in government policy and international relations. ✓
- Social factors, for example, poverty/unemployment/HIV/Aids, and so on. ✓
- Legal factors, for example, the passing of new laws. ✓
- Economic factors, for example, an increase in the interest rate. ✓
- Technological factors, for example, advances in production techniques and the information and communication technology (ICT) revolution. ✓
- Market factors, for example, new firms entering the market and introducing new products. ✓
- Any other relevant answer related to external causes of change.

Note: Mark the first FOUR (4) only.

(4 x 1) (4)

3.2 Causes of conflict in the business

- Lack of proper communication between management and workers. ✓✓
- Ignoring rules/procedures may result in disagreements and conflict. ✓✓
- Management and/or workers may have different personalities/backgrounds. ✓✓
- Different values/levels of knowledge/skills/experience of managers/workers. ✓✓
- Little/no co-operation between internal and/or external parties/stakeholders. ✓✓
- Lack of recognition for good work, e.g., a manager may not show appreciation for extra hours worked to meet deadlines. ✓✓
- Lack of employee development may increase frustration levels as workers may repeat errors due to a lack of knowledge/skills. ✓✓
- Unfair disciplinary procedures, e.g. favouritism/nepotism. ✓✓
- Little/no support from management with regard to supplying the necessary resources. ✓✓
- Leadership styles used, e.g., autocratic managers may not consider worker inputs. ✓✓
- Unrealistic deadlines/heavy workloads lead to stress, resulting in conflict. ✓✓
- Lack of agreement on mutual matters, e.g., remuneration/working hours. ✓✓

- Unhealthy competition/Inter-team rivalry may cause workers to lose focus on team targets. ✓✓
- Lack of commitment which may lead to an inability to meet pre-set targets ✓✓
- Constant changes may cause instability. ✓✓
- Lack of clarity regarding employees' roles and responsibilities. ✓✓
- Any other relevant answer related to the causes of conflict in the workplace.

Max. (6)

3.3 3.3.1 Examples of crises from the scenario

- Breakdown of machinery ✓
- Power outages ✓

NOTE: Mark only the first TWO (2) examples of crises named from the scenario.

Max. (2)

3.3.2 The importance of stress management in the workplace

- If stress is not managed effectively, ✓ it can get out of control and cause staff health issues. ✓
- Stressed employees are more likely to miss work, ✓ both as a way to cope and due to health-related problems. ✓
- Managing stress will curb absenteeism ✓ in order to maintain productivity at the workplace. ✓
- Workers who suffer from stress ✓ often display poor judgement in crisis or emergency situations and this can be avoided through managing stress. ✓
- 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; 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; 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 lower the performance of workers. ✓
- Any other relevant answer related to the importance of stress management in the workplace.

Max. (4)

3.4.1 Problem solving technique

Problem-solving technique	Motivations
Force field analysis ✓✓	They called for all the opposing and supporting ideas for this development. ✓
Delphi technique ✓✓	They also decided to invite experts to help them deal with their challenge. ✓
Sub-max (4)	Sub-max (2)

- NOTE:**
1. Mark the first TWO (2) only.
 2. Award marks for the problem-solving techniques even if the quotes are incomplete.
 3. Do not award marks for the motivation if the problem-solving techniques were incorrectly identified.
 4. Accept responses in any order.
- Max. (6)**

3.4.2 Advantages of creative thinking in the workplace

- Better/Unique/Unconventional ideas/solutions ✓ are generated. ✓
 - May give the business a competitive advantage ✓ if unusual/unique solutions/ideas/strategies are implemented. ✓
 - Complex business problems ✓ may be solved. ✓
 - Productivity increases as management/employees may quickly generate multiple ideas ✓ which utilise 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. ✓
 - Improves motivation ✓ amongst staff members. ✓
 - Managers/employees have a feeling of great accomplishment ✓ and they will not resist/obstruct the process once they have solved a problem/ contributed towards the success of the business. ✓
 - Management/employees may keep up ✓ with fast changing technology. ✓
 - Stimulates initiative from employees/managers, ✓ as they are continuously pushed out of their comfort zone. ✓
 - Creativity may lead to new inventions ✓ which improve the general standard of living. ✓
 - Any other relevant answer related to the advantages of creative thinking.
- Max. (6)**

3.5 Functions of the workplace forum

- Prevent unilateral decision made by employers ✓ on issues affecting the employees. ✓
 - Encourages workers participation ✓ in decision making. ✓
 - Workplace forum has the right to be consulted ✓ by employer. ✓
 - Promotes the interests of all employees ✓ in the workplace. ✓
 - Promotes efficiency in the workplace ✓ through co-operation. ✓
 - Consults with the employer, ✓ and to reach consensus about working conditions. ✓
 - Active involvement ✓ in collective bargaining. ✓
 - Any other relevant answer related to the functions of the workplace forum.
- Max. (6)**

3.6 Ways to deal with crises in the workplace

- Businesses should respond appropriately and quickly to lessen the effects of the crisis situation. ✓✓
- Intervene swiftly and with urgency, but without panicking or overreacting. ✓✓
- Identify the real nature of the crisis by making a thorough assessment of the situation and seeking expert opinions. ✓✓
- Assess/If the crisis happens, face up to it and quickly find out what has happened without over-reacting. ✓✓
- Deal with the crisis directly and timeously without trying to avoid/minimise the seriousness of the situation. ✓✓
- Plan/Identify and prioritise the actions required. ✓✓
- Inform/Provide accurate and correct information. ✓✓
- Support/Guide others through the situation by providing training and support. ✓✓
- Attempt to contain the situation to minimise further damage. ✓✓
- Communicate with all stakeholders so that they are properly informed about what has happened, what the impact is and how it is being dealt with. ✓✓
- Appoint a spokesperson from the management team who will deal with all questions and provide information. ✓✓
- Regain control/Manage the situation in a calm manner until the crisis is over. ✓✓
- Obtain expert advice if the crisis falls outside the business's scope of expertise. ✓✓
- Call for help and seek assistance/advice and support from the appropriate agencies and professionals. ✓✓
- Arrange debriefing sessions for all those directly involved in the crisis or who have been traumatised by the event. ✓✓
- Evaluate how effective the emergency plan was throughout the crisis. ✓✓
- Amend the emergency plan after evaluating what worked and what did not work. ✓✓
- Any other relevant answer related to the ways in which businesses could deal with crisis in the workplace.

Max. (6)
[40]

BREAKDOWN OF MARKS

QUESTIONS	MARKS
3.1	4
3.2	6
3.3.1	2
3.3.2	4
3.4.1	6
3.4.2	6
3.5	6
3.6	6
TOTAL	40

QUESTION 4: MISCELLANEOUS TOPICS**BUSINESS VENTURES****4.1 Key success factors**

- Profitability ✓
- Sustainability ✓
- Market knowledge ✓
- Strong customer base ✓
- Good leadership ✓
- Ethics, control and good governance ✓
- Stable workforce ✓
- Unique product or service ✓

NOTE: Mark the first FOUR (4) only.

(4 x 1) (4)

4.2 Reasons why entrepreneurs may decide to purchase an existing business

- An established business should not take up too much time to set up as all the requirements needed to run the business are already in place. ✓✓
- An established business should have an existing customer base because people are creatures of habit. ✓✓
- The market research has already been done for an existing business, so the new owner can use that information to inform any future plans. ✓✓
- 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. ✓✓
- 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. ✓✓
- Many existing companies have three or more years of profitable financials that make it easier to secure financing either from a traditional bank, government organisation, or venture capitalist. ✓✓
- Having trained staff in place can ensure a smooth transfer and contribute to the success of the business. ✓✓
- When an entrepreneur buys an existing business, it can increase its market position ✓✓
- Any other relevant answer related to the reasons why entrepreneurs choose to purchase an existing business.

Max. (6)

4.3 4.3.1 Reasons for business to acquire funding from the scenario

- She considered to acquiring funding from a wealthy business people so as to cover the start-up cost of buying premises. ✓
- Pay costs of input such as wages, telephone and other expenses. ✓

Max. (2)

4.3.2 Grants as source of funding

- Under some circumstances a business may qualify for government support ✓ to get started. ✓
- A grant means that the business will get funding ✓ from the government. ✓
- Grants are normally cheaper funding ✓ than other sources. ✓
- Any other relevant answer related to grants as a source of funding.

Max. (4)

4.4 Areas for improvement on key success factors

- Regularly evaluate the price of every product. ✓✓
- Operate from a plan based on its vision to avoid deviation. ✓✓
- Make sure the money comes in quickly. ✓✓
- Keep business expenses to a minimum. ✓✓
- Set goals with reasonable milestones and timelines. ✓✓
- Evaluate the benefit of increased sales against the cost of marketing. ✓✓
- Identify and implement the technology needed to support their operation and growth. ✓✓
- Identify the target customer and what they do for them. ✓✓
- Research and categorise competition, noting their strengths and weaknesses. ✓✓
- Differentiate the business from competitors and communicate this in sales and marketing programmes. ✓✓
- Look after its best customers. ✓✓
- Know the needs of customers, e.g., ask for customers feedback through surveys and direct interaction with them. ✓✓
- Regular review sessions where they review their structure, vision, delivery methods, etc. ✓✓
- Any other relevant answer related to areas for improvement on key success factors.

Max. (4)**BUSINESS ROLES****4.5 Stages of development**

- Forming stage ✓✓
- Storming ✓✓
- Norming ✓✓
- Performing ✓✓

NOTE: Mark only the first THREE (3) stages of development**Max. (6)****4.6 Principles of professionalism and ethics**

- 4.6.1 Competency ✓✓ (2)
- 4.6.2 Confidentiality ✓✓ (2)

4.7 Strategies to deal with globalisation

- Businesses should be attentive of changes and trends ✓ in their related industry. ✓
- They should stay up-to date with new technology, processes and developments ✓ to ensure that they have a competitive edge. ✓
- Overseas markets for the businesses' products ✓ should be explored. ✓
- Businesses should ensure that their products meet international standards ✓ of quality. ✓
- Products that are made available to different markets ✓ should be useful, eye-catching and unique. ✓
- Source overseas manufacturers/materials/suppliers, etc., ✓ to ensure the business stays competitive. ✓
- Build a strategy for connecting with governments ✓ around the world. ✓
- Comply with international trade laws ✓ to make it easy to trade internationally. ✓
- Upgrade the enterprise's information technology (IT) network ✓ to enable online transactions. ✓
- Any other relevant answer related to the strategies to deal with globalisation.

Max. (6)**4.8 Ways to create an environment that stimulates creative thinking in the work place.**

- Encourage alternative ways of working/doing things. ✓✓
- Respond enthusiastically to all ideas and never let anyone feel less important. ✓✓
- Place suggestion boxes around the workplace and keep communication channels open for new ideas. ✓✓
- Emphasise the importance of creative thinking to ensure that all staff know that new ideas will be listened to.
- Make time for brainstorming sessions to generate new ideas, e.g., regular workshops/generate more ideas/build on one another's ideas. ✓✓
- Train staff in innovative techniques/creative problem-solving skills/mind-mapping/lateral thinking. ✓✓
- Encourage job swaps within the organisation/study how other businesses are doing things. ✓✓
- Any other relevant answer related to ways in which business can create an environment that stimulates creative thinking in the workplace.

**Max. (4)
[40]**

BREAKDOWN OF MARKS

QUESTIONS	MARKS
4.1	4
4.2	6
4.3.1	2
4.3.2	4
4.4	4
4.5.	6
4.6.1	2
4.6.2	2
4.7	6
4.8	4
TOTAL	40

TOTAL SECTION B: 80

SECTION C

Mark only the **FIRST** answer.

QUESTION 5: BUSINESS VENTURES (AVENUES OF ACQUIRING A BUSINESS)**5.1 Introduction**

- A franchise agreement is crucial because it legally outlines the terms of a business relationship between a franchiser and a franchisee. ✓
- Franchise protects the franchisors intellectual property, like trademarks and logos. ✓
- Outsourcing allows businesses to focus on important business activities. ✓
- The lease agreement will indicate whether the lessee becomes the owner of the asset after the lease period for a fee or not. ✓
- Any other relevant introduction related to the aspects to be included in the franchising contract/the advantages and disadvantages of franchise/advantages of outsourcing /contractual implication of leasing. (Any 2 x 1) (2)

5.2 The meaning of franchise as an avenue of acquiring a business

- Franchise is a license to use the idea, name and processes of an existing business ✓ in a specific geographic area. ✓
- A franchise is an agreement between ✓ a franchisor and a franchisee. ✓
- A franchise serves as a marketing ✓ and distribution system for franchise ✓
- Many restaurant chains in South Africa such as Debonairs, KFC, Wimpy, Steers, McDonald's ✓ run as franchises. ✓
- Franchise involves two parties:
 - o Franchisor is the person who sells ✓ the right to trade in the product. ✓
 - o Franchisee is the person who purchases the right to reproduce the idea, ✓ offering the same products/services. ✓
- Any other relevant answer related to the franchise as the type of avenue for acquiring businesses. **Max.** (8)

5.3 The advantages of a franchise

- 5.3.1
- Forms of financing that are not available to the public ✓ are often available to franchisees. ✓
 - Purchasing a franchise could be cheaper ✓ than starting your own business. ✓
 - A business is based on a proven idea ✓ and the product and service are tried and tested. ✓
 - Reduced ✓ long-term financial risk. ✓
 - Management advice is often provided ✓ so it is not necessary to be a business expert. ✓
 - Franchises often offer ✓ entrepreneurial help. ✓
 - Established suppliers give bulk discounts ✓ as they form part of a larger group. ✓

- Businesses are able to use a recognised brand name ✓ and registered trademark. ✓
- The systems, operations and services ✓ are well established. ✓
- Franchise agreements dictate how you run the business, ✓ so there may be little room for creativity. ✓
- There are usually restrictions on where you operate, ✓ the products you sell and the suppliers you use. ✓
- Franchises often have an established reputation ✓ and image/ proven management/ and work practices/ access to national advertising and ongoing support. ✓
- Franchises offer the independence of a small business ownership, ✓ supported by the benefits of a big business network. ✓
- You do not necessarily need business experience ✓ to run a franchise. ✓
- Franchisors usually provide the training you need ✓ to operate their business model. ✓
- Franchises have a higher rate of success ✓ than start-up businesses. ✓
- The marketing and advertising costs can be shared, ✓ so they are lower than for a non-franchised business. ✓
- There is often access to group support from other franchisees ✓ and a network of communication/and legal advice. ✓
- An operational franchise is an established business, ✓ so there is less financial risk. ✓
- Franchisees and their staff receive training and support ✓ from the franchisor. ✓
- Banks will more likely grant financial assistance ✓ to an established business. ✓
- The product is already well known in the market, ✓ which guarantees sales and good return. ✓
- Franchisees benefit from lower costs ✓ due to centralised buying by the franchiser. ✓
- Any other relevant answer related to the advantages of franchises.

Sub max. (8)

5.3.2 The disadvantages of franchise

- It is sometimes difficult to sell a franchise ✓ and/or to terminate the contract. ✓
- The high initial franchise cost can make it difficult ✓ to buy into the franchise agreement. ✓
- There are often restrictions in the agreement ✓ in terms of how you can run the business. ✓
- Some creative entrepreneurs feel limited ✓ as to how much they can grow and expand their ideas. ✓
- The brand could get a bad reputation ✓ through other franchisees. ✓
- A large portion of profit is paid in royalties ✓ and often the franchisors do not deliver on their promises. ✓
- Franchisees have to pay royalties ✓ or a share of the profit to franchisors. ✓
- The start-up cost ✓ could be quite high. ✓
- Too many outlets may flood ✓ a specific area. ✓

- Running a franchise restricts creativity ✓ because all outlets need to carry the same branding. ✓
- One poor-performing outlet ✓ may risk the reputation of the entire franchise. ✓
- Any other relevant answer related to the disadvantages of a franchise

Sub-max. (8)

Max. (16)

5.4 Advantages of outsourcing

- Will provide continuity ✓ during periods of high staff turnover. ✓
- 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. ✓
- 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 costs and overhead costs ✓ are lower for the business. ✓
- Any other relevant answer related to the advantages of outsourcing.

Max. (14)

5.5 Contractual implications of leasing

- The right to occupy an asset, for example, a property. ✓✓
- The right to use the asset, for example, a delivery van. ✓✓
- The responsibility to keep the asset in good order or condition. ✓✓
- The responsibility of paying fees or rent on time. ✓✓
- Not making any alterations or changes without the consent of the lessor. ✓✓
- Where an asset needs to be insured, the lease agreement must stipulate it. ✓✓
- Duration/Period of the lease. ✓✓
- Detailed description of what is being leased. ✓✓
- Conditions of renewal. ✓✓
- The monthly amount payable. ✓✓
- Details of how the instalment will be calculated. ✓✓
- Any specific conditions for renewing the lease at the end of the contract period. ✓✓
- The procedure and liability for legal costs if a dispute arises. ✓✓
- The procedure if the lessor or lessee becomes insolvent. ✓✓
- Any other relevant answer related to the contractual implications of leasing.

Max. (8)

5.6 Conclusion

- The franchising contract must include policies that govern the product and services. ✓✓
- Acquiring a franchise can be an expensive initial layout. ✓✓
- Outsourcing allows the business to focus on its vision and goals, and to apply its staff more effectively in its core business. ✓✓
- The contractual implication of the leasing includes details of insurance, maintenance and restrictive use, up-front payment and instalments. ✓✓
- Any other relevant conclusion related to the aspects to be included in the franchising contract/the advantages and disadvantages of franchise/ advantages of outsourcing/contractual implications of leasing. (Any 1 x 2)

(2)
[40]

QUESTION 5: BREAKDOWN OF MARK ALLOCATION

DETAILS	MAXIMUM	TOTAL
Introduction	2	Max 32
Meaning of franchising	8	
The advantages and the disadvantages of franchise	16	
The advantages of outsourcing	14	
The contractual implications of leasing	8	
Conclusion	2	
INSIGHT		
Layout	2	8
Analysis/Interpretation	2	
Synthesis	2	
Originality/Examples	2	
TOTAL MARKS		40
DETAILS	MAXIMUM	TOTAL

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 (PROFESSIONALISM AND ETHICS)

6.1 Introduction

- Businesses have a code of conduct that outlines the expected behaviours for their employees. ✓
- Unethical business practices can have a negative impact on business. ✓
- Theories are based on the ethical principles of integrity, objectivity, caring and transparency. ✓
- Businesses that adopt professional, responsible and ethical business practices will remain profitable/sustainable over a long period of time. ✓
- Any other relevant introduction related to differences between professionalism and ethics/ways in which professional, responsible, ethical and effective business practice should be conducted/ theories of ethics that are applicable to the workplace/advantages/benefits of ethical business venture.

(Any 2 x 1) (2)

6.2 The difference between professionalism and ethics

Professionalism	Ethics
- Set of standards of expected behaviours. ✓✓	- Conforms to a set of values that is morally acceptable. ✓✓
- Forms part of a code of conduct to guide employees to act professionally. ✓✓	- Applying a code of conduct set by a profession or business. ✓✓
- Focuses on developing a moral compass to use in decision making. ✓✓	- Focuses on upholding the reputation of a business/ profession. ✓✓
- Includes guidelines on employees' appearance/ communication/ attitude/ responsibility, etc. ✓✓	- Involves following the principles of right or wrong in business activities/practices/dealings. ✓✓
- Used for the benefit of the employees/ individuals. ✓✓	- Acceptable to society/group/ community. ✓✓
- Apply a code of conduct set by the profession or business. ✓✓	- Forms part of the employees' code of conduct. ✓✓
- Any relevant answer related to the explanation of ethics.	- Any relevant answer related to the explanation of professionalism
Sub-max (4)	Sub-max (4)

NOTE: 1. The answer does not have to be in tabular form.
 2. The difference does not have to link but must be clear.
 3. Award a maximum of FOUR (4) marks if the differences are not clear/Mark either professionalism or ethics

Max. (8)

6.3 Ways in which professional, responsible, ethical and effective business practices should be conducted.

- Mission statement should include values ✓ of equality/respect. ✓
- Treat workers with respect/dignity ✓ by recognising work well done. ✓
- Treat all their employees equally, ✓ regardless of their race/colour/age/ gender/disability, etc. ✓
- All workers should have access ✓ to equal opportunities/positions/ resources. ✓
- 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. ✓
- Ensure that employees work in a work environment ✓ that is conducive to safety/fairness/free from embarrassment. ✓
- Refrain from starting a venture ✓ using other businesses' ideas that are protected by law. ✓
- Engage in environmental awareness ✓ programmes/Refrain from polluting the environment, e.g., by legally disposing of toxic waste. ✓
- Employers and employees need to comply with legislation with regard ✓ to equal opportunities/human rights in the workplace. ✓
- Businesses should develop equity programmes/promote strategies ✓ to ensure that all employees are treated equally, regardless of status/rank/ power. ✓

- 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 the recipient/employee should be allowed ✓ to have a say in the manner in which the task should be performed. ✓
- Any other answer related to ways in which professional, responsible, ethical and effective business practices should be conducted. **Max.** (12)

6.4 The THREE theories of ethics that are applicable to the workplace

6.4.1 Consequential theory ✓✓

- Business must promote or generate the greater value for society, ✓ while harming as few as possible. ✓
- Is linked to consequence-based theory/focuses on the consequences ✓ of an action. ✓
- An act should be judged ✓ based on the effect it has on others. ✓
- Something 'useful' needs to come from ✓ an ethical action. ✓
- If the effect is good, ✓ the action can be seen as ethical. ✓
- Any other relevant answer related to the consequential theory.

Identification (2)

Explanation (4)

Sub-max. (6)

6.4.2 Common Good approach ✓✓

- It focuses on ensuring that the business' values and ethical principles ✓ are in line with the society in which the business operates. ✓
- It recognizes that the ethics and values ✓ vary from country to country and area to area. ✓
- Any other relevant answer related to the common good approach theory applicable to the workplace.

Identification (2)

Explanation (4)

Sub-max. (6)

6.4.3 The rights approach ✓✓

- Basic rights of people are identified and protected ✓ e.g., right to freedom and life. ✓
- Aims at promoting ✓ and protecting human rights. ✓
- Focuses on whether the decision ✓ is right or wrong. ✓
- Focuses on process ✓ and outcomes. ✓
- Works towards outcome ✓ and process goals. ✓
- Recognises that rights can only be realised ✓ with empowerment. ✓
- Any other relevant answer related to the right approach theory applicable to the workplace.

Identification (2)

Explanation (4)

Sub-max (6)

Max. (18)

6.5 Benefits of ethical business venture

- 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. ✓✓
- Any other relevant answer related to the benefits of ethical business venture.

Max. (8)

6.6 Conclusion

- Businesses code of ethics/conduct should improve relationships and eliminate unethical business practice. ✓✓
- Businesses that do not adhere to the code of ethics/conduct should face disciplinary actions. ✓✓
- Ethics and behaviours are motivated by promoting the rights of people. ✓✓
- Businesses can make use of good corporate governance to address issues that challenge ethical and professional behaviour ✓✓
- Any other relevant conclusion related to differences between professionalism and ethics/ways in which professional, responsible, ethical and effective business practice should be conducted/theories of ethics that are applicable to the workplace/advantages/benefits of ethical business venture.

(Any 1 x 2) (2)

[40]

BREAKDOWN OF MARK ALLOCATION

DETAILS	MAXIMUM	TOTAL
Introduction	2	Max 32
The difference between professionalism and ethics	8	
Ways in which professional, responsible, ethical and effective business practice should be conducted.	12	
The THREE theories of ethics that are applicable to the workplace.	18	
Advantages/benefits of ethical business venture.	8	
Conclusion	2	
INSIGHT		
Layout	2	8
TOTAL MARKS		40

NOTE:

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