INTERNATIONAL SECONDARY CERTIFICATE EXAMINATION
NOVEMBER 2022

BUSINESS STUDIES

MARKING GUIDELINES

Time: 3 hours 300 marks

These marking guidelines are prepared for use by examiners and sub-examiners, all of whom are required to attend a standardisation meeting to ensure that the guidelines are consistently interpreted and applied in the marking of candidates' scripts.

The IEB will not enter into any discussions or correspondence about any marking guidelines. It is acknowledged that there may be different views about some matters of emphasis or detail in the guidelines. It is also recognised that, without the benefit of attendance at a standardisation meeting, there may be different interpretations of the application of the marking guidelines.

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1.13	A
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SECTION B

QUESTION 4

4.1 ***Name THREE entrepreneurial characteristics and discuss how each of these characteristics could be used by an entrepreneur to take advantage of the 'retail hotspot' mentioned in the extract.***

Curiosity

Successful entrepreneurs have a sense of curiosity that allows them to continuously seek new opportunities. Rather than settling for what they think they know, curious entrepreneurs ask challenging questions and explore different avenues.

Structured Experimentation

Along with curiosity comes the need for structured experimentation. With each new opportunity that arises, an entrepreneur must run tests to determine if it's worthwhile to pursue. For example, if you have an idea for a new product or service that fulfils an underserved demand, you will have to ensure customers are willing to pay for it.

Adaptability

The nature of business is ever-changing. Entrepreneurship is an iterative process, and new challenges and opportunities present themselves at every turn. It's nearly impossible to be prepared for every scenario. Entrepreneurs need to evaluate situations and adapt so their business can keep moving forward when unexpected changes occur.

Decisiveness

To be successful, an entrepreneur has to make difficult decisions and stand by them. As a leader, they are responsible for guiding the trajectory of their business, including every aspect from funding and strategy to resource allocation.

Being decisive doesn't always mean having all the answers. If you want to be an entrepreneur, it means having the confidence to make challenging decisions and see them through. If the outcome turns out to be less than favourable, the decision to take corrective action is just as important.

Team Building

A great entrepreneur is aware of their strengths and weaknesses. Rather than letting shortcomings hold them back, they build well-rounded teams that complement their abilities.

Risk Tolerance

Entrepreneurship is often associated with risk. While it's true that launching a venture requires an entrepreneur to take risks, they also need to take steps to minimise it.

Comfortable with Failure

In addition to managing risk and making calculated decisions, entrepreneurship requires a certain level of comfort with failure.

Successful entrepreneurs prepare themselves for, and are comfortable with, failure. Rather than let fear hold them back, the possibility of success propels them forward.

Persistence

While many successful entrepreneurs are comfortable with the possibility of failing, it doesn't mean they give up easily. Rather, they see failures as opportunities to learn and grow.

Throughout the entrepreneurial process, many hypotheses turn out to be wrong, and some ventures fail altogether. Part of what makes an entrepreneur successful is their willingness to learn from mistakes, continue to ask questions, and persist until they reach their goal.

Creativity and Innovation

Many ascribe to the idea that innovation goes hand-in-hand with entrepreneurship. This is often true – some of the most successful start-ups have taken existing products or services and drastically improved them to meet the changing needs of the market.

Innovation is a characteristic some, but not all, entrepreneurs possess. It's a type of strategic mindset that can be cultivated. By developing your strategic thinking skills, you can be well-equipped to spot innovative opportunities and position your venture for success.

Long-term Focus

Finally, most people think of entrepreneurship as the process of starting a business. While the early stages of launching a venture are critical to its success, the process doesn't end once the business is operational.

(3 marks for naming each of the entrepreneurial characteristics. Consider all possibilities.)
(9 marks are allocated to the discussion of each of the characteristics. Discussion must link to 'retail hotspot' – extract.)
Mark per fact/relevant example.)
(All relevant examples and facts should be considered.)
(ONLY the FIRST THREE to be marked.)

4.2 ***Discuss, with the use of relevant examples, how an entrepreneur could make use of the following strategies to take advantage of the retail growth predicated for Africa.***

Backward integration strategy:

Backward integration reduces the cost of distribution by expanding its role to fulfil tasks formerly completed by businesses up the supply chain. The result is the improved competitive advantage for the company over their competitors. The main competitive advantage will be greater control over their supply network with less dependency on another external company.

Backward integration equips companies with the control over their supply network. This means the company can conduct both sourcing and production in their internal control. This will be difficult for the new competitors to compete with a company like this.

Joint-venture strategy:

Provides companies with the opportunity to gain new capacity and expertise. Enables companies to enter related businesses or new geographic markets or gain access to modern technology. Provides access to greater resources – including specialised staff and technology.

Joint-venture allow companies to gain: access to new markets and distribution networks; increased capacity; sharing of risks and costs (i.e. liability) with a partner; access to new knowledge and expertise, including specialised staff.

(4 marks are allocated to the discussing of the two different strategies.)
(4 marks are allocated to the use of examples to discuss the two different strategies.)
(All relevant examples and facts should be considered.)

4.3 ***Explain the importance of a feasibility study and a viability study when starting up a new entrepreneurial business.***

Feasibility studies offer you the chance to 'get it right' before committing time, money and business resources to an idea that may not work in the way you originally planned, causing you to invest even more to correct flaws, remove limitations, and then simply try again.

A viability study is an analytical exercise. Using research, experience and business principles, it will determine the probability of the project to sustain itself, grow, meet the objectives of the project and offer the expected returns of the investor.

(6 marks are allocated to the discussion on the importance of both feasibility and viability, candidates need to discuss both to be awarded full marks. A maximum of 4 marks can be allocated if only one section has been answered)
(All relevant examples and facts should be considered.)
(If ONE is discussed a maximum of four marks will be allocated.)

4.4 ***List FOUR management tasks that would assist with the operations of a retail business.***

- Planning
- Organising
- Leading
- Controlling
- Communicating
- Delegating
- Discipline
- Motivating
- Decision-making
- Coordinating

(4 marks are allocated to the first four management tasks.)
(All relevant examples and facts should be considered.)
(ONLY the FIRST FOUR.)

4.5 ***Evaluate the role of social media in the functioning of a start-up business looking to gain retail market share in Africa.***

Social media gives start-ups a great opportunity to reach the target audience through an influencer marketing platform, video content, and other instruments. Without spending much, you can increase brand awareness, understand the preferences and behaviours of your customers, and research the competitors.

Showing your engagement and professionalism will increase the loyalty of your audience and as a result, boost sales. When a start-up is active on social media, customers feel its presence in their daily life – that can help to increase its visibility and make clients more engaged.

(4 marks are allocated to evaluating the role of social media in a business.)
(All relevant examples and facts should be considered.)

4.6 ***Explain the difference between job satisfaction and job security to an entrepreneur entering the retail sector.***

Job satisfaction is a measure of workers' contentedness (happy/comfortable/ satisfied) with their job, whether they like the job or individual aspects or facets of jobs, such as nature of work or supervision.

Job security is the probability that an individual will keep their job; a job with a high level of security is such that a person with the job would have a small chance of losing it.

(4 marks are allocated to explaining the difference between the two concepts, to be awarded full marks candidates need to have discussed both. A maximum of 3 marks can be allocated if only one section has been answered)
(All relevant examples and facts should be considered.)
(If only ONE is discussed a maximum of THREE marks will be allocated.)

4.7 ***Explain how an entrepreneur could use various management competencies to grow the business' retail market share.***

Global Awareness

- A global awareness is much more than merely trying to understand political, language or cultural differences between countries in order to avoid making general assumptions about other people. It is more than the fact that exchange rates appreciate or depreciate and that this may have an impact on the cost of the product. While these issues are important, it is vital to appreciate that global awareness encompasses much more.
- The manager must understand that even if the business does not trade (buy or sell) directly with other countries, he must know that the business world is interrelated and interconnected and that suppliers may originate from a range of countries. It is possible; therefore, that customs and values will differ between countries.

Organisational awareness

- No organisation operates in a vacuum. Organisational awareness requires management to be aware of internal, as well as external factors that may have an impact on the success of the business.

INTERNAL:

- The manager should understand the capabilities (strengths) and constraints (weaknesses) of the business.
- In order for management (at all levels) to be successful, it is important for them to have an understanding of what happens in the entire business, because the actions of the different functions or departments in the business have an impact on each other (interdependent).
- The manager should also have empathy and consider the pressures that different departments experience, and should aim to accommodate people where possible in order to ensure the entire business (rather than just that one department) is successful. Management must also understand the organisational culture of the business. If there is something within the culture that is not desirable, a proactive plan has to be implemented to change the organisational culture to something that is in line with the vision and mission of the business. This is important in order to enhance the overall functioning of the business.

EXTERNAL:

- Management should demonstrate an understanding of the opportunities and/or threats that the business may face when viewed in the context of the external environment (think about macro and market environments as discussed in Chapter 1).
- When one thinks of the external environment, it should be borne in mind that aspects such as national and international trends may have an impact on the business, but that the business could also affect events in the external environment by taking a stand for or against something.

Analysis

- In order to develop both a global and organisational awareness, the manager should be able to identify important sources of information, gather the relevant information, interpret the influence that different events may have on one another and then compare alternative plans of action. This is the ability to analyse and draw conclusions.
- When information is analysed, potential problems should be identified and solutions pre-empted in order to make sure risks are managed.
- Management needs to understand that analysis is a difficult task and where possible, decisions should not be made impulsively, but only after consideration of all relevant facts.

Strategic thinking leading to strategic action

- Strategic thinking entails the manager's ability to look at the business' current position in relation to the rest of the market and to then decide where the business should be in a few months or years. This is called strategic planning and requires a vision, a mission, long-term and short-term objectives to be formulated and lastly, the development of a strategy to make these goals a reality.
- This can only be done if the manager understands that industry and market trends will affect the business' competitive position. Thus, it is important to look at strengths, weaknesses, opportunities and threats before strategies (plans of actions) are developed and implemented.
- Simply reviewing current trends is not good enough. The manager must be able to anticipate and forecast what will happen in the future and then be proactive when implementing plans to manage the situation.
- The outcomes of the situations should also be evaluated in order to implement corrective action if needed.

Empowerment and talent development

- The manager has to understand that empowerment and talent development is important, because it means the business is investing time and resources to assist with employees' development to achieve the goals and objectives of the business. When employees are empowered, and they have benefited from the development process, this is conducive to better morale and higher levels of motivation.
- Empowerment and talent development can be done in a number of ways:
- By giving an employee new skills through training
- By giving an employee new responsibilities and authority to perform a challenging new task, requiring him/her to think more broadly than before
- By giving an employee the freedom to choose how to do a task, provided certain pre-determined standards are met
- By monitoring performance and then giving constructive feedback

Initiative

- Showing initiative means the manager is not waiting for other people to think of new ways to improve his/her department or the overall business.
- By demonstrating initiative, the manager will question the conventional methodology, but also encourage subordinates to think of new ideas and innovations before the situation demands it.
- Initiative means being proactive and pre-empting issues before they arise in order to create a competitive advantage.

Judgement/decision making

- The manager continuously has to make judgement calls in different situations. This can only be done once all the relevant facts have been evaluated in an objective manner.
- Although the ideal would be for the manager to be able to evaluate his decisions clearly before taking action, in some instances it is not possible. Sometimes an immediate decision is required. to capitalise on an opportunity; the manager cannot hesitate to make that crucial decision. One of the most important skills a manager can utilise in such a situation is to apply logical reasoning.
- It is important for the manager to employ integrity when making judgement calls/ decisions. This demonstrates leadership and a willingness to acknowledge accountability for his/her decisions.

Negotiation

- A successful negotiator is able to convey his/her opinions in a clear and accurate manner to the audience (employees, trade unions, suppliers, etc.) and then to use these skills to persuade the audience to understand his/her point of view.
- It is important that people have an understanding of all the relevant opinions. A manager who is a skilled negotiator will try to facilitate a win-win situation, using compromise to resolve problems.
- It is important to obtain buy-in from the most influential role players – especially in sensitive or high-pressure situations, because these informal leaders may influence others in the negotiation process.
- It is a myth to think people are born good negotiators. It is a skill most people can acquire. This expertise is especially relevant for managers at all levels to develop.

Customer service orientation

- In a successful business, customers and their needs are the primary focus areas and should be considered in all business decisions.
- It is crucial that the manager listens and responds to customer's questions, problems and feedback, as it is an important way for the business to give the customer what he/she expects and requires from the business.
- A productive customer relationship based on trust and credibility will ensure that existing customers keep coming back to buy from the business.

(3 marks may be awarded to the naming of different management competencies.)
(9 marks are awarded across the competencies to the explaining of the management competencies.)
(All relevant examples and facts should be considered.)
(For 'naming' a maximum of THREE marks will be allocated.)
(If only ONE competency is discussed, a maximum of SIX marks will be allocated.)

QUESTION 5

5.1 5.1.1 ***Identify any FOUR marketing mix elements that retailers in the diagram above would use in developing a marketing strategy.***

- Product
- Place
- Price/Distribution
- Promotion/Marketing Communication
- Physical Evidence
- People/Persons/Employees
- Process

(Any 4 elements of the marketing mix may be awarded a mark)
(All relevant examples and facts should be considered.)
(ONLY the FIRST FOUR.)

5.1.2 ***Assess the value of including economies of scale as part of your retail marketing strategy.***

Economies of scale are cost advantages reaped by companies when production becomes efficient. Companies can achieve economies of scale by increasing production and lowering costs. This happens because costs are spread over a larger number of goods. Costs can be both fixed and variable.

Economies of scale are cost advantages companies experience when production becomes efficient, as costs can be spread over a larger amount of goods.

A business's size is related to whether it can achieve an economy of scale – larger companies will have more cost savings and higher production levels.
Economies of scale can be both internal and external. Internal economies are caused by factors within a single company while external factors affect the entire industry.

Economies of scale occur when a business benefits from the size of its operation. As a company gets bigger, it benefits from a number of efficiencies. For example, it's far cheaper and efficient to serve 1 000 customers at a restaurant than one.

(8 marks are awarded for assessing the value of including economies of scale as part of your retail marketing strategy.)
(All relevant examples and facts should be considered.)
(For the explanation/definition two marks will be allocated.)
(For further discussion six marks will be allocated.)

5.1.3 ***It is important that retailers employ the correct staff to help the business grow. Assist the manager of a retailer by explaining the following Human Capital functions.***

Recruitment	The main focus of the recruitment process is to attract the most competent talent. There are a number of internal and external options available when recruiting potential candidates for the job. The task of the recruitment agent is to determine the most effective communication channels to be used for the recruitment message.
Placement	The employee is usually placed in the position for which he/she applied. It may emerge that the employee has a special skill, making him/her more suited to a different position in the business. The business may re-negotiate remuneration and other benefits with the employee before engaging him/her in this position.

(2 marks (2 × 2 = 4 marks) are awarded for explaining each of the Human Capital functions.)
(All relevant examples and facts should be considered.)

5.2 5.2.1 ***According to the above extract, the retailer values ethical conduct from their stakeholders. Discuss THREE possible actions that could take place within a retail store that might be viewed as unethical behaviour.***

Conflict of interest

- If the person awarding a tender knows the person who is submitting the tender, he/she should not make the final decision about who will get the tender, but should disclose that it is a friend/family member submitting the tender and then withdraw from the tender allocation process.
- Another example may be if someone is part of the recruitment and selection panel and he/she fails to disclose that one of the applicants is a friend or family member.
- It will create a conflict of interest if a person that serves on the Board of Directors is approached by a supplier to be part of that Board of Directors.

Bribes and corruption

- When someone is offered a reward to give a third party an unfair advantage to which he/she/the business is not entitled, it is a bribe. A bribe does not have to be in the form of money, but may be a gift, an offer of employment, a promotion or any other favour. If it is in the form of money, it is sometimes referred to as a smoothing payment or a facilitation payment.
- When someone in a position of power, abuses this power for personal gain, it is corruption. This may include, receiving a bribe, giving a kickback (indirect bribe) to a supplier, misappropriating funds or abusing an official position for personal gain.

Unauthorised use of funds

- Using business funds that are not authorised is the same as theft. People working in offices have more opportunities to get involved in this form of white-collar crime, than the workers in the manufacturing department.
- Even something that seems as innocent as a manager having an expense account, taking his wife for lunch and claiming it as a business expense, is guilty of unauthorised use of business funds. Someone, who has a petrol card to pay for business travel and then uses the card for private use, is spending money not authorised for that purpose.
- Inappropriate gifts

Sexual harassment

- According to the abovementioned code, examples of sexual harassment may include:
- Unwelcome physical contact
- Verbal conduct such as sexual advances, sex-related jokes, unwelcome enquiries about a person's sex life and unwelcome whistling/body language directed at a person or group of persons
- Non-verbal conduct such as sexual gestures, indecent exposure or display of sexually explicit pictures and objects
- When a more senior employee promises a reward in exchange for sexual favours
- Employees may also not engage in any of the above activities with customers, suppliers or any person who deals with the business.

Employment/labour issues

- Employees abusing sick leave
- The abuse of the internet or email may include:
- Employees who visit porn sites
- Employees who make confidential information available to people who should not have access to the information.
- Employees who spread rumours or other damaging information about the business or a fellow employee
- Employees who spend work time on Facebook or other social media sites
- Employees spending time on personal emails during work hours and employees who send emails, which could bring the business into disrepute, to other people.
- Taking business stationery home for private use
- Verbal abuse of staff members by a manager and the verbal abuse of a colleague or manager by an employee are all unacceptable behaviour.

Pricing of goods

- Price fixing occurs when competitors agree to charge the buyers a predetermined price. One of the principles of a free-market economy is that competition keeps prices low and quality high. If businesses collude to fix the prices of products, it is unethical and illegal and the Competition Board may impose hefty fines. Directors may even be held liable for this in their personal capacity and face jail time.

- The Consumer Protection Act (CPA) makes it illegal to charge more for products in rural areas than in urban areas without good justification. For example, if a business charges a high price simply because there are no competitors to keep the prices low, it is seen as unethical.

Piracy

Piracy is the illegal use or reproduction of somebody's work if it is protected by a patent or copyright. Think of the number of times that music or movies are illegally downloaded from the internet …

(2 marks are awarded to discussing each of the three unethical matters, 1 mark for naming and 1 mark of discussion).
(All relevant examples and facts should be considered.)
(ONLY the FIRST THREE will be marked.)
(For 'naming' THREE marks will be allocated.)
(For discussion THREE marks will be allocated.)

5.2.2 ***Justify why a retailer would need a Code of Conduct.***

A code of conduct is the most common policy within an organisation. This policy lays out the retailer's principles, standards, and the moral and ethical expectations that employees and third parties are held to as they interact with the organisation. A code of conduct is an integral part of compliance efforts as it provides documentation that an employee or third party has violated a retailer's policy if illegal activity arises.

(4 marks are awarded in justifying the need for a code of conduct.)
(For definition one mark will be allocated.)
(For justifying three marks will be allocated.)
(All relevant examples and facts should be considered.)

5.2.3 ***Analyse THREE management practices that would best ensure that retail staff members adopt the business' Code of Conduct with a positive attitude.***

Communication and awareness campaigns

This is a continuous process. Communication of a company's ethics policy never ends. To engage employees and raise awareness of ethical decision-making, where code of conduct is discussed and explained.

Monitoring and accountability

Effective speak-up arrangements, such as anonymous helplines, through which employees, contractors and other third parties can raise concerns in confidence about unsafe, unethical or unlawful practices are an important element of good corporate governance.

Supporting context and culture

This involves having the 'ethical architecture' in place to support a living, breathing code. That architecture includes outlining policies and regulations in employee contracts and supplier agreements, identifying individuals and boards who are accountable for outcomes, creating ongoing awareness-raising programmes, opening discussions with feedback and having oversight and monitoring procedures in place.

Training and reinforcement

Discussion of scenarios can help employees explore ethical issues in training sessions. Providing different scenarios and explaining the context of each, will help employees to understand how the business would deal with situations.

(2 marks (2 × 3 = 6) are awarded to discussing each of the three possible practices.)
(For naming practice one mark will be allocated.)
(For explanation one mark will be allocated.)
(All relevant examples and facts should be considered.)

5.3 5.3.1 ***Explain the difference between non-compulsory insurance and compulsory insurance.***

Compulsory insurance is that which is required by law or agents that a business take out to allow a business to operate legally. Examples are UIF, COIDA, Social Security , MVA (Motor Vehicle Accident Fund), etc.

Non-compulsory insurances are those which a business may consider taking out to protect a business against a possible financial loss. Examples are Fire insurance, car insurance, theft, etc.

(4 marks are awarded for explaining the difference between the two concepts, a candidate must discuss both to be awarded full marks. Marks may be awarded for explanation and examples. A maximum of 3 marks can be allocated if only one section has been answered)
(No marks will be allocated if only examples are listed without any explanation.)
(All relevant examples and facts should be considered.)

5.3.2 ***Advise the retailer on THREE types of insurance that could be taken out to reduce risk in the operations of the business.***

Property Insurance

Property insurance is top priority, whether you own or rent a place. It covers damage to inventory, furniture, equipment and signage from fire, theft or storm. However, it does not cover floods or earthquakes. The latter falls under a different policy and is taken up if the area your property is located in is prone to such dangers.

Business Interruption Insurance

Business interruption insurance in the case of an interruption of regular work due to some catastrophe or accident, it is necessary to have the loss covered. This insurance is for businesses that operate from a fixed physical location like a store. Lost income due to unexpected occurrences is compensated by this kind of policy.

Professional Liability Insurance

Professional liability Insurance negligence claims can arise as a direct result of failure to perform duty or from irreversible mistakes which leads to damage. A business or organisation can cover this type of claim under Professional Liability Insurance or Errors and Omission (E&O) Insurance. Since each industry differs when it comes to the nature of work involved, customised policies address individual areas of concern.

Commercial Auto Insurance

Commercial auto Insurance Company vehicles should be insured as it can result in a liability claim in case of an accident. Companies should insure against third-party injury but Commercial Auto Insurance cover damages to the vehicle as well. It also covers vehicles used by delivery personnel carrying goods and offering services for a fee.

General Liability Insurance

Every business should take this insurance as it provides the defence and covers damages in case a product, employee or service caused or is alleged to have caused some harm or injury to a third party.

(2 marks (3 × 2 = 6) are awarded to discussion of each of the possible ways to reduce risk.)
(For naming risk one mark will be allocated.)
(For explanation of reducing the risk one mark will be allocated.)
(All relevant examples and facts should be considered.)

5.4 5.4.1 ***With regard to the above extract, what advice might a broker offer a person invested in a retail business?***

It is important to understand why the stock has fallen; is this a general market trend based on economic stability. Shares are a long-term investment, is there the possibility of the economic stability changing in your investment time frame. This may even be a good time to be purchasing more shares, depending on the market and business conditions.

Sell at a pre-determined loss point, knowing, at which point you are willing to make a loss, and sacrificing this loss, before any further loss.

If the share price has fallen due to business operations, it is important to establish whether they able to regain momentum.

(5 marks are awarded for providing possible advice that a broker may offer a person invested in a retail business.)
(For advice provided three marks will be allocated.)
(For reference to the extract two marks will be allocated.)
(All relevant examples and facts should be considered.)

5.4.2 ***Name THREE factors that need to be considered when a financial adviser completes an investment profile for a potential investor.***

- Time frame
- Return on investment
- Risk of investment

(1 (1 × 3 = 3) marks awarded for each factor.)
(ONLY the FIRST THREE will be marked.)
(All relevant examples and facts should be considered.)

QUESTION 6

6.1 6.1.1 ***Assess THREE corporate governance principles to support these start-up businesses in achieving their sustainability strategies.***

- **Transparency** – It is often thought that transparency refers to the fact that everybody has to know what decisions are taken and why they are taken. This is not correct. Some decisions may always be kept confidential. Transparency refers to decisions being taken in accordance with a set of rules and with which everybody is familiar and that these rules are understood by everybody. Transparency is of course a pre-condition for accountability, because if there is no transparency, how will it be possible to hold someone accountable for decisions taken?
- **Accountability** refers to the person taking responsibility for his/her actions. In a business environment where Corporate Governance is accepted as the norm, accountability increases the level of confidence that stakeholders have in the business decisions taken. Integrity or honestly or truthfulness will be part of decision making if the person or organisation knows they will be held accountable for decisions taken.
- **Independence** means there is no conflict of interest and that there are no unfair influences from any stakeholder that will result in a biased or unethical decision being taken in favour of a particular person or organisation. Although networking is a critical component in a person's and business' success, it may reduce the independence of decisions taken in the business if the decision maker feels he/she has an obligation towards someone they have networked with.
- **Discipline:** When one looks at discipline, the starting point is always self-discipline. In a business environment, this relates to the integrity shown by management, when important decisions are taken.

(4 marks (3 × 4 = 12) are awarded to each principle discussed, one mark may be awarded for naming the principle, one mark for discussion or example, two marks for response must link to sustainability.)
(All relevant examples and facts should be considered.)

6.1.2 ***Most business owners believe in giving back to the community through corporate social responsibility programmes. Discuss arguments for and against a proposed corporate social responsibility programme.***

Arguments For CSR:

- Businesses that are assisting the community in which they operate through CSR programmes, receive greater support from the community. People see these businesses/brands as having a reputation for caring; the community in turn supports the business and becomes brand loyal.
- It is argued that businesses need to act on social issues in their communities or else customers will move away. For example: Increased levels of poverty will lead to an increase in crime which could result in customers avoiding the area. An increase in crime also results in the community having less money to spend at businesses.

- There are people debating the issue of whether government should enforce the King Code as a law. It is argued that if businesses are doing CSR voluntarily there will be no need for the added pressure for a law to enforce compliance, not to mention the red tape of policing it.
- If business assists the community to increase its standard of living through education and health programmes, it will benefit from a community that has a higher standard of living and a higher level of disposable income.
- By giving back to the environment through sustainability programmes, businesses are ensuring that future generations will have resources needed to prosper.
- Businesses that operate in sustainable ways are usually also innovative enough to identify additional avenues of income.
- Businesses that implement CSR initiatives are generally speaking, concerned about the impact that they have on stakeholders and this in turn promotes more ethical business practice.
- In many cases the business may already have suitable programmes in place to deal with social issues in the community. For example, the business could have programmes in place that deal with leadership and entrepreneurship that are used to empower its own employees. These programmes can then easily be expanded to include the broader community.

Arguments Against CSR:

- Many businesses have argued that CSR detracts from their core business activities.
- Businesses and often shareholders as well, see the money spent on CSR as less profit in their pockets.
- It is difficult to measure the benefits of CSR and as such it is difficult to measure if the business gains anything from CSR.
- Many businesses feel the pressure from the communities which have been helped via a CSR programme, puts additional strain on them to keep on giving. If however, the business is not able to meet all the needs of these communities, some communities may view the business in a negative light.
- Some people argue that not all CSR projects are sustainable and that businesses are wasting time and valuable resources on 'hit and run' programmes.
- CSR sometimes leads to businesses misleading stakeholders regarding their environmental practices. This is called greenwashing.
- Some critics argue that CSR is allowing the state to shift its responsibility.

(10 marks are awarded for arguments for and against CSR, to be awarded full marks candidates need to have discussed arguments for and against. A maximum of 6 marks can be allocated if only one section has been answered)
(All relevant examples and facts should be considered.)

6.1.3 ***Discuss strategies that managers may use to deal with possible conflict situations that may occur as a business works towards sustainability strategies.***

- When an accommodating approach is followed, the person will be cooperative and not assertive. He/she will probably neglect his/her own interests and even sacrifice some of his/her beliefs when yielding to the other's point of view.
- A person opting to avoid the conflict situation ignores the conflict by withdrawing from the situation or postpones dealing with it till a later stage or avoids the situation by getting someone else to deal with the conflict situation. If it is not an important issue, this approach may very well work – almost like the saying 'pick your battles carefully'.
- When collaborating/cooperating, the parties try to work with each other in a situation that fully satisfies everybody involved. When collaborating, the parties attempt to find a solution that fully satisfies everyone's concerns. This will usually take time, as the underlying differences must be uncovered and addressed.
- Competing means an individual is not prepared to give in, instead he/she will do everything in his/her power to win. People will follow this approach if the conflict is over a principle or value that cannot be relinquished.
- Compromising means the parties are trying to find an acceptable solution to the mutual (although sometimes only partial) satisfaction of both parties by seeking a common middle ground.

(6 marks are awarded for discussing strategies that managers may use to manage with possible conflict situations.)
(For listing only a maximum of two marks will be allocated.)
(All relevant examples and facts should be considered.)

6.2 ***Explain <u>synergy</u> as a critical component of business success.***

Team synergy **takes the idea that the whole is greater than the sum of its parts and applies it to teamwork**. This positive synergy enables team members to be their full selves at work – with their unique life experiences, perspectives, talents, and communication styles.

Synergy is defined as working together, but it is actually more than that. Team synergy is a term that describes uniqueness off the team. Each team is comprised of individuals with unique strengths, talents, experiences and work styles.

(4 marks are awarded to explaining how synergy is used as a component of business success.)
(All relevant examples and facts should be considered.)

6.3 ***Discuss the process of team formation within a retail business context.***

The first stage is forming, which is when the members within the team first come together to meet. It can be considered the period of orientation when everyone is getting to know one another and becoming acquainted.

Next up is storming. It can be riddled with conflict as the individual personalities and work styles clash within the team. It's also common for team performance to dip a bit in the storming stage as members can sometimes disagree on goals, strategy, responsibilities, and roles.

The team can move into norming. Here, team members have figured out how to work together and there's no more conflict or internal competitions lingering.

Next up is the performing stage, which tends to be where there is the most cohesive work environment, people are happy and excited, and team performance is at an all-time high. There's a clear and stable structure in place throughout the group and everyone is fully committed to achieving the goals put in place.

The adjourning stage. Sometimes also called the termination, mourning, or ending stage, most, if not all, of the goals of the team have been accomplished. The project as a whole is being wrapped up and final tasks and documentation are completed. As the workload becomes smaller, it's common for team members to be taken off the assignment and delegated to a new project. The team members also usually debrief and discuss what went well and what could be improved on for projects in the future.

(8 marks are awarded for the discussion of the process of team formation within a retail business context.)
(For listing of the 'steps' only two marks maximum will be allocated.)
(For discussion six marks will be allocated.)
(All relevant examples and facts should be considered.)

6.4 ***Identify criteria for successful team performance within a retail business context.***

Trust among team members

Building trust takes time. If trust is lacking it must be the responsibility of the team leader to focus first on building trust, i.e. getting team members to open up (among the team) and expose their weaknesses and fears to each other. In some cases, a team building exercise can be utilised. In certain business cases, due to time pressures, the leader may have to take responsibility for building trust or change the team to achieve the necessary level of trust for team success.

Prepare to engage in debate around ideas

Disagreements can lead to conflict, but conflict can be good. If ideas are not presented and debated, the team will miss opportunities to find the best solutions to problems. Respect for the thoughts and ideas of the other team members will be developed through healthy debate.

Learn to commit to decisions and plans of action

Team results will only come about as a result of team commitment to team decisions, this includes agreeing on the specifics of action plans. If some team members are not consistent with their commitments, the team will not succeed.

Hold one another accountable against their plans

Team members must be prepared to check among themselves to assure progress and overcome obstacles to progress. Ad hoc meetings may be necessary to coordinate actions between departments or groups to assure progress.

Focus on achieving collective results

The vision and/or mission of the team must be accepted by all the team members and critical goals viewed as the collective responsibility of the team. If a return to profitability is a critical goal of an executive team, priorities and time commitments must be pulled from elsewhere.

(4 marks are awarded for identifying criteria for successful team performance within a retail business context.)
(For only one criteria listed, a maximum of two marks will be allocated.)
(All relevant examples and facts should be considered.)

6.5 ***Discuss how third-party interventions may be used to overcome possible conflict situations in a retail business.***

Third-Party Intervention is an involvement of person/team into on-going conflict of two parties like management and union to resolve conflict. Generally, third party interventions help parties analyse consequence of their action and manages/resolve conflict in mutually beneficial way.

A third party is a person or group of people who assists individuals and groups to negotiate and successfully reach agreement. The third party is generally referred to as the *facilitator* or *mediator*. Facilitator is a more general term, which can be applied to anybody who guides group processes (discussions, meetings, workshops).

(6 marks are awarded for discussing how third-party interventions may be used to overcome possible conflict situations in a retail business.)
(Marks may be awarded where a candidate has used a specific process as part of the discussion.)
(For listed parties only maximum of two marks will be allocated.)
(For discussion six marks will be allocated.)
(All relevant examples and facts should be considered.)

SECTION C

QUESTION 7

Fact marks are allocated as per the rubric for:

- ***Naming***
- ***Explaining/justifying/motivating***
- ***Examples***

Both the macro and market environments form part of the external environment. The business has no control over events taking place in the external environment, but it needs to consider these events and must design strategies (plans of action) to adapt to situations in the external environment.

Nevertheless, it is also important to keep in mind that the events occurring within the business (internal environment/microenvironment) may in turn impact on events in the macro environment, as illustrated by the following examples:

- In the event of a strike, an individual business or group of businesses (industry) may have an effect on the economy.
- A business employing or retrenching workers contributes to the employment/ unemployment rate of the country.
- The way the business operates may directly influence the physical environment in which it operates, etc.

Various tools may be used to analyse the events in the macro environment in order to:

- determine how the business should react to eliminate any threats
- capitalise on opportunities to achieve a competitive advantage

Some of the tools that may be used to analyse the macro environment include:

- an environmental scan
- a SWOT-analysis, and
- a PESTLE analysis or more accurately, a PE^{2}STLE analysis.

An Environmental Scan

It is important to do an environmental scan to identify factors that may impact on the business and then adjust existing plans or develop new plans to deal with these factors/events.

An environmental scan is not limited only to the macro environment, but can be used as a tool when looking at the market environment and the microenvironment as well. However, when an environmental scan is used in the macro environment, the following process is applied:

- The business will scan (look at) the macro environments in order to identify issues which need to be addressed.
- Although a SWOT analysis may be used to evaluate factors in both the external and internal environments, in the macro environment, only OPPORTUNITIES and THREATS are considered.
- PE^{2}STLE is a useful tool to identify specific opportunities and threats in the macro environment.

A SWOT-analysis (Only O and T)

The O (opportunities) and T (threats) refer to issues in the macro and/or market environments. In the macro environment the exchange rate may deteriorate and if raw materials are imported, it may threaten the profitability of the business.

A PE²STLE-analysis

Each of the letters in PE²STLE represents a factor in the macro environment that could potentially threaten the business or that the business may use as an opportunity to create or strengthen the competitive advantage. Note to which word each letter of the PE²STLE refers, but be mindful of how the terms are connected and inter-related:

Political factors

- The likelihood of government interference in the economic functioning of the country (and therefore, the running of businesses), as with a free market vs. socialism vs. communism
- The degree of political stability in the country and its impact on business confidence
- Political ties with other countries as this may, for instance, influence trade agreements
- Degree of media freedom/freedom of speech which may be used to criticise the political parties in the country when government officials make themselves guilty of corruption
- The attitude of different political parties in the country where business is conducted is important. Even though the ruling party does not support this view, it is good to consider the points of view of opposing political parties as this may (or may not) shape the future political orientation of the country.
- The process followed when government tenders are allocated (if the business is interested in tendering for government contracts)

Economic factors

- Economic growth and development rates in the country, i.e. the improvement (or deterioration) of the standard of living of the people of the country
- Inflation rates: Inflation is the continuous and significant increase in the general price level of goods and services. The higher the inflation rate, the lower the purchasing power of the monetary unit will be.
- Interest rates: the rate at which people or businesses borrow money from the bank or the percentage return on investment when saving money in the bank. High interest rates make it difficult for businesses to borrow money to expand.
- Exchange rates, i.e. the strength of the local currency vs. the currencies of other countries
- High unemployment rates mean people do not have money and as a result businesses suffer lower profits.
- Taxes such as income tax, VAT, import duties, etc.

Ethical factors

- Fair Trade refers to respect and transparency in business dealings, acknowledging that one party will not attempt to exploit the other.
- Corporate Social Responsibility: It is the responsibility towards the shareholders to make a profit vs. the responsibility towards giving back to the community
- An employee's privacy regarding the use of the internet vs. the rights of the business to expect responsible behaviour from employees. Employers must be able to access computers to ensure employees are not contravening the company's regulations.

Social/socio-Economic factors

- The average age of the population, the life expectancy and people becoming more health conscious
- The number of single parents providing for a family
- HIV/Aids infection and diseases such as TB and malaria
- Levels of literacy/education
- Unemployment rates
- Personal safety and crime
- Awareness of the issue of pollution and recycling
- Distribution of wealth/poverty
- The changing role of women in society in certain cultures

Technological factors

- We have already referred to the rapid development of issues surrounding social media
- Automation of different processes, requiring less use of lower-skilled and cheaper manual labour
- Advances in online money transfers (internet banking, electronic fund transfers)
- Online shopping
- Quicker sales transactions through EPOSSE (Electronic Point of Sales Scanning Equipment as opposed to manual pricing) at pay points
- Product innovation through Research and Development (R & D)

Legal environment

- Labour legislation such as the Labour Relations Act, the Basic Conditions of Employment Act, Broad Based Black Economic Empowerment, skills development and the Occupational Health and Safety Act
- Legislation introduced to protect the consumer and consider the Consumer Protection Act
- Scrutinise information displayed on labels designed to inform and protect consumers.
- Laws that protect the environment against exploitation and pollution
- Criminal justice that protects the business against piracy and rip-offs
- Laws relating to paying tax, registering the business, health and safety and specifications for dealing with food (to name but a few)

Physical environment and other Environmental factors

- Environmental factors are important if one thinks of the growing awareness to protect the environment and to prevent negative consequences such as global warming and changes in weather patterns.
- Think about the general move towards more environmentally friendly products, the emphasis placed on recycling, hybrid cars, higher taxes on air travel and efforts to reduce the carbon footprint.

The Market Environment

The Market (environment) is any place (physical or electronic) where goods and services are bought and sold. A variety of tools can be used to investigate forces in the market environment, which may include:

- An environmental scan
- A SWOT-analysis (O and T only)
- The use of the five forces as identified by Porter

Porter's Forces Model

Michael Porter's model is a popular and an easy to understand tool often used to analyse the Market environment. Porter's Forces model investigates the following in the Market environment:

- Competitors: which businesses sell the same product
- Competitors: which businesses sell a similar product
- Competitors: which businesses may try to enter the market in the future
- Suppliers of the products
- Buyers that must be convinced to spend their limited money to buy the product or service

Level of rivalry (current competitors)

It is important for any business to know what competitors are doing. If one can find a sector where a competitor is not performing well, it may present an opportunity for the business to make more profit. By identifying the areas where competitors are achieving success, it may be an indicator of a threat to the business, requiring the implementation of a tactic to avoid losses. For example, if a competitor has a superior marketing strategy; it poses a threat to one's business because customers may be lost to the competitor, the impact of Spur's marketing on Steers and Wimpy.

When the business is compared with one's competitors, the following factors require reviewing:

- Size and financial resources of the business
- Market share
- The quality of products/service
- Consumer brand loyalty
- Pricing of products or service
- Convenience of location and distribution channels
- Trading hours

Threat of new entrants

Not only current competitors 'steal' customers, there may be a challenge from a new business that sees an opportunity to make money by entering the market.

An existing business will see any potential new business as a threat to its market share and profits. The business therefore, tries to build 'barriers' (strategies) to prevent new businesses from entering the market successfully.

Examples of barriers to keep new entrants out of the market:

- The bigger retailers in shopping malls will, for example, negotiate with centre management to prevent too many competitors from acquiring space in the same centre.
- A business may also register a patent to deter a potential new business from selling a similar product.
- Large sums of money may be spent on advertising and having promotions where products or services are sold at a lower price, making it difficult for a new business to enter the market.
- Consider that even the government puts legislation in place to make it difficult for new businesses to supply electricity to consumers.
- A tax on imported goods is a deterrent the government imposes on certain industries to protect the local market from cheap, mass-produced goods from overseas.

Availability of substitute products

A substitute product does NOT refer to a different brand. This issue of different brands has been discussed under the heading of Rivalry/Competitors in the market.

The power of suppliers

Any business that does not have a reliable supplier is certain to encounter problems more often than not.

In order to be successful, the business depends on the supplier to provide a good quality product when needed (timing) and to deliver the correct quantity to the place needed at a reasonable price.

The power of buyers

The buyer may be a wholesaler ordering from a manufacturer, or a retailer buying the products for his shop or even the consumer who has to spend his or her hard-earned money at your business. If the buyers are not respected, and offered good value for money, they may decide to support a different business.

The Microenvironment: Business Operations (functions within the business)

When the Microenvironment is analysed, the focus is on the internal business functions. In order to perform the internal analysis, different tools may be used:

- An environmental scan: look at the internal departments/functions in the business
- A SWOT-analysis (S and W only): review the internal departments/functions in the business
- A resource-based analysis: consider both tangible and intangible resources and how these are utilised in the organisation.
- A value-chain analysis: examine the value created (or not) in a chain of activities performed within the business.

Resource-based Analysis

The resource-based analysis is used to identify resources, both tangible and intangible, that the business owns. It is important to identify the value that each of the resources creates. One needs to assess the value of each resource and identify how (a strategy) that resource would be used to create value in the business in a sustainable manner.

A business resource is valuable and has the potential to create a sustainable competitive advantage if:

- It is durable, i.e. it does not lose value (depreciate) or become obsolete too quickly.
- It is difficult for competitors to copy the resource or even get hold of something similar. The more difficult it is to imitate the resource, the stronger the competitive advantage of the business will be.

Value Chain Analysis:

- The value chain analysis involves the process of thinking about the different ways in which the business creates value – internally and for the customers. It must be remembered that the more value that is created, more a customer is willing to pay for it.
- In order to do this, all elements or activities in the business have to be reviewed to determine if there are any factors that are not adding value to the business.
- In a manufacturing business it is easy to determine how much value is created by taking 'inputs in the form of raw materials' and converting them (adding value) in the manufacturing process into something the consumer needs or wants or is willing to pay for the product.
- However, in a service-orientated business it is more difficult to determine how much value is added when people use inputs like time, knowledge, experience, and equipment, to create a service that the customer values.

Generic strategies:

Low-cost strategy

The competitive advantage created by a *low-cost strategy* is based on having the lowest cost in the industry. In order to achieve this, the workforce has to be committed to saving costs. This can be achieved if:

- The business has access to cheap raw materials (i.e. low input costs)
- Costs can be reduced through efficiency, using mass production, technology, and re-engineering activities (i.e. low-cost manufacturing)

Focus (niche market)

Using a focus strategy to develop a competitive advantage means all efforts are aimed at a specific market segment based on geography, culture, age, hobbies or any other criteria that created a unique group of customers in the market. This unique group will have different needs than the rest of the target market. Customers must have distinct preferences that are catered for. This niche market becomes the focus and presents opportunities for the business, because it is often overlooked by competitors or viewed as not being 'worthwhile' The niche must be big enough or have growth potential to make it valuable.

To achieve the successful implementation of a focus strategy, the business must have expert knowledge of the niche market and the ability to develop the products for this market segment.

Differentiation

All efforts are aimed at providing a unique product/service which will ensure customer loyalty, as this may give the business the opportunity to charge a premium price. The uniqueness may be based on factors such as:

- quality (real or perceived per brand name, fashion, image)
- after-sales support
- product features
- distribution or marketing efforts

In order to base the business' competitive advantage on a differentiation strategy, it must be difficult for competitors to copy. The key to a successful differentiation strategy is the continuous redevelopment of products and/or services to stay abreast of changes in the environment.

Corporate strategies:

Corporate combination

There are different options when a corporate combination strategy is implemented:

- A **Joint venture** takes place where two or more businesses enter into an agreement to combine resources in order to improve the functioning of both businesses. For example, Engen garages enter into an agreement with Woolworths Food to allow Woolworths space in the Engen shop to sell Woolworths' products. This way when people fill up with petrol and want to buy lunch, they may decide to stop at Engen, because it affords them a choice to do both activities simultaneously, in ONE place. The same applies to Engen and Wimpy sharing the premises, both businesses benefit from sharing resources (premises).
- When two or more businesses **merge** or when a **takeover** occurs, the individual businesses no longer exist separately; the different businesses combine to form one new business. ABSA was formed when four individual banks (Volkskas, Allied, Trust Bank and United) merged to form a new bank. The Competition Board has to approve a merger/takeover in order to ensure fair competition continues in the industry after the merger/takeover.

Decline/Defensive strategies

When a business decides to scale down or reduce its operations or some of the products, it follows a defensive or decline strategy.

- If a business decides to follow a **Retrenchment** strategy, it reduces the size of the business or reduces the diversity of products/service sold. This is done in order to reduce expenses and thereby improve the financial position of the business. **Divestiture** is part of a retrenchment strategy and involves the business selling off some its operations because assets used in these operations are under-utilised and it hampers the financial performance of the business. If Nestlé decided to sell all their chocolate brands to Cadbury, it would be an example of divestiture (please note this is NOT happening, but just an example!)
- If a business is bankrupt, it results in **Liquidation**. This means all assets are sold to pay for the debt of the business and the business ceases to exist.

Growth

When a growth strategy is implemented, the aim is to grow the business' turnover and sales volume.

Existing **MARKET**	**Market penetration**: The *existing market* and *existing products* are used to expand. A business may use different tactics to achieve this. Offering lower pricing or more intensive distribution may convince existing consumers of an existing product to switch business. If MTN wants to 'steal' some of Vodacom's clients, they have to convince potential customers with offers of better rates or better network coverage to grow their business.	**Product development**: This involves taking a *new product* and offering it to an *existing market*. When internet banking was introduced for the first time, it was an example of product development. There was already a market for banking, but the first bank which offered customers a product to do their banking in a new way, would attract customers from competitors and thus grow the business. However, as soon as competitors copied the 'unique' concept of internet banking, the competitive advantage was lost.
New	**Market development**: When Pick n Pay decided to expand to other countries in Africa where the concept of retailers was not yet established, an *existing product* (food retailing) was taken into a *new market*. If your high school does not yet have a primary school, the school management may offer an existing product (education) to a new market (parents with younger kids).	**Diversification**: The business enters a *new market* with a *new product*. It does not mean the market or product does not exist at all, merely that this business has never sold this product to this market before and is doing this now to grow the business. For example, when Edgars (Edcon) began offering credit cards they diversified by entering a new market with a product they had never offered before. and by doing so they have grown the business.
	Existing **PRODUCT**	*New*

There are numerous options for a business when it comes to growing the business, but the four most common options as discussed above are known as Intensive strategies or Ansoff's growth matrix.

Other possible strategies to improve the OVERALL PERFORMANCE of the business:

Revise business mission and/or revise objectives

Already stated is the mission statement: It is a description of what the business does or the purpose the business serves. If the business produces/supplies merchandise which consumers no longer want, it is time to revise the business mission. A business planning to revise its mission after consumer demand has already changed, has waited too long.

In the fast-changing world that we live in, no business can afford to 'wait and see' what the future will bring. Management should be proactive in the approach to possible changes in the marketplace and then align the mission and objectives of the business with what is **desired** in the future. The business will need to revise the mission and objectives **immediately**, to 'meet the future before it happens'.

Allocate resources differently

Resources in the business refer to employees, money, machines, time, raw materials and even skills. Resources should be allocated where they are most productive, in other words where they create the biggest competitive advantage and generate the most profits.

If the business has decided to revise the mission and objectives, it will have to reconsider how resources are allocated in the business. And, if resources are allocated to a task that does not add value, that task has either to be outsourced or to be terminated, so the resources can be re-allocated to a more productive part of the business' operations.

(Marked as per rubric)

Total: 300 marks

BUSINESS STUDIES: LOWER ORDER THINKING RUBRIC (60% WEIGHTING)

CRITERIA	0	1	2		Section C
Format	Not meeting the correct standard.	Partially correct format.	Correct format.		
	0	**1**	**2**	**3**	
Terminology	No use of business terminology.	Isolated/limited use of business terminology.	Good use of business terminology.	Outstanding use of business terminology.	
Content (number of relevant facts)	Maximum 50 facts. Divide by 2 to get mark out of 25. Marks are inter alia given for mentioning the fact, explanations of facts or statements, relevant examples; expansion of acronyms. NOTE: Listed facts that are not explained = max 4 marks (8 facts).				
				Sub-total: (30 marks)	

BUSINESS STUDIES: HIGHER ORDER THINKING RUBRIC (40% WEIGHTING)

If all SECTIONS have not been completed, the judgment is based on the amount of expected information.
E.g.: A candidate substantiating one section well, but not answering the other cannot qualify for a 'majority of statements' mark.

CRITERIA	0	1	2	3	4			Section C
Substantiation (justification for statements made)	No attempt at substantiation.	Very limited substantiation.	Less than half of the statements are substantiated.	The majority of the statements are substantiated.	The majority of the statements are thoroughly substantiated showing breadth and/or depth of understanding.			
	0	**1**	**2**	**3**	**4**			
Application to context/industry	Superficial reference based on the case study/context given (just keep mentioning the name of the business repeatedly without relevant examples).	Continuous reference is made to the case study/context given with some applicable examples given.	Continuous reference is made to the case study/context given with several examples that are fully integrated into the answer.	Examples are relevant to the case study/context given and fully integrated into the response showing understanding of the issues at hand. Reference is made to current affairs.	Examples are relevant to the case study/context given and fully integrated into the response showing under-standing of the issues at hand. Current affairs are fully integrated into the response.			
	0	**1**	**2**	**3**	**4**	**5**	**6**	
Creative problem-solving	No understanding of the problem and no solution given.	Identification of the problem and an incorrect/poor solution suggested.	Identification of the problem with breadth but no depth (superficial).	Good insight and understanding of half the problem with solutions offered showing depth of understanding OR less than half in breadth and depth.	Good insight and understanding of the majority of the problem(s) with solutions offered showing depth of understanding OR half in breadth and depth.	Good insight and understanding of the holistic problem with solutions offered which are fully discussed, showing understanding on all aspects OR the majority in breadth and depth.	Good insight and understanding of the holistic problem with solutions offered which are fully discussed, showing breadth and depth of understanding.	
	0	**1**	**2**	**3**	**4**	**5**	**6**	
Synthesis	None of the criteria as listed below are met.	At least one of the criteria fulfilled.	Any two of the criteria fulfilled.	Any three of the criteria fulfilled.	Any four of the criteria fulfilled.	Any five of the criteria fulfilled.	All six of the criteria are fulfilled.	
1 Introduction – don't just re-write questions but show an understanding of the 'link' between the topics.								
2 Conclusion – this should be a logical affirmation of the points raised.								
3 Flow of thought, i.e. paragraphs leading into one another.								
4 Integration of topics given in the question.								
5 Integration of question with other business-related topics to enhance the quality of the answer.								
6 Arguments are developed.								
							Sub-Total: (20 marks)	
							TOTAL	