INTERNATIONAL SECONDARY CERTIFICATE EXAMINATION
NOVEMBER 2023

BUSINESS STUDIES

MARKING GUIDELINES

Time: 3 hours 300 marks

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SECTION A

QUESTION 1

1.1	D
1.2	A
1.3	B
1.4	B
1.5	B
1.6	A
1.7	B
1.8	D
1.9	C
1.10	A
1.11	A
1.12	C
1.13	C
1.14	B
1.15	B
1.16	C
1.17	A
1.18	A
1.19	D
1.20	C
1.21	A
1.22	D
1.23	D
1.24	A
1.25	A
1.26	C
1.27	D
1.28	A
1.29	C
1.30	B

QUESTION 2

2.1 False
2.2 True
2.3 False
2.4 False
2.5 True
2.6 False
2.7 False
2.8 True
2.9 False
2.10 True

QUESTION 3

3.1 hospitals and schools
3.2 Macro
3.3 supply / primary
3.4 partnership
3.5 low
3.6 SWOT
3.7 Statement of Financial Position/ Solvency Ratio
3.8 code of conduct OR a code of ethics
3.9 triple bottom line

(All relevant possibilities should be considered)

SECTION B

QUESTION 4

4.1 ***A general retailer in the local community has general business insurance in order to protect the business against unforeseen circumstances.***
This commercial insurance covers the business up to the value of R2.5 million. Upon submitting a claim, the insurance company determined that the actual commercial insurance was valued at R2.9 million.

4.1.1 ***Apply the average clause in order to determine the amount that the insurance company will pay out if the value of equipment stolen from the general retailer was worth R60 000.***

> To apply the average clause, the insurer will calculate the percentage (fraction) of the amount to be paid by the insurer. In this case, the percentage by which the actual commercial insurance exceeds the limit of the policy is: Therefore, the insurance company will only pay out 86% of the value of any claim, as this is the percentage of the value of the insured property that is covered by the policy. 2.5 / 2.9 = 0,86% of amount will be paid by insurer.
>
> To determine the amount that the insurance company will pay out if the value of equipment stolen from the general retailer was worth R60 000, we need to calculate 86% of the actual value of the equipment.
>
> 0,86 – 60 000 = R51 724
>
> Therefore, the insurance company will pay out R51 724 for the stolen equipment, as this is the amount covered by the policy after the application of the average clause.

(5 marks are awarded for showing the logical steps/ or discussing the steps of the average clause, 1 mark must be awarded for the correct payout to be received)

4.2 **Compulsory insurance is mandatory for general retailers in the formal sector.**

4.2.1 **Differentiate between insurable risks and uninsurable risks.**
Insurable risks are those risks that can be covered by insurance. They are typically characterised by the following characteristics:

The risk is unpredictable: Insurable risks are typically events that are unexpected and unforeseeable, such as accidents or natural disasters.

The risk is significant: Insurable risks are typically significant events that could cause financial loss to an individual or business. For example, the loss of a home due to a fire or a major illness requiring expensive medical treatment.

The risk is measurable: Insurable risks are typically events that can be quantified in terms of probability and financial impact. This allows insurers to calculate the appropriate premium to charge for coverage.

Examples of insurable risks include fire, theft, flood, and liability claims.

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Uninsurable risks, on the other hand, are risks that cannot be covered by insurance. They are typically characterised by the following characteristics:
The risk is predictable: Uninsurable risks are typically events that are predictable, such as the normal wear and tear of property or the gradual onset of a disease.

The risk is small: Uninsurable risks are typically events that do not cause significant financial loss to an individual or business. For example, the cost of routine maintenance on a vehicle or property.

The risk is outside the control of the insurer: Uninsurable risks are typically events that are outside the control of the insurer, such as changes in government regulations or economic conditions.

(4 marks are allocated differentiating between insurable risks and Uninsurable risks. Max of 2 marks are awarded for when only examples are provided)

4.2.2 ***Identify three types of compulsory insurance.***

- UIF
- Workers' compensation insurance
- Health insurance
- Professional liability insurance
- Road Accident Fund

(Only the first three responses should be considered)
(3 marks are awarded to each correct response)

4.3 ***Discuss with the use of relevant examples, how all the role players in economic activity can be seen as producers and consumers.***

Businesses: Businesses are the primary producers of goods and services in economy. They use various inputs such as labour, capital, and raw materials to produce goods and services that are consumed by individuals, other businesses, and the government. However, businesses are also consumers as they purchase goods and services from other businesses to carry out their operations. For example, a manufacturing company produces cars, but it also purchases steel, rubber, and other materials from other businesses.

Government: The government also plays a dual role in economic activity as a producer and a consumer. The government produces public goods and services such as roads, schools, and hospitals that are consumed by the general public. However, the government is also a consumer as it purchases goods and services from businesses, such as military equipment, office supplies, and construction services.

Individuals: Individuals are both producers and consumers in an economy. They provide labour, skills, and other resources to businesses in exchange for wages and salaries. These wages and salaries are then used to purchase goods and services that satisfy their needs and wants. For example, a teacher produces educational services but also consumes goods such as food, clothing, and housing.

Financial institutions: Financial institutions such as banks, insurance companies, and investment firms play a crucial role in economic activity. They provide financial services such as loans, insurance, and investment advice to businesses and individuals. However, they also consume goods and services such as office supplies, technology, and legal services.

International trade partners: International trade partners are also important stakeholders in economic activity. They produce goods and services that are imported by businesses and individuals in a country. However, they also consume goods and services that are exported by businesses and individuals in the same country. For example, a Chinese company produces electronic goods that are exported to the United States, but it also purchases raw materials and other goods from the United States to produce those electronic goods.

(10 fact marks are awarded for each fact relating to how a stakeholder could be seen as a producer and consumer)
(Only 2 fact marks may be awarded to the identification of stakeholders)

4.4 ***List five key factors that will ensure the general retailer maintain a competitive advantage.***

- Effective Supply Chain Management
- Customer Service
- Strong Brand Identity
- Innovative Products
- Competitive Pricing
- Online Presence
- Employee Training and Development.
- Strong Financial Management

(Only the first 5 factors should be considered)
(1 fact mark is awarded for each correct response)
(All relevant responses should be considered)

4.5 ***One of the key responsibilities of the general retailer towards their customers is offering them good value for money.***

Apply the value chain analysis in explaining this responsibility of the general retailer towards their customers.

Inbound logistics: The general retailer can source high-quality products from reputable suppliers at a reasonable price. This will ensure that the products sold to customers are of good quality and at a competitive price.

Operations: The general retailer can streamline their processes to reduce the cost of production and ensure efficient operations. This will allow them to offer products to customers at a lower price while maintaining the same quality.

Outbound logistics: The general retailer can improve their distribution channels to ensure that products are delivered to customers quickly and efficiently. This will make the purchasing process convenient for customers, increasing their satisfaction with the retailer.

Marketing and sales: The general retailer can implement marketing strategies that focus on providing customers with good value for money. This may include offering discounts, promotions, and loyalty programs.

Service: The general retailer can provide excellent customer service, ensuring that customers feel valued and their needs are met. This will create a positive reputation for the retailer and encourage customers to continue shopping with them.

Procurement: The general retailer can negotiate with suppliers to obtain better prices for products, which will enable them to offer lower prices to customers.

Technology development: The general retailer can invest in technology to improve their operations and provide better customer service. This may include online ordering systems or mobile apps that make it easier for customers to purchase products.

Human resource management: The general retailer can train their staff to provide excellent customer service and to be knowledgeable about the products they are selling. This will enhance the customer's shopping experience and create a positive reputation for the retailer.

By implementing these strategies and optimizing their value chain, the general retailer can ensure that they offer good value for money to their customers, which will create a competitive advantage in the market.

(12 marks are awarded for discussing the various areas of the value chain, a candidate does not need to discuss the full value chain to obtain full marks)

4.6 ***Using examples from the retail industry, discuss how the following ethical theories could be applied in making the right decisions:***
- ***Principle-based theory***
- ***Consequence-based theory***

Principle-based theory, also known as deontological ethics, is a system of ethical reasoning that is based on universal principles or rules. It asserts that certain actions are inherently right or wrong, regardless of their consequences. For example, a retailer may adhere to the principle of honesty, which requires them to tell the truth to customers about their products, even if it may lead to a loss of sales or revenue. In this case, the retailer prioritizes honesty and integrity over financial gain.

Consequence-based theory, also known as consequentialism, is a system of ethical reasoning that is based on the consequences or outcomes of actions. It asserts that an action is morally right or wrong based on its consequences. For example, a retailer may decide to reduce the price of their products to increase sales and attract more customers, even if it may lead to a decrease in profit margins. In this case, the retailer prioritizes the consequence of increased sales over profit margins.

(5 marks are allocated to each of the theories, 1 of the 5 marks must be for the use of an example in each case)

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QUESTION 5

5.1 5.1.1 ***With reference to the case study, differentiate between Primary- and Broad Social Responsibility as elements of corporate governance.***

Primary social responsibility refers to the obligations of a business to fulfill its economic and legal responsibilities, which includes maximising profits, complying with laws and regulations, and providing goods and services that meet the needs of customers.

On the other hand, broad social responsibility goes beyond the economic and legal obligations of a business and includes voluntary actions taken by a business to improve the well-being of society and the environment. In the case study, General Retailer Group's decision to sponsor a university sports team for five years is an example of broad social responsibility. The company is voluntarily investing in the community and promoting a healthy lifestyle for students, which benefits not only the university but also other stakeholders such as customers and employees.

(8 marks are awarded for each relevant fact, where a candidate has only discussed on part of the question a maximum of 6 marks may be awarded)

5.1.2 ***Discuss three aspects that contribute to the need for involvement in Corporate Social Responsibility.***

- Stakeholder Expectations: Today, stakeholders are more aware of the impact that businesses have on society and the environment. Customers, investors, employees, and communities expect businesses to act responsibly and contribute to society.
- Reputation and Brand Image: A positive reputation and brand image are essential for the long-term success of a business. Companies that engage in CSR activities are viewed as more trustworthy and ethical, which can attract customers and investors.
- Risk Management: Companies that fail to address social and environmental issues may face reputational damage, regulatory fines, and legal action. CSR can help companies identify and mitigate risks associated with their operations.
- Employee Morale and Retention: Employees are increasingly looking for purpose and meaning in their work. Engaging in CSR activities can boost employee morale and retention by providing opportunities for employees to contribute to society and feel good about their work.
- Access to Capital: Investors are increasingly looking for socially responsible investments. Companies that engage in CSR activities may have better access to capital and lower borrowing costs.
- Competitive Advantage: Companies that engage in CSR activities can differentiate themselves from their competitors. CSR can be a source of competitive advantage, as it can help companies build stronger relationships with customers, employees, and other stakeholders.
- Sustainability: CSR can help companies create long-term value by promoting sustainable practices. By addressing social and environmental issues, companies can ensure the long-term viability of their operations and contribute to a more sustainable future.

(No marks are awarded for listing)

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5.1.3 ***Formulate arguments for and against the social responsibility commitment by The General Retailer Group.***

Arguments for The General Retailer Group's Social Responsibility Commitment:

- Positive brand image: By sponsoring a university sports team, The General retailer Group can improve its brand image and reputation among consumers who value companies that give back to their communities.
- Improved community relations: The company's involvement in community activities such as sponsoring a sports team can help to build better relationships with the community and enhance its reputation.
- Employee engagement: Corporate social responsibility initiatives can help to increase employee morale and engagement, as employees feel proud to be associated with a company that is committed to making a positive impact in the community.
- Long-term benefits: Investing in corporate social responsibility initiatives can yield long-term benefits for the company, such as increased customer loyalty, improved brand image, and a more engaged workforce.

Arguments against The General Retailer Group's Social Responsibility Commitment:

- Cost: Corporate social responsibility initiatives can be expensive and may divert resources away from other important areas of the business.
- Not a core business activity: Sponsoring a university sports team may not be directly related to the company's core business activities, and may not be seen as a worthwhile use of resources by some stakeholders.
- Insufficient impact: Some stakeholders may argue that the impact of the company's social responsibility initiatives is limited, and that more meaningful change could be achieved by focusing on core business activities such as reducing waste or improving working conditions.
- Not a legal requirement: Corporate social responsibility initiatives are not legally required, and some stakeholders may question why the company is spending resources on activities that are not mandatory.

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5.2 ***Suppose a human capital manager at the General Retailer Group needs to appoint a new marketing manager. A member of the HR Manager's family applied for the position and the HR manager now needs to decide as to whether to proceed with the recruitment process of this specific candidate.***

5.2.1 ***Analyse the above-mentioned scenario and explain why it might be viewed as unethical.***

Conflict of interest: The HR manager has a personal relationship with the candidate who applied for the position, which creates a conflict of interest. The HR Manager may feel obligated to hire the candidate, even if there are better-qualified candidates available.

Lack of fairness: The recruitment process should be fair and based on merit. Hiring a family member of an HR manager without proper qualifications and experience would not be fair to other candidates who may have better qualifications.

Breach of trust: The HR manager has a responsibility to act in the best interests of the company. Hiring a family member without proper qualifications could breach that trust and potentially harm the company's reputation.

Perception of favouritism: If the candidate is hired, other employees may perceive it as favouritism, which could lead to low morale, resentment, and loss of trust in the company's recruitment process.

Legal implications: If the HR manager hires the family member without proper qualifications, it could potentially lead to legal implications, such as discrimination or nepotism.

(6 marks awarded for to explaining why the scenario is viewed as un-ethical, all relevant facts should be considered)

5.2.2 ***The human capital manager of the General Retailer Group could consider internal or external recruitment. Explain which method of recruitment would benefit the General Retailer Group more.***

- Internal recruitment refers to promoting or transferring employees from within the organisation to fill a vacant position. It has the following advantages:
- Employee familiarity: The organisation is already familiar with the employee's skills, work ethic, and job performance, which reduces the risk of making a bad hire.
- Cost savings: Internal recruitment can save costs on advertising, recruitment agencies, and other external hiring expenses.
- Employee morale and retention: Internal recruitment can increase employee morale and retention by showing that the organisation values its employees and provides opportunities for career growth.
- On the other hand, external recruitment refers to hiring candidates from outside the organisation to fill a vacant position. It has the following advantages:
- Fresh perspectives: External candidates bring new skills, ideas, and perspectives to the organisation, which can lead to innovation and growth.
- Wider pool of talent: External recruitment allows the organisation to access a larger pool of potential candidates with diverse backgrounds and experiences.

- Competitive advantage: External recruitment can provide the organisation with a competitive advantage by bringing in talent that has experience or knowledge in a specific industry or market.

In the case of the General Retailer Group, it may be beneficial to consider external recruitment for the marketing manager position. This is because the role of a marketing manager is critical to the success of the organisation and requires expertise in marketing strategies, consumer behaviour, and market trends. The organisation may benefit from bringing in someone with fresh ideas and perspectives from a different industry or market.

However, if the General Retailer Group has a strong internal talent pool and an employee who has the necessary skills and experience for the marketing manager role, internal recruitment may be a more suitable option. This would demonstrate to employees that the organisation values their skills and abilities and provides opportunities for career growth.

(Both internal and external cannot be considered, the first one mentioned is the one that would be considered)
(6 marks are awarded to explaining either the internal or external recruitment for the role in the scenario)

5.3 ***Manpower planning is a vital part of the human resources department and will directly impact on the quality performance of a business.***

5.3.1 ***Outline the purpose of manpower planning and list the activities that take place in this regard.***

Manpower planning, also known as human resource planning, is the process of assessing and determining the personnel needs of an organisation in order to achieve its objectives. The purpose of manpower planning is to ensure that an organisation has the right number of employees with the necessary skills, knowledge, and experience to achieve its goals and objectives efficiently and effectively.

Activities that take place in manpower planning include:
- Forecasting personnel needs: This involves predicting the number of employees required in the future based on projected business activities and objectives.
- Job analysis: This involves analysing the various positions within the organisation to identify the skills, knowledge, and experience required for each job.
- Skills inventory: This involves keeping track of the skills and abilities of current employees to identify potential candidates for promotions or transfers.
- Recruitment planning: This involves developing a plan for recruiting new employees to fill any anticipated gaps in the workforce.
- Training and development planning: This involves identifying the training and development needs of current employees to ensure they have the necessary skills and knowledge to perform their jobs effectively.

- Succession planning: This involves identifying potential successors for key positions within the organisation to ensure continuity in the event of retirements, resignations, or other departures.
- Monitoring and evaluation: This involves regularly monitoring and evaluating the effectiveness of manpower planning activities to ensure that they are meeting the needs of the organisation.

(3 marks are awarded for the discussion of manpower planning, and 3 marks are awarded for the listing of activities. Where a candidate has interlinked the discussion and listing as 6 marks may be awarded)

5.3.2 ***Evaluate placement and induction as necessary employee management activities.***

Placement and Induction are crucial elements of the employee management process that help organisations to effectively manage their workforce. The placement process involves the matching of employee skills, experience, and qualifications with job requirements, while induction involves the introduction of new employees to the organisation and its policies and procedures.

The importance of Placement to the successful management of employees lies in its ability to ensure that employees are placed in roles that match their skills and abilities. When employees are placed in roles that they are suited for, they are more likely to perform well and be productive, leading to increased organisational success. A poor placement can lead to low employee morale, poor job performance, and high turnover rates.

Induction is equally important, as it helps new employees adjust to their new roles and become productive members of the organisation. Effective induction programs help new employees to understand the organisation's culture, values, policies, and procedures, reducing the likelihood of confusion or misunderstandings that can lead to poor job performance or even termination. A comprehensive induction program can also help to reduce employee stress and increase job satisfaction, leading to improved retention rates.

Overall, the successful management of employees in a business environment depends heavily on effective placement and induction practices. These practices can help organisations to attract and retain skilled employees, improve employee morale, increase productivity and ultimately contribute to the success of the organisation.

(6 marks are awarded for evaluating the importance of placement and indication, where only one section has been evaluated a maximum of 4 marks can be awarded)

QUESTION 6

6.1 ***In the cartoon above you see two employees fighting and the manager trying to intervene.***

6.1.1 ***What type of conflict is depicted in the cartoon above? Motivate your answer.***

Two employees physically fighting in the workplace is an example of dysfunctional conflict because it involves a negative and destructive conflict that can result in physical harm, emotional distress, and damage to property. It can also create a hostile work environment, reduce productivity, and decrease job satisfaction. This type of conflict is not constructive and does not lead to a positive outcome for anyone involved or the organisation as a whole. Instead, it can lead to disciplinary actions, legal issues, and a loss of reputation for the company.

(1 mark is awarded for naming the type of conflict, 2 marks are awarded for the explanation of the conflict mentioned)

6.1.2 ***Debate the effectiveness of a Workplace Forum (WPF) intervening as a third party to resolve the conflict between the two employees.***

A workplace forum (WPF) can be an effective intervention to resolve conflicts between employees. Here are some arguments for and against the effectiveness of WPF as a third party to resolve the conflict between two employees:

Arguments for the effectiveness of a WPF:

Neutrality: A WPF can be impartial and objective in resolving conflicts, as it does not have a vested interest in the outcome of the dispute.
Confidentiality: A WPF can maintain the privacy of the parties involved, which can encourage employees to be open and honest about their concerns and grievances.
Mediation skills: A WPF can possess specialized mediation skills, such as active listening and effective communication, which can facilitate constructive dialogue and promote understanding between the parties.
Preventative measures: A WPF can take preventative measures to address conflicts before they escalate, such as developing workplace policies and procedures for conflict resolution.

Arguments against the effectiveness of a WPF:

Lack of authority: A WPF does not have the authority to enforce any resolution or decisions made. Therefore, the parties may not feel compelled to comply with any agreement made through WPF.
Time-consuming: Resolving a conflict through WPF can be time-consuming, especially if the conflict is complex or involves multiple parties.
Inadequate training: Members of a WPF may lack adequate training or experience in conflict resolution, which can lead to ineffective or unsatisfactory resolutions.
Cost: Establishing and maintaining a WPF may be costly, which could be a disadvantage for small or financially-strained businesses.

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In conclusion, while a WPF can be effective in resolving conflicts between employees, it may not always be the best approach in every situation. The success of the WPF intervention will depend on various factors such as the nature of the conflict, the skills of the WPF members, and the willingness of the parties involved to participate in the process.

(6 marks are awarded for debating the effectives of WPF, when only one side has been debated a maximum of 4 marks may be awarded)

6.1.3 ***Provide ONE other third party that you can consult (other than a WPF) about this problem.***

- Occupational Psychologist
- Mediator
- Human Resource Manager

(All relevant suggestions of a third party should be considered)
(Only the first response should be considered for the 1 mark)

6.1.4 ***Recommend various ways in which the manager could manage the conflict between the two employees.***

Meeting with both employees: The manager can meet separately with both employees to understand their perspectives on the conflict. This can help the manager identify the root cause of the conflict and work towards resolving it.

Encouraging communication: The manager can encourage both employees to communicate with each other in a respectful manner. This can help them understand each other's perspectives and find common ground.

Setting clear expectations: The manager can set clear expectations for both employees regarding their behaviour towards each other. This can include guidelines for communication, behaviour in the workplace, and consequences for inappropriate behaviour.

Mediation: The manager can bring in a third-party mediator to facilitate a discussion between the two employees. This can help them work towards a mutually acceptable solution to the conflict.

Coaching: The manager can offer coaching to both employees on how to effectively communicate with each other and resolve conflicts in a professional manner.

Training: The manager can provide conflict resolution training to all employees to help them understand how to manage conflicts in the workplace.

Referral to EAP: The manager can refer both employees to the Employee Assistance Program (EAP) for counselling and support in managing the conflict.

(6 marks are awarded for recommending ways in which to manage the conflict between employees, should a candidate only make one recommendation a maximum of 4 marks may be awarded)

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6.2 ***In the cartoon above the two men are talking about incapacity:***

6.2.1 ***Describe the term incapacity using an example of an employee working at the general retailer***

Incapacity refers to the inability of an employee to perform their work duties effectively due to physical or mental reasons. For instance, an employee at the general retailer may suffer from a medical condition that makes it difficult for them to carry out their job responsibilities, such as a back injury that prevents them from lifting heavy boxes or a mental health issue that affects their ability to concentrate.

(2 mark is awarded for the describing what is meant by incapacity)

6.2.2 ***Would it be seen as substantively fair for this man to be dismissed because of his limp? Motivate your answer.***

No, it would not be seen as substantively fair for this man to be dismissed because of his limp alone, as this would constitute discrimination based on a disability. The Labour Relations Act prohibits unfair discrimination against employees on the grounds of disability, among other grounds. Therefore, the general retailer would need to provide a justifiable reason for dismissing the employee, such as poor performance or misconduct, and demonstrate that they followed a fair and procedurally correct process in accordance with the Act.

(1 mark is awarded for stating it is unfair, 1 mark is awarded for discussion as to why this would be seen as unfair)

6.3 ***Evaluate the role of general management in addressing risk factors/risk management in the internal as well as the external business environments.***

General management plays a crucial role in addressing risk factors and risk management in both the internal and external business environments. They are responsible for developing and implementing strategies that will minimize the impact of risks on the organisation.

In the internal business environment, general management is responsible for identifying and managing risks associated with the organisation's operations, processes, and systems. This includes identifying potential risks such as fraud, data breaches, and operational errors, and implementing risk management measures such as internal controls and security measures.

In the external business environment, general management is responsible for identifying and managing risks associated with the broader economic, political, and social environment. This includes risks such as changes in regulations, market volatility, and shifts in consumer preferences. General management must stay informed of these external factors and adapt the organisation's strategies accordingly to minimize the impact of these risks.

Effective risk management requires a proactive approach by general management. This involves identifying potential risks, assessing the likelihood and impact of these risks, and implementing measures to manage and mitigate them. General management must also continuously monitor and evaluate the effectiveness of these measures to ensure that they remain relevant and effective in managing risks.

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In summary, the role of general management in addressing risk factors and risk management is critical to the success of the organisation. By identifying and managing risks in both the internal and external business environments, general management can ensure that the organisation is well-positioned to withstand potential risks and thrive in a constantly changing business environment.

(4 marks are for evaluating the manager's role in determining risk, where only one section has been answered a maximum of 2 marks may be awarded)

6.4 ***Evaluate the effectiveness of the following two leadership styles. Make use of practical examples linking to the general retailer as part of your answer.***

Autocratic Style	The Autocratic leadership style involves making decisions without input from others, where the leader has complete control and authority over their team. This leadership style can be effective in situations where quick decision-making is required, or when there is a need for strong direction and control. However, it can also lead to decreased employee motivation and engagement, as well as potential resistance to change. Example: The CEO of the General retailer may use an autocratic leadership style when making critical decisions, such as restructuring the company or initiating a major cost-cutting measure. In such situations, quick and decisive action is essential, and a top-down approach may be necessary to ensure that everyone follows the new direction.
Democratic Style	The Democratic leadership style involves involving others in decision-making, where the leader seeks input and opinions from their team before making a final decision. This leadership style can lead to increased employee motivation, engagement, and satisfaction, as employees feel valued and respected for their input. However, it can also lead to slower decision-making and can be less effective in situations where quick and decisive action is necessary. Example: The marketing manager of the General Retailer may use a democratic leadership style when seeking input from their team on a new marketing campaign. By involving the team in the decision-making process, they may be able to generate more creative ideas and solutions, leading to a more successful campaign. Additionally, involving the team can lead to increased engagement and motivation, which can ultimately benefit the company

(3 marks are awarded for the discussing the effectives of each leadership style, 1 mark in each case must be awarded for a use of an example)

6.5 ***Demonstrate an understanding of the importance of change management from the perspective of an employer and employees working in a general retailer.***

Change management is essential in any organisation, especially in a general retailer, where frequent changes in products, processes, and technology are common. Change management refers to the processes, tools, and techniques used to manage and control changes within an organisation to minimize the negative impact on employees and the business.

From the perspective of an employer, change management is crucial for several reasons. Firstly, it helps to ensure that changes are implemented in a timely and efficient manner. This can help the business to stay competitive and adapt to market changes quickly. Secondly, it helps to minimize the negative impact of change on employees. Change can be difficult for employees, and without proper management, it can lead to resistance, low morale, and decreased productivity. Change management ensures that employees are properly prepared and trained to adapt to changes, reducing the risk of negative consequences.

From the perspective of an employee, change management is also important. Employees need to understand why changes are happening and how they will be affected. Change management provides employees with the necessary information, training, and support to adapt to changes and minimize any negative impact on their work and personal lives. It also helps to build trust between employees and management, as employees feel that their concerns and needs are being taken into consideration.

In a general retailer, change management can be particularly challenging, as changes can affect various aspects of the business, including products, processes, technology, and customer service. Therefore, it is crucial for both employers and employees to work together to ensure that changes are properly managed and communicated to minimise the negative impact and maximize the benefits of change.

(6 marks are awarded for looking at change management from the employer's and employees' perspectives. Where only one perspective has been discussed a maximum of 4 marks can be awarded)

6.6 **Name four management tasks**

- Planning
- Organising
- Staffing
- Directing
- Controlling
- Budgeting
- Communicating
- Decision-making
- Problem-solving
- Performance management

(Only the first four responses should be considered, 1 mark1 is awarded for listing a correct management tasks. 1 × 4 = 4 marks)

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6.7 ***Explain the importance and relevance of public relations by referring to the demands of internal and external stakeholders.***

Public relations is a strategic communication process that helps organisations build and maintain relationships with their stakeholders, both internal and external. The demands of stakeholders play a critical role in shaping the importance and relevance of public relations. Here's how:

Internal stakeholders demand transparency and engagement: Employees, shareholders, and other internal stakeholders demand transparency and engagement from organisations. Effective internal communication through public relations helps organisations foster a culture of transparency, trust, and engagement, leading to higher employee morale, productivity, and retention.

External stakeholders demand accountability and social responsibility: Customers, communities, regulators, and other external stakeholders demand accountability and social responsibility from organisations. Public relations helps organisations build and maintain a positive reputation by communicating their values, actions, and impacts on society and the environment. This helps to build trust and credibility with external stakeholders, leading to customer loyalty, community support, and regulatory compliance.

Investors demand profitability and growth: Investors and financial stakeholders demand profitability and growth from organisations. Public relations helps organisations communicate their financial performance, growth strategies, and investment opportunities to attract and retain investors. Effective investor relations through public relations can help organisations achieve their financial goals, access capital markets, and maintain a competitive edge.

Media demand accuracy and relevance: Media and journalists demand accuracy and relevance from organisations. Public relations helps organisations build relationships with the media and communicate their stories, news, and insights in a timely, accurate, and relevant manner. This helps organisations earn positive media coverage, increase their visibility, and influence public opinion.

(10 marks are awarded for explaining the relevance of Public relations on different stakeholders, should a candidate only discuss Public relations from one stakeholders view point a maximum of 6 marks may be awarded)

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SECTION C

QUESTION 7

The following aspects will be considered when marks are allocated in this question:

- ***Format:***
  - ***The CORRECT format for each question must be used, i.e. business report.***
  - ***Where applicable, include an introduction and conclusion.***
  - ***Use headings and subheadings where appropriate.***
- ***Terminology: Correct business terminology should be used.***
- ***Content: Must be sufficient to cover all aspects of the question.***
- ***Substantiation: Justification for statements made.***
- ***Application to case study/context/theme.***
- ***Problem-solving rather than just giving theoretical facts.***
- ***Synthesis and sequencing.***

A local retailer in your community is planning to expand and grow their market share. It is important that they conduct the necessary research and implement the correct marketing strategies to support their vision.

Assist the local retailer by:
- ***Completing a SWOT analysis to analyse the impact of internal and external factors, Suggesting marketing and branding strategies to respond to internal and external challenges.***
- ***Also make use of the Stimulus Response Model to help the marketing team better understand their buyer's behaviour.***

(As a business report, it is important to recognise that each candidate may hold different views, and their arguments and facts presented should be evaluated for their accuracy. It is imperative that the rubric is consulted throughout the assessment process to ensure consistency in the allocation of marks. It is important to look beyond the views of the marking guidelines)

In a rapidly changing business environment, retailers must take strategic measures to maintain their position and grow their market share. The expansion of a local retailer in a community requires conducting the necessary research and implementing the correct marketing strategies to support its vision. This essay will assist the local retailer by completing a SWOT analysis, suggesting marketing and branding strategies to respond to internal and external challenges, and making use of the Stimulus Response Model to help the marketing team better understand their buyer's behaviour.

SWOT Analysis:
A SWOT analysis is a useful tool to identify the Strengths, Weaknesses, Opportunities, and Threats of a business. A SWOT analysis will help the local retailer understand its current position in the market and identify areas for improvement.

Strengths:
The local retailer's strengths may include its reputation in the community, its location, and its unique product offerings. The retailer's reputation in the community is important as it creates loyalty among customers. The location of the retailer is another strength as it may be in a high traffic area, making it convenient for customers. The unique product offerings may also be a strength as it differentiates the retailer from its competitors.

Weaknesses:
The local retailer's weaknesses may include its limited marketing budget, outdated technology, and lack of online presence. The limited marketing budget may restrict the retailer's ability to reach a wider audience. Outdated technology may result in slower operations and decreased customer satisfaction. The lack of an online presence may also be a weakness, as customers are increasingly shopping online.

Opportunities:
The local retailer's opportunities may include expanding its product offerings, implementing a loyalty program, and creating an online presence. Expanding product offerings may attract new customers and increase revenue. Implementing a loyalty program may create customer loyalty and increase repeat purchases. Creating an online presence may also attract new customers and provide convenience for existing customers.

Threats:
The local retailer's threats may include competition from other retailers, economic downturns, and changing customer preferences. Competition from other retailers may result in decreased market share and revenue. Economic downturns may decrease customer spending, resulting in decreased revenue. Changing customer preferences may also result in decreased revenue if the retailer is not able to adapt to new trends.

Marketing and Branding Strategies:
Based on the SWOT analysis, the local retailer can implement various marketing and branding strategies to respond to internal and external challenges.

Marketing Strategies:
Increase Social Media Presence: Creating and managing a social media account will allow the local retailer to reach a wider audience, promote new products, and offer discounts and promotions to attract new customers.
Implement a Loyalty Program: Creating a loyalty program will incentivize customers to make repeat purchases, increasing revenue, and creating customer loyalty.
Host Events: Hosting events, such as product launches, can attract new customers and create buzz around the retailer's offerings.

Branding Strategies:
Develop a Unique Brand Identity: Developing a unique brand identity will help the local retailer differentiate itself from its competitors, creating customer loyalty and increasing revenue.

Offer High-Quality Products: Offering high-quality products will create customer loyalty, resulting in repeat purchases and positive reviews, which can attract new customers.

Focus on Customer Experience: Focusing on customer experience by providing excellent customer service and a welcoming atmosphere can create customer loyalty, resulting in repeat purchases and positive reviews.

The Buyer's Stimulus Response Model is a useful framework for the marketing team to understand the behaviour of buyers in the general retail sector. It is based on the idea that the buying decision of a customer is influenced by different stimuli which are processed through several psychological stages before resulting in a final response.

Here is how the **Buyer's Stimulus Response Model** can help the marketing team in understanding the buyer's behaviour in the general retail sector:

Environmental Stimuli:
The marketing team should identify the different environmental stimuli that customers may encounter. These stimuli may include different types of advertisements, product displays, and promotions that can influence the buyer's behaviour.

Perception:
The marketing team should analyse how customers perceive the stimuli presented to them. This involves understanding how customers evaluate the relevance, importance, and meaning of the stimuli based on their personal experiences, beliefs, and attitudes.

Learning and Attitudes:
The marketing team should analyse how the customer's previous learning and attitudes affect their perception of the stimuli. This includes understanding their past experiences with similar products or brands, as well as their existing attitudes towards the product or service being marketed.

Response:
Finally, the marketing team should analyse the customer's response to the stimuli. This includes understanding the various forms of response such as purchase, repeat purchase, brand loyalty, or even negative feedback or word-of-mouth marketing.

By using the Buyer's Stimulus Response Model, the marketing team can design effective marketing strategies that target specific stimuli and encourage desired responses. For example, they might use targeted advertisements or sales promotions to create an environmental stimulus that attracts the buyer's attention. They might then use product displays and branding strategies to influence the buyer's perception and attitude towards the product. Finally, they might use loyalty programmes or follow-up communications to encourage repeat purchases and build brand loyalty.

Overall, the Buyer's Stimulus Response Model is a useful tool for the marketing team in the general retail sector to understand the behaviour of buyers. By identifying the key stimuli and stages of the model, they can design effective marketing strategies that target the right audience, create positive attitudes towards their brand, and ultimately drive sales and growth.

In conclusion, the expansion of a local retailer in a community requires conducting the necessary research and implementing the correct marketing strategies to support its vision. A SWOT analysis is a useful tool to identify the Strengths, Weaknesses, Opportunities, and Threats of a business. Based on the SWOT analysis, the local retailer can implement various marketing and branding strategies to respond to internal and external challenges. The Stimulus Response Model can help the marketing team better understand their buyer's behaviour and tailor their marketing messages to resonate with their target audience. By taking strategic measures, the local retailer can maintain its position and grow its market share in a rapidly changing business environment.
(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 rewrite 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	

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