INTERNATIONAL SECONDARY CERTIFICATE EXAMINATION
NOVEMBER 2024

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.

SECTION A

QUESTION 1

1.1	A
1.2	D
1.3	C
1.4	C
1.5	A
1.6	C
1.7	A
1.8	C
1.9	C
1.10	B
1.11	A
1.12	B

1.13	D
1.14	A
1.15	D
1.16	A
1.17	D
1.18	D
1.19	B
1.20	A
1.21	B
1.22	A
1.23	C
1.24	A

QUESTION 2

2.1 Horizontal Integration

2.2 Accommodation

2.3 Unemployment Insurance

2.4 Transformation

2.5 Retrenchment

2.6 Secondary strike Action

2.7 Benchmarking

2.8 Strategic

2.9 Devil's Advocate

2.10 Manager

2.11 Grievance procedure

2.12 National Credit Act

QUESTION 3

3.1 Divestiture

3.2 Job description

3.3 Aims

3.4 Interview

3.5 Private

3.6 Prospectus

3.7 Innovation

3.8 Solvency

3.9 Average clause

3.10 Leader

3.11 Market Development

3.12 Brand extension

3.13 Organisational awareness

(All applicable possibilities must be considered)

SECTION B

QUESTION 4

4.1 **A business strategy helps a clothing retailer to determine its direction and focus. Without a clear strategy, a business can easily lose sight of its goals and be distracted by day-to-day operations. A well-defined strategy ensures that everyone in the organisation is aligned and working towards a common goal.**

4.1.1 **Describe what an efficient strategic process needs in order for a business to reach its goals.**

- A clear vision, mission statement and measurable / realistic / achievable goals must be in place.
- Identify strengths / weaknesses / opportunities / threats through environmental scanning / situational analysis.
- Available tools/methods for environmental scanning are used, which may include a SWOT-analysis / Porter's Six Forces Model / PESTLE analysis / industry analysis.
- Formulate alternative strategies to respond to business challenges.
- Develop an action plan(s), which includes the tasks to be completed / deadlines to be observed / resources to be obtained.
- Organize the business resources and motivate staff.
- Implement selected strategies effectively/correctly communicate to all stakeholders.
- Continuously evaluate / monitor / measure strategies to take corrective action.

(Any relevant description related to strategic management processes.)
6 × 1 mark = 6 marks.
If only three facts are mentioned but well described the candidate can earn 3 × 2 marks = 6 marks.

4.1.2 **Discuss any ONE type of defensive strategy that a business can use to deal with challenges in the external environment.**

Divestiture / Disinvestment / Disposal

- The business disposes / sells some assets / divisions that no longer are profitable / productive / functional / relevant.
- Selling divisions / product lines with slow growth potential / paying off debt by selling unproductive assets.
- The business reduces the number of shareholders by selling ownership.
- Shareholders withdraw their investment share in another business.

Layoff

- The business terminates the employment contracts of employees due to operational / structural / restructuring reasons.
- Reduction of the number of product lines/closure of certain departments that then lead to some workers being made redundant.
- It is an aggressive strategy where management makes bold decisions by letting employees go to reduce operating costs/expenses.
- Through layoffs, the business can lower prices / discounts / offer incentives for customers.

Liquidation

- The business sells all assets to pay creditors due to a lack of capital / the inability to repay creditors / bankruptcy.
- Sale of the entire business to give shareholders a fair price for their shares at the closing of the business.
- The process of liquidation allows creditors to apply for forced liquidation to settle their claims.
- It is an unpleasant process to take business activities to a last resort to repay creditors.

(Any ONE type of defensive strategy can be discussed.)

4.1.3 **Advise a clothing store on the steps they should consider when they evaluate their strategies.**

- Investigate/evaluate the underlying basis of a business strategy.
- Take corrective action so that the deviations can be corrected.
- Look forward and backwards in the implementation process.
- Set specific dates for control and follow-up.
- Compare the expected performance with the actual performance.
- Draw up a table of the advantages and disadvantages of a strategy.
- Measure the business' performance in order to determine and analyse the reasons for deviations.
- Decide on the desired outcome.
- Consider the impact of the strategic implementation in the internal and external environments of the business.

(Any advising of steps/5 facts or any 2 steps discussed in depth a candidate can get up to 4 marks, if only 1 step is discussed in depth a candidate can only get up to 2 marks as the question asks for more than 1 step.)

4.2 **Identify the elements of total quality management (TQM) that a fashion retailer applied in EACH case below:**

4.2.1 **Ensures correct and effective training programs to train employees.**

Continuous skills development/education and training.

4.2.2 **Applied sound financial management practices by investing their surplus funds to gain more profit.**

Adequate funding and capacity.

4.2.3 **If resources that are currently used in a task do not add value, they will outsource the task or they will terminate it.**

Allocate resources differently

4.2.4 **Planning, evaluating and improving staff performance.**

Performance appraisals (360°) & self-evaluation

4.3 **With the use of examples, define the differences between quality management and quality performance.**

QUALITY MANAGEMENT	QUALITY PERFORMANCE
Techniques, tools and methods used to determine or improve the quality of the product Ex everybody in the business is committed to thinking about how all actions impact on the quality of all tasks and overall customer satisfaction.	The total performance of each section is measured against the specified standards through (Ex) benchmarking.
Can be used for liability within each of the business functions. Ex Make sure that there is integration between business functions and synergy	Can be obtained if all sections Work together towards the same quality standards. Ex Give regular feedback to make sure they work towards same quality/give training
Aimed to ensure that the quality of the products and services is consistent. Focus on the means to achieve consistency. Ex regular inspections	Quality is measured by physical product/statistical output of processes, surveys of the users and/or buyers and consumers of products or services.

(4 marks for each term's description and 4 marks for examples or if 1difference of each, with an example for both, is discussed in depth, up to 4 marks can be given maximum because differences and examples were asked.)

4.4 **Advise clothing stores on the impact of total quality management (TQM) if businesses implement it poorly.**

- Set unrealistic deadlines that cannot be met.
- Employees are not adequately trained which leads to low quality products.
- Decrease in productivity due to interruptions.
- Businesses cannot make the necessary changes to products/services to thereby satisfy the needs of the customers.
- The business's reputation/image can be damaged as a result of poor quality/faulty products.
- Customers will have many alternatives to choose from and the impact can be devastating for the business.
- Investors can withdraw their investments if there is a decrease in profits.
- Decrease in sales because more products are returned by dissatisfied customers.
- High staff turnover due to poor skills development.
- Undocumented / unchecked quality control processes / systems can lead to errors / deviations from predetermined quality standards.

Any other relevant answer related to the impact of TGB if businesses implement it poorly can be considered.
Only three facts can be mentioned and discussed in depth to earn 6 marks or more facts that are not discussed in depth.
(6 × 1 mark = 6)

4.5 **Discuss with the help of a separate example for each, how and when a clothing store will use the following strategies:**

4.5.1 **Merge:**

This is when, by mutual consent, businesses unite.
The end result is that the merger benefits both businesses.

Example: Mr Price decides to merge with Edgars.

Merger involves buying a target company in the same industry.
So that the businesses grow together and become a force in that sector.
A merger is considered part of a business's growth strategy.
In some cases, the merger may be hostile (i.e. a hostile takeover).
A merger usually takes place when one of the companies are not performing well (for a number of reasons) and they will benefit with improved management.
In other cases, it is beneficial to merge because of the effect of synergy.

(Consider any other relevant facts about merging.)
(Any 3 facts × 1 mark each = 3 marks.)
1 mark for an example = 4 marks in total.

4.5.2 **Low cost:**

A low-cost strategy aims to gain a competitive advantage by having the lowest possible cost.
This strategy can be achieved by increasing profits and reducing costs.

Example:
The business charges industry-related prices but has the capital to cover the cost differential.
The business increases market share by offering a lower price to the customer.
Customers are more likely to increase their purchases if the price is affordable.
A business can apply this strategy if they:

- have sufficient capital to invest in innovation and technology;
- have effective logistics;
- have the ability to reduce input costs, example labor, materials, facilities, etc.

(Consider any other relevant facts about low cost.)
(Any 3 facts × 1 mark each = 3 marks.)
1 mark for an example = 4 marks in total.

4.6 **Read the scenario below and answer the questions that follow.**

SANNIE'S DESIGNS

Sannie's designs is well known for their fashionable women's designs. She allows her team to work independently as long as they comply with her business policies.

Fictitious insert

4.6.1 **Identify Sannie's leadership style. Motivate your answer.**

Laissez-faire/free rein

Motivation:
Sannie allows her team to work independently as long as they comply with her business policy.

(No marks are awarded for the motivation if the leadership style has been identified wrongly.)

4.6.2 **Evaluate the impact of using the leadership style identified in Question 4.6.1.**

Positives/Advantages

- Workers/Followers are allowed to make decisions regarding their own work/methods.
- Followers have maximum freedom and work independently.
- A leader motivates workers by trusting them to do things on their own.
- Authority is delegated, which is motivating for competent workers/ productivity increase.
- Followers are experts and know what they want/can take responsibility for their actions.
- Suitable for coaching/mentoring to motivate workers to do more and better.
- This can be empowering for competent followers because they are fully trusted to do their work.
- Individual team members can improve/develop leadership skills.

Any other relevant answer related to the positive impact.

AND/OR

Negatives/Disadvantages

- Lack of clear direction/leadership can be demotivating for some employees.
- Employees can be held responsible for their own work, which can lead to underperformance.
- Can lead to conflict if some team members act as leaders and dictate to other members.
- Workers are expected to resolve their own conflict situations.
- Productivity may decrease if there is a lack of strict control over workers that are not meeting deadlines.
- Productivity can be low if employees do not have the necessary knowledge/ skills.

Any other relevant answer related to the negative impact.
NOTE: Accept relevant facts if the leadership style was incorrect identified as an answer in Question 4.6.1.
Since the learner must evaluate, positive and negative facts must be provided.
If only positive OR negative is given, learner can earn up to a maximum of 4 marks.

QUESTION 5

5.1 **Read the scenario below and answer the questions that follow**.

Style Station
Style Station is a company that sells different children's clothes. The company regularly pays large fines because they do not submit their tax returns on time.

Fictitious insert

5.1.1 **Name the business function that applies to the scenario above**.

Financial Function

5.1.2 **Explain other quality indicators of the business function that were mentioned in Question 5.1.1.**

- Analyse / apply / discover / implement strategies to increase profitability.
- Obtain capital from the most suitable, available and reliable sources.
- Negotiate better interest rates to keep the finance costs low and to reduce financial costs.
- Prepare budgets correctly and implement them to ensure adequate application of monetary resources.
- Maintain financial records regularly to ensure timely and accurate tax payments.
- Implement financial controls, systems and processes to prevent fraud.
- Implement a credit granting and debt collection policy to monitor cash flow.

(Consider any relevant quality indicators for the finance function 5 facts × 1 mark = 4 or if fewer facts were mentioned but were discussed in depth, the learner earns the full 4 marks.)

5.2 **Advice businesses on how the following factors contribute to the success and/or failure of a partnership:**

5.2.1 **Management:**

Success:
- Partners are actively involved in the management and can use the other partners' ideas.
- Partners have access to each other's expertise when making difficult decisions.
- Not all partners need to be actively involved in management and should rather appoint a competent manager.

Any other relevant answer related to the contribution of management to the success of a partnership.
If 2 successes are discussed in depth, learner can earn 4 marks.
Alternatively, learner can mention 4 facts at any 1 = 4 marks.

Failure:

- Decision-making can be time-consuming because all partners must agree.
- Some management tasks can be neglected because one partner leaves it to the other partner to complete.
- Partners may disagree on how to run the business, which can lead to tension between them.
- Partners are agents for the partnership and poor management decisions can be enforced on others.
- Different personalities / opinions can lead to conflict / differences of opinion.

Any other relevant answer related to the contribution of management to the failure of a partnership.
If 2 failures are discussed in depth, learner can earn 4 marks.
Alternatively, learner can mention 4 facts at any 1 = 4 marks.

5.2.2 **Formation procedure:**

Success:

- It's easy and cheap to set up since partners are drafting a partnership agreement.
- Partners are more motivated to succeed because their personal assets are at stake.
- No legal requirements on the name of the business are necessary.
- It is only subject to provisions of the income tax law if compared to companies.

Any other relevant answer related to the contribution of formation procedure to the success of a partnership.
If 2 formation procedure are discussed in depth, the learner can earn 4 marks.
Alternatively, learner can mention 4 facts at any 1 = 4 marks.

Failure:

- Unlimited liability/partners are jointly and severally liable for the debts of the business.
- If one partner dies or retires, the remaining partner(s) must appoint a new one to enter into an agreement.
- An oral agreement between partners can cause conflict between partners.
- A partnership has no legal entity and cannot sue or be sued.

Any other relevant answer related to the contribution of formation procedure to the failure of a partnership.
If 2 failures are discussed in depth, learner can earn 4 marks.
Alternatively, learner can mention 4 facts at any 1 = 4 marks.

5.3 **Justify the choice of choosing a public company over a private company as a form of ownership.**

Benefits of a public company

- A minimum of one person is required to start a public company.
- Shareholders of a public company have limited liability.
- Public companies have legal persona and therefore have unlimited continuity.
- Need three or more directors and three or more shareholders.
- Profit is distributed in the form of dividends in proportion to the shares which is owned.
- A public company must hold an Annual General Meeting (AGM).
- Register with the Registrar of Companies by drawing up a Deed of Incorporation.
- Raise capital by issuing shares/a prospectus to the public.
- Companies borrow capital by issuing debentures to the public.
- Auditing of financial statements is mandatory and audited statements are available to shareholders and the public.
- The new Act (Companies Act 71 of 2008) imposes personal liability on directors who knowingly participate in a reckless or fraudulent manner.
- A public company will be allowed to list on the JSB and to sell shares to the general public for the purpose of raising capital.
- Raising capital is the most distinct advantage of going public, they sell shares of ownership to the public in exchange for cash. The raised capital can be used to fund research and development or pay off existing debt.
- The availability of financial information about the company makes it easier for analysts to calculate the valuation of the company.

Any other relevant answer related to the features of a public company.

Benefits of a private company

- A minimum number of shareholders of one person is required to start a private company.
- Need at least one director.
- It is possible for shareholders in a private company to be a director at the same time.
- Shareholders of a private company have limited liability.
- Private companies have legal personality and therefore have unlimited continuity.
- Private companies may not be owned by the state and their Deed of Incorporation must specify that no shares will be available to the public and that shares are not freely tradable/transferable.
- A private company will not issue a prospectus as it may not sell shares to the public.
- No need to have their annual financial statements audited.
- Less tax are paid as well as National Insurance Contributions.
- More credibility and professionalism.
- Confidentiality and privacy – protecting business information.

Any other relevant answer related to the benefits of a private company.

Any relevant benefits relating to public & private companies.
Both must be mentioned. If a candidate only mentions the benefits of one type of company, he/she can earn a maximum of 6 marks.
If a candidate mentioned only a few (2) benefits of both companies but described it in depth he/she can earn 10 marks.

5.4 **Read the fictional scenario below and answer the questions that follow**.

FASHION WORLD
Fashion World knows that teamwork is very important as part of being successful, however their members criticize each other's ideas as they all compete for the team leader position. Ultimately, team members appreciate each other's differences and can work independently.

Fictitious insert

5.4.1 **Identify TWO stages of team development that apply to Fashion World. Motivate your answer.**

Storming: Team Luka's members criticize each other's ideas as they all compete for the position as team leader.

Performance/Norming: Ultimately, team members appreciate each other's differences and are able to work independently.

Identifying stages 2 × 1 mark = 2 marks.
Motivation of stages 2 × 1 mark = 2 marks.

5.4.2 **Provide any TWO criteria for successful team performance.**

- Interpersonal attitudes and behaviour
- Shared values/mutual trust and support
- Communication
- Collaboration

2 × 1 mark each = 2 marks.

5.4.3 **Explain how the following can contribute positively to the performance of a team or how it can hinder performance:**

(a) **Prejudice**

It may hamper team performance – prejudice is prejudgement or forming an opinion before becoming aware of relevant facts of a case. The word is often used to refer to preconceived, usually unfavourable, judgements toward people or a person because of gender, political opinion, social class, age, disability, religion, race, language, etc.

Any relevant facts related to how bias can hinder or positively affect performance. Learner can earn full 4 marks if it is well explained. If learner only gave examples he/she can earn up to a maximum of 2 marks.

(b) **Cultural diversity**

It may hinder or positively contribute to the performance of the team. Hinder if it leads to misunderstanding and a lack of tolerance. Positive if they work together and can benefit from different cultural perspectives. They learn respect for each other's culture as well as better understanding of each other.

Any relevant facts related to how cultural diversity can hinder or positively influence performance.
Learner can earn full 4 marks if it is well explained, if learner only gave examples he/she can earn up to maximum marks.

5.5 **Suggest ways in which businesses can handle the following unprofessional business practices.**

5.5.1 **Sexual harassment**

- Provide a framework for corrective action.
- Educate workers on sexual harassment issues.
- Formulate a policy regarding sexual harassment.
- Implement internal complaint and disciplinary procedures.
- Ensure that the law/code of conduct of the business is complied with.
- Make sure all employees know the sexual harassment code of conduct.
- Create a healthy work environment where all employees' rights and dignity are respected.
- Internal investigations must be conducted to determine the severity of the harassment.
- Serious cases of sexual harassment must be reported to the relevant institutions such as the SAPS.

Any other relevant answer related to the question.
5 × 1 mark each = 5 marks.
Learner can mention fewer facts but discuss in depth and also earn the 5 marks.

5.5.2 **Unauthorized use of workplace funds and resources**.

- Conduct regular audits to prevent unauthorised use of funds early.
- Identify risk/vulnerable areas.
- Limit the amount of employees who have access to business funds.
- Implement fraud prevention strategies in place.
- Educate employees about the impact of fraud.
- Fraud prevention must be a joint responsibility of the business and workers.
- Clear policies should be in place so that employees are aware of what is considered fraud.
- Set up systems in the organisation for reporting fraud and corruption.

Any other relevant answer related to the question.
4 × 1 mark = 4 marks.
Learner can mention fewer facts but discuss in depth and also earn the 4 marks.

5.6 **How can businesses apply transparency as a King Code principle for good corporate management?**

- Decisions/actions must be clear to all stakeholders.
- Staffing and other processes must be open and transparent.
- Employees / shareholders / directors must be aware of the employment recruitment policies of the business.
- Audit and other reports must be accurate/available to shareholders and workers.
- Regular audits must be done to determine the effectiveness of the business.
- Business transactions must be done openly so that there is no indication of dishonesty/corruption.
- Businesses must provide them with details of shareholders' voting rights before or at the Annual General Meeting.
- The board of directors must report on both the negative and the positive impact of the business on the community/environment.
- The board must ensure that the ethics of the company are effectively implemented.

4 facts × 1 mark each = 4 marks.
Learner can discuss 2 facts in depth and then also earn the 4 marks.

QUESTION 6

6.1 **Read the scenario below and answer the questions that follow.**

FAITHWEAR BOUTIQUE ZAMBIA

Faithwear Boutique wants to invest their surplus profits in corporate social investment (CSI) projects. The management of Faithwear Boutique is keen to develop their employees for the sake of personal growth. They also want to prioritise rural development so that the exodus of people to cities is limited.

Fictitious insert

6.1.1 **Name TWO focus areas of corporate social investment that apply to Faithwear Boutique in the scenario above.**

Employees
Rural development

2 facts × 1 mark each = 2 marks.

6.1.2 **Discuss the impact of CSI on communities.**

Positives/Advantages
- Socio-economic issues are addressed that improve the well-being of the community.
- Training opportunities in the community increase the possibility of appointments of the members of the community.
- Implementation of development programs in the community improves entrepreneurial skills in the community.
- Provision of bursaries encourages communities to improve their skills.
- The standard of living of the community is improved.
- Better educational facilities are established in poor communities.
- Improvement in the health of the communities by providing medical infrastructure.
- Provide rehabilitation centres to community members who have addiction problems.
- Assisting communities to overcome challenges such as HIV / AIDS / to cope with poverty.

Any other relevant answer related to the positive impact on communities.

Negatives/Disadvantages
- Businesses are not always equipped to address social/societal problems.
- Communities become dependent on the CSI programs and struggle to take initiative on themselves.
- Distribution of scarce resources to selected beneficiaries in the community can cause problems such as discrimination.
- Some businesses only participate in CSI initiatives to increase profits and don't really care about the community in which they do business.
- Businesses can no longer keep up with the long-term needs of the community/not sustainable.

- The benefits of the CSI programs may not filter through to the persons in the community for which they are intended.
- Spending money on CSI programs means that the business has to recover the expenses through high prices which have a negative impact on the economy.
- Businesses tend to focus on the CSI programs that do not directly benefit the community.
- Less money is available for community projects during adverse economic conditions.
- Consumers are not easily convinced that the business is acting in the best interest of the community/environment.
- It often appears that more benefit is derived from the CSI expenditure than the observable benefit to communities.

Any other relevant answer related to the negative impact on communities. Learner can either only discuss positive impact in depth for the 6 marks or only the negative impact for 6 marks or both.

6.2 **Suggest ways in which businesses can create an environment that stimulates creative thinking in the workplace.**

- Businesses must emphasise the importance of creative thinking to be sure to make all the employees know that their ideas will be heard.
- Encourage employees to come up with new ideas / opinions / solutions.
- Make time for brainstorming sessions to get new ideas example regular workshops/follow-up sessions to build on each other's ideas.
- Place suggestion boxes in the workplace and keep communication channels open for new ideas.
- Businesses must train employees in innovative/creative problem-solving skills/ mind maps and lateral thinking, encourage job exchange within the business, study how other businesses do it.
- Encourage alternative ways of doing work.
- Respond enthusiastically to all ideas and never make anyone feel less important than others.
- Reward creativity with reward schemes for teams/individuals who come up with a creative idea.
- Create a work environment that is conducive to creativity, free from distraction.

NOTE: the emphasis is on the ways in which businesses create an environment that stimulates creative thinking, NOT on the benefits.

Learner must have discussed at least two ways in depth to earn the full 8 marks. If only benefits are given, the learner can earn up to a maximum of 4 marks.

6.3 **Explain how a fashion retailer should conduct its business practices professionally, responsibly, ethically and effectively.**

- Mission must include the values of equality/respect.
- Businesses should treat all employees equally regardless of their race / colour / age / gender / disability, etc.
- Treat workers with respect by recognising good work.
- Plan carefully and put preventive measures in place.
- Pay fair wages/salaries that correspond to the minimum requirements of the law/compensate employees for overtime and working on public holidays.
- Get involved in environmental awareness programs.
- Avoid pollution of the environment, e.g. by legally disposing of toxic/harmful substances.
- Avoid setting up a business by using other businesses' ideas that are protected by Law.
- Business decisions and actions must be clear and transparent to all stakeholders.
- Businesses should be responsible for their decisions and actions/performances/ patent rights.
- Hire honest auditors/financial officers with good references.
- Pay taxes regularly and on time.
- Establish codes of ethics and conduct.
- Provide continuous development and training to all employees.
- Performance management systems must be in place.
- Adequate internal control / monitoring / evaluation.

Any 6 facts × 1 mark each = 6 marks.
Learner can only have, for example, 2 facts but discuss them in depth then learner earns the full 6 marks.

6.4 **Read the scenario below and answer the questions that follow**.

TOP FIT CLOTHING
Top Fit Clothing manufactures active wear. They want to increase sales and are considering a joint promotion with Elite Active, a local fitness centre.

Fictitious insert

6.4.1 **Name marketing component that Top Fit Clothing considers.**

Sales Promotion

1 fact = 1 mark.

6.4.2 **Explain the purpose of the marketing component identified in Question 6.4.1, to increase sales.**

- This promotes an increase in sales.
- Stimulate consumer interest in the business's products.
- To inform consumers about the product.
- Persuade consumers to buy a product.
- Remind the target market about the availability of the product.

Any other relevant answer related to the purpose of sales promotion.
4 facts × 1 mark each = 4 marks.
If the learner has discussed any fact in depth, he/she can earn the full 4 marks.

6.4.3 **Explain why it is essential that businesses will make use of electronic marketing.**

- Consumers are global and can shop when they want.
- Services can be marketed at a low cost.
- Easy to determine how effective your campaign is, through a response to your advertisement.
- Consumers can be welcomed with targeted offers, as the customer database is connected to the website.
- Develop a reputation that it is easy to communicate with you, through the use of social media.
- Is immediate and easy, just a few mice clicks between your customers and a purchase.
- Able to buy anything online / it is commercial / drive your company to expand.

Any other relevant answer related to benefits of electronic marketing.
Any 5 facts for 1 mark each = 5.
If the learner mentioned only 2 facts but discussed them in depth, 5 marks can be earned.

6.4.4 **There can also be negative consequences if businesses use electronic marketing. Briefly discuss the disadvantages of electronic marketing.**

- There may be customers who do not have access to the Internet.
- With load shedding or power outages, the business is dependent on the internet and it can then fail.
- Customers may be dissatisfied because they did not get what they saw on the screen.
- Customers may be dissatisfied with online advertising.

Any other relevant answer related to disadvantages of electronic marketing.
Any 4 facts for 1 mark each = 4.
If the learner mentioned only 1 fact but discussed it in depth, 4 marks can be earned.

6.5 **It is essential that clothing retailers have good stock control. Discuss the importance of inventory control.**

- Enables businesses to determine the quantity/value of inventory.
- Businesses can check the cost and sale price of products.
- Make sure there is enough stock to meet normal customer demand.
- Keep the correct stock levels on hand.
- Record the cost prices and selling prices of inventory.
- Identify theft in the business when physical inventory count is compared with the electronic inventory control system.
- Identify expired products.
- To keep the cost of stock to a minimum.

Accept any relevant answer.
6 × 1 mark each = 6 marks.
If any three facts are discussed in depth, the learner earns 3 × 2 = 6 marks.

6.6 **Read the following scenario and answer the question that follows**.

Mr Price (Pty) Ltd

Mr Price (Pty) Ltd is a successful company, but now wants to convert to a public company so that they can be listed. This will enable them to invite the public to buy shares.

Fictitious insert

Name any institution responsible for the listing of public companies.

JSE, Namfisa, FSCA, ESE, FMA, CIPC

6.7 **Why is *investment diversification* an important concept?**

Diversification means all eggs are not kept in one basket. Consequently, not ONE of the investment options is used to hold all reserves, but rather that a COMBINATION of these investment options is used to spread risks over different assets. It will also have an effect on the return on investment as well as the risks.

Any other relevant answer for 3 marks.

6.8 **Identify the type of investment opportunities used by a clothing store in EACH statement below and evaluate the impact of EACH form of investment identified.**

6.8.1 **They invested R50 000 for six months at 12% interest with a financial institution.**

Fixed deposit

Impact

Positive:
- The investor is sure of the return on investment because the interest rate for a predetermined period of time has been established.
- The period of investment available to the investor varies from short-term, medium-term or long-term periods.
- The investor does not have access to the funds for the duration of the investment period and therefore creates a sense of financial discipline.
- The duration of the investment period is determined solely by the investor.
- The return on investment is higher than a regular savings account.
- Investors will receive the original amount of the investment plus all interest earned during the investment period.

AND/OR

Negative:
- The investor does not have access to any funds invested until the end of the investment period.
- The return on investments may be lower than the general rate of inflation.
- This type of investment usually offers the investors lower returns than other types of investments.
- Penalties may apply for early withdrawal.

Any 1 fact = 1 mark.

6.8.2 **They received dividends for their share of ownership in Pep Stores Ltd.**

Shares

Impact

Positive:
- The investor is certain of the return on investment because he/she can buy prime shares that ensure rapid capital growth.
- The period of investment available to the investor varies from short-short-term, medium-term or long-term periods.
- The JSE has strict measures for companies to list and this protects the investor and reduce risks.

AND/OR

Negative:
- The stock price is determined by supply and demand.
- Supply and demand can be influenced by the confidence level in the economy.
- Government policies or new legislation will have an impact on share prices.
- Operating performance will affect the listed company in a specific industry.
- Social issues around the company, ex involvement in CSR, can have a negative impact on the share price.

Any 1 relevant facts = 1 mark.

SECTION C

QUESTION 7

(Facts: max 50 marks)

Fact marks are awarded according to the rubric for:

- Naming
- Explaining / justifying / motivating
- Examples

CONFLICT MANAGEMENT

Functional versus dysfunctional conflict

Conflict can be defined as the differences of opinions or the varied emotions that people experience often due to a dispute over a certain issue.

When we hear the word conflict, it is usually associated with negative emotions because it means that someone disagrees with the situation. However, conflict can also lead to a positive outcome. Functional conflict refers to a situation where the different parties deal with the conflict in a way that is healthy and where they respect each other's opinions. The outcome is therefore positive and sometimes it can lead to more innovation, creativity and higher productivity.

Without respect shown by both parties, functional conflict will be impossible. It is important that both parties listen to the other's point of view and then recognise that the other point of view may have merit and that a compromise to resolve the conflict is likely to lead to a win-win situation.

Sometimes the manager can deliberately play devil's advocate to cause conflict, as this can lead to 'bonding' because they have to defend their common interest.

Possible outcomes of functional conflict:

- Conflict can create awareness that there is a problem, which can then be solved.
- Team members can start thinking about considering more ideas, leading to increased participation by persons who were not previously interested; creativity and even higher productivity can be stimulated.
- Perceptions that may not be accurate are discussed and misconceptions cleared.
- Clarification of individuals' points of view takes place and cooperation follows.

When conflict leads to a decrease in productivity, it is known as dysfunctional conflict. This is often the result of people's misperceptions, their ambitions and egos and/or an unwillingness to settle. Misunderstandings and a lack of communication are at the heart of dysfunctional conflict. The manager must intervene if the conflict situation has a negative influence on productivity, to ensure that the conflict situation is resolved; it can also hinder group performance, waste resources, be counterproductive and undermine group cohesion. If a compromise cannot be reached between the conflicted parties, the manager can force employees to set aside their differences and work together to achieve the goals of the organisation.

Possible outcomes of dysfunctional conflict:

- A climate of mistrust that has a negative influence on teamwork and cooperation.
- Blaming each other, backstabbing and gossiping.
- Higher levels of stress and anxiety which contribute to lower levels of job satisfaction.
- Lower morale and increased staff turnover leading to higher costs.
- Waste of time and other resources.
- Sometimes even violence.

Reasons for conflict

In the workplace, there are people with different personalities, who not only have to work together to achieve the overall goal of the business, but also to realise their personal goals in terms of their ambitions. Egos often get in the way when people don't want to settle and insist on their way of doing things.

The manager must assess the situation. If the conflicted parties cannot resolve the situation, he/she must intervene to get the persons to focus first on the business on hand, before trying to advance their own agendas.

Differences in background, cultures and values often lead to irritations and lower productivity.

It is important to pay attention to these types of issues as soon as they become a problem. Employees should be reminded that sensitivity is needed when dealing with these complex differences. Sensitivity training and skill development such as time management, respecting interpersonal space and emotional intelligence contribute a lot to dealing with this type of conflict.

Poor communication leads to misunderstanding because facts are interpreted in different ways. This can lead to role overload (where one person has to do more than he/she can handle), role conflict (where team members all want to perform a certain task) or role ambiguity (team members are not sure of the roles that each one should fulfil). Poor communication can also contribute to people not meeting deadlines, or not informing someone in time about a problem meeting a specific deadline, so that the contingency plans can be put in place.

All barriers to communication must be removed. These can include issues such as poorly worded messages, poor language, distortion of the message and disturbances such as noise or interruptions.

Change brings uncertainty and this can lead to conflict, as there is often resistance to change. It is much more reassuring to keep things as they have 'always been done'. Unfortunately, any business that stagnates and fails to adapt to changes in the macro environment or new demands from consumers will not be successful.

Change management is essential to the success of any manager. Employees need to understand what the changes are and why changing certain things is important to the success of the business and how the need for change is also important to them. In order to achieve this, the change must be managed in a way that enables people to face challenges effectively. A two-way communication strategy makes employees feel valued and contributes to higher levels of buy-in. Training employees in the new strategy is important as it will empower the people to remain competent and enable them to cope. It is also useful to identify the leader in the group (not necessarily the manager) and get support from him/her so that the rest of the group will follow him/her and accept the change.

Limited resources and competition between team members for those resources can lead to conflict. The conflict can be functional, if it inspires team members to work harder (commission basis), but it can also contribute to people feeling that there can only be one winner, which may provoke anti-productive behaviour.

The manager must constantly remind the team members that although they sometimes have to compete with each other, ultimately everyone contributes to the overall success of the business. Similarly, individual success contributes to the success of the entire team.

Previously unresolved issues may 'erupt' during future conflict. Sometimes the easiest way to deal with conflict is to not consider it at all. The manager can hope that by ignoring the conflict situation it will disappear. For a short while, this may appear to be the case. But unresolved issues will remain an issue for as long as both parties are required to work together. This conflict can even escalate and become a more serious problem if the manager thinks the solution is to put his/her head in the sand and ignore the issue.

The manager must deal with any conflict situation as soon as it arises. Ignoring the issue or getting too involved in the situation can hinder his/her ability to think logically and act decisively.

Make recommendations/give strategies regarding the management of conflict in the business

The requirements of the specific situation and the skill of the manager will determine which conflict management approach will work best.

- 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 others' point of view.
- A person who decides to **Avoid** the conflict situation ignores the conflict by withdrawing or postpones the situation to deal with it later or avoid the situation by get someone else to handle the conflict situation. If it is not an important issue, this approach can work well.
- When **collaborating/cooperating**, the parties try to work together in a situation that completely satisfies all involved. When working together, parties try to find a solution that fully addresses everyone's concerns.
- This will usually take time as the underlying differences are exposed and must be dealt with.
- **Competing** means an individual is not willing to give in, instead he/she will do everything in his/her power to win. People will follow this approach if the conflict is about a matter of principle or value that cannot be abandoned.
- **Compromising** means the parties try to reach an acceptable solution to the mutual (although sometimes only partial) satisfaction of both parties by seeking a common middle ground.

THIRD PARTY INTERVENTIONS

Workplace Forums (WPF)

Workplace forums are strictly speaking not a form of third-party intervention, because it is a mechanism by which employees and employers can consult and jointly make decisions on certain issues (apart from wages). WPF can only be established if the business employs 100 or more employees. The perception that WPF is for small businesses is incorrect.

The WPF consists of employee representatives and management. A WPF comes into existence if the majority of trade unions apply to the CCMA to form a WPF.

Some of the issues that can be dealt with by the employer and WPF may include:

- Health and Safety Precautions.
- New ways of working which can lead to the restructuring and possible layoffs of workers.
- Job grading
- Criteria for merits and bonuses.
- Education and training.

If there is a dispute between the WPF and the employer that cannot be resolved, the dispute must be referred to the CCMA in writing.

Trade unions and employers' organisations

The rules and regulations relating to the establishment and management of a trade union and an employers' organisation are dealt with in the same article of the Labor Relations Act. The difference between the two is that a trade union represents the employees and aims to promote their well-being, while an employers' organisation does the same for the employers who belong to the organisation.

Unfortunately, trade unions are sometimes not really associated with conflict resolution but are often seen as the reason for conflict. Because of the historical role that trade unions played in bringing change to the country, workers often had to organise themselves in Labor movements, such as a trade union, especially when political parties were banned. Unfortunately, trade unions still play a political role to some extent, although no trade union may legally participate in politics. Unions must always look to the welfare of the workforce and do what is in their best interest when negotiating with the employer. Unfortunately, there are often other forces driving the day-to-day activities of some unions.

Employers do not always have the time, expertise or resources to deal with challenges arising from Human Capital and Industrial Relations issues. Employer organisations such as NAPE (National Association of Private Employers) or COFESA help members with issues related to employment contracts. CCMA negotiations, trade union negotiations and disciplinary and grievance procedures.

Commission for Conciliation, Mediation and Arbitration (CCMA)

The CCMA will try to settle disputes referred to them by going through the following process:
- Conciliation where they listen to both sides, but simply act as an independent party, while both parties discuss their respective point of view. If no consensus can be reached between the parties, the next step is mediation.
- During mediation, the CCMA representative will make a recommendation on how the dispute must be settled, but the recommendation is not binding.
- Arbitration is the third step in the process. The arbitrator will issue an instruction on how the dispute must be settled and this instruction is binding on both parties.
- If one of the parties thinks there was an oversight by the CCMA representative in dealing with the issue, it can be referred to the Labour Court.

The aim of the CCMA is to prevent labour disputes from escalating into labour unrest. The CCMA is not affiliated with any political party, Employers' Organisation or Trade

Union. Consequently, in dispute resolution, its **unbiased** opinion is recognised and accepted. CCMA also provides training on issues such as:
- The prevention of sexual harassment in the workplace.
- Disciplinary procedures.
- Workplace restructuring.
- Affirmative-action programmes.

The human resource/human capital function

Employees are no longer considered simply as a resource and only useful as a means to boost the performance of the business. The status of employees has changed and they are seen as an asset with certain skills, knowledge, experience, characteristics and attitudes. The business must determine the current and future value of the employees and reward them in a fair way, while realising that the future value of the employee is increased by investing in training and development. This is the reason for the change in the name from Human Resources to the Human Capital function.

Manpower planning as a prerequisite for recruitment and selection

Manpower planning is a top-down process. This means that the strategic plan of the business will determine what skills are needed to achieve the goals of the business. The required skills will be acquired via manpower planning and training.

Manpower planning refers to the process of:
- Estimating the number of employees.
- Assessing the range of skills required for the business to operate.
- Calculating the time frame of the employment needs of the business.

In order to do accurate manpower planning, each job in the business must be analysed, described and a job specification drawn up.

A **job analysis** is done to identify all the tasks and responsibilities associated with each job in the organisation.

As a result of the job analysis, a **job description** is done to specify the job title, a summary of the job, duties and working conditions associated with the job and the degree of supervision required to perform the job.

The **job specification** 'interprets' the job description in qualifications, skills and experience the employee needs to do the job. This is used as a guideline during the recruitment and selection process.

Once categories and specific skills have been identified, the Human Capital function has to determine whether a skills gap exists. This is the difference between **skills available** and the **skills needed**. The recruitment and selection process will aim to eliminate the skills gap.

THE PROCESS OF PROCURING THE FINEST TALENT FOR THE BUSINESS

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 position. The task of the recruitment agent is to determine the most effective communication channels to be used for the recruitment message.

Among other things, the business must consider the following internal and external options and then select the most suitable option for the type of employee required.

Internal recruitment is done by transferring an existing employee to a new position or promoting an existing employee.

The business can invite existing employees who are suitable candidates for the vacancy to apply for the position. This is done by reviewing employee files to identify potential candidates based on skills, qualifications and experience. Verbal recruitment can work if a manager recommends an employee for the position.

An alternative to sourcing internal staff is to post the position on an intranet or notice board in the business and invite interested staff to apply.

Current employees may also be asked to recommend someone outside the business for the position. It is a combination (hybrid) of internal and external recruitment.

The advantages of using internal recruitment are:
- The employee morale is improved if they know there are opportunities for promotion.
- It is more cost effective.
- The employee's previous performance and attitude towards the business is known.

If it is not possible to recruit employees from within the company, the business must recruit externally. This can be done by using one or a combination of the following techniques:

The position is advertised via an employment agency. Some agencies work exclusively on the Internet, while others may use the Internet as well as traditional advertising media.

The business can decide to advertise in newspapers, trade journals or at trade shows. Depending on the qualifications required for the position, the business may approach schools, colleges, universities and other educational institutions to seek suitable candidates.

Although it does not happen often with more senior positions, suitable employees may be sourced by looking at CVs of temporary or 'walk-in' applicants.

Employees can also be head hunted.

This means a suitable employee who works for a competitor, is identified and asked to apply for the vacancy.

The advantages of recruiting externally are:

- New ideas and skills are brought into the business.
- This can give the business an opportunity to employ more affirmative action candidates to meet Employment Equity targets.
- When an employee is head hunted, he/she can provide insight into the activities of competitors.
- No infighting between employees for the position.

Selection

Once the recruitment process is completed, the selection process begins by identifying the most suitable candidates for interviews. Selection consists of a number of steps and ends with the employee signing the employment contract and filling the vacancy.

In response to the position advertised, the business receives application forms, CVs and other relevant information. This is checked to ensure that all relevant information has been received from the candidates applying for the vacancy.

The next step is to evaluate all the application forms and CVs and to see which candidates meet the prescribed criteria.

The next procedure is to compile a shortlist of candidates for the first round of screening This is done by comparing each application with a predetermined list of criteria required for the position. This keeps the process objective.

Background and references are checked. A predetermined list of questions verifies the applicant's references and ensures fairness. Credit checks can be done and the criminal record checked.

Interviews are conducted, following the selection of the most suitable candidates. It is preferable that the interviews are conducted by a panel using fixed questions. This ensures impartiality. The purpose of interviews is to obtain additional information from the applicants and to assess the qualities of these people and their suitability for the position. Candidates also get the chance to ask questions about the position and organisation.

Candidates may be required to take certain tests to evaluate their suitability for the position:

Work sample tests measure the candidate's ability and their actual performance, e.g. a trainer may be required to do a presentation to assess his/her competence in communicating information. Psychometric tests: To determine whether the candidate's mental state and personality fit the position.

A medical examination can only be done if a certain health aspect is a requirement of the job, e.g. a truck driver requires a medical examination. The business pays for the costs.

Candidates are placed in order of preference and the candidate who is rated the highest and meets the most requirements are offered the position. If the candidate does not accept the offer, the offer may be made to the next suitable person.

Once the job offer is accepted, a contract is signed by both parties, the employer and the employee. Details specified in the employment contract may include:
- Full details of the employer.
- Full details of the employee (full name, ID, address, contact number).
- Details regarding the position (date of appointment, job title, duties, responsibilities, probationary period, working hours, leave, compensation, etc.).

It is often said that the recruitment activity is positive, but the selection process is negative. This implies that if a business is recruiting, all possible candidates are invited to submit their CVs, but the selection process favours the most desirable applicants.

Placement

The employee is usually placed in the position applied for. It may appear that the employee has a special skill, which makes him/her more suitable for another position in the business. Remuneration and other benefits can then be negotiated with the employee before he/she is appointed to this position. Correct placement ensures that the employee is optimally utilised in the best interests of the individuals and the business.

Induction

It is not the same as training for a specific job. This is training (orientation) that all new employees receive in order to help them become productive role players in the business as soon as possible.

There is standard information that should be included in an effective induction program. This may include:
- A written copy of the business' policy and procedures.
- An organogram to identify the different role players in the organisation.
- A face-to-face introduction to the manager and other staff members in the department.
- A tour of the facilities to show the new employee where the bathrooms, meeting rooms, etc. are. Also show him/her how to report something in case of a problem with technology.
- Exact instructions outlining how the new staff member should perform certain tasks must be issued.
- Give new employees a mentor, in case questions arise or there is uncertainty about job-related issues.

The benefits of a good program can include:
- This helps to reduce stress and anxiety experienced by the new employee, as it creates a positive impression of the business and he/she can more easily become part of the team.
- This ensures that the new employee starts with the correct information to do the job.
- This prevents waste of the business's time and money, because the employee immediately learns the correct procedures.
- New employees quickly become mindful of the business culture and adapt to the business' processes.
- Retention of staff is higher.

Compensation and employee benefits

There are a number of ways in which employees should be rewarded for their hard work. Remuneration and additional benefits that have a monetary value are part of the reward systems to enable employees to maintain a certain standard of living. Salaries and benefits are an important issue from both the employee's and the business's point of view.

Permanent or temporary workers can earn **salaries**. A salary is a fixed amount that is paid to the employee (once a month) on a predetermined date.

Wages are paid daily or weekly. This can be a fixed amount, which is calculated based on the number of hours worked or at a piece rate (according to output).

Commission is a form of compensation used to persuade the employee to deliver more. It is used in sales where the employee receives a percentage of the sales as commission. The more sales, the more commission can be earned, this is an **incentive** for the employee to improve performance.

Additional compensation can also be paid in the form of a bonus. The bonus can be guaranteed in the employment contract as a 13th cheque or it can be paid if performance targets are met.

More and more businesses offer employees a bonus in the form of profit sharing or giving employees share options in the business.

Methods of structuring salaries

There are two methods of structuring the compensation paid to employees, that is the cost plus benefits OR cost to company. The employee will be informed about the option used by the business when the job offer is made.

Cost plus benefits means the business pays a basic salary and then makes additional contributions regarding fringe benefits. This may include the following:
- Pension
- Medical aid
- Travel allowance
- Housing
- Meals
- Accommodation

If the salary package is structured as a cost to the company, this means that the employer offers the employee a salary, but after that **no additional** contribution will be made by the employer.

Training and skills development

These are usually considered the same thing. The distinction is the following:

Training refers to the process of ensuring that employees have the specific skills needed to do the job, e.g. waiters know items on the menu.

Skills development is focused on a broader set of skills/attitudes that are not job-specific, e.g. time management skills, communication skills, creative thinking skills, etc.

Employee evaluation

A manager must be able to plan, organise, lead and control. The productivity and efficiency of each employee should be regularly assessed against performance targets to determine the extent to which performance targets are being met or even exceeded. This is done through performance appraisal.

The performance appraisal is:

A **planning tool**: During performance appraisal, performance targets are agreed upon between the employee and his/her manager.

An **evaluation tool**: At the next appraisal, the performance is jointly evaluated by the employee and his/her manager.

A **feedback tool**: If targets have not been achieved, reasons must be discussed.

This gives both the employee and manager an opportunity to raise concerns in a formal meeting, after which plans of action are formulated to solve existing problems or anticipate future problems.

Personal improvement plans are outlined and these may require the employee to get more training or simply improve his/her performance significantly. If applicable, promotion opportunities and career paths are also discussed.

Retention

Staff retention is important in businesses. There are times when employees feel that it would be better for them to find a position in another business. Reasons for this can be the following:

- An opportunity to get a better salary and/or fringe benefits.
- The employee is unhappy with the way management treats employees.
- The employee does not get along with colleagues.
- The employee experiences no job satisfaction.
- A lack of opportunities to grow and develop.
- The employee is not happy about the working conditions.
- Travel time to work is unacceptable for whatever reason.
- Health reasons or people retire.
- A spouse is transferred to another town.
- The employees feel there is a lack of balance between work and personal life.

If employee turnover is too high, this can be an indication of problems in the business. Consequences of high staff turnover can include:

Reduced productivity levels.

An additional workload on employees who have to work harder while the new staff members settle in.

Low morale when employees become aware of too many vacancies.

A negative public perception of the business.

More money and time are needed to invest in the retraining of new staff members.

Staff retention can be improved. It is important to conduct an exit interview with the employee, because people are more willing to say what bothered them when they leave. An existing employee may be afraid of negative consequences from his/her manager if he/she discusses issues that bother him/her before he/she leaves the service. This issue needs to be addressed were possible.

Since candidates are from different countries, the example of CCMA was given for conflict resolution, if other countries' candidates have discussed other examples they should be looked up on the internet. (Google)

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	Section C
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	