



NATIONAL SENIOR CERTIFICATE EXAMINATION
NOVEMBER 2022

BUSINESS STUDIES

MARKING GUIDELINES

Time: 3 hours

300 marks

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

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

SECTION A**QUESTION 1**

1.1	C
1.2	B
1.3	D
1.4	C
1.5	A
1.6	A
1.7	A
1.8	A
1.9	C
1.10	C
1.11	D
1.12	D
1.13	A
1.14	C
1.15	C
1.16	A
1.17	C
1.18	B
1.19	A
1.20	A
1.21	C
1.22	C
1.23	A

QUESTION 2

2.1	Retrenchment
2.2	takeover
2.3	vision
2.4	equity
2.5	limitation
2.6	Transformational
2.7	Proximate clause
2.8	Delphi technique
2.9	Counterfeiting
2.10	Work Place Forum
2.11	CCMA

QUESTION 3

3.1 Labour Relations Act/ LRA

Unfair

☒

3.2 Basic Conditions of Employment Act/ BCEA

Fair

☒

3.3 Skills Development Act/ SDA

Unfair

☒

3.4 Labour Relations Act/ LRA

Fair

☒

3.5 Unemployment Insurance Fund Act/ UIF

Fair

☒

3.6 Compensation for Occupational Injuries and Diseases Act/ COIDA

Unfair

☒

SECTION B**QUESTION 4****4.1 Define the term sustainability as mentioned in the case study above.**

Sustainability means meeting our own needs without compromising the ability of future generations to meet their own needs.

(Consider any other relevant facts that define the term sustainability)

4.2 List FOUR principles of good corporate governance that Shoprite Holdings would need to consider as part of their "sustainability strategy".

- Transparency
- Accountability
- Independence
- Discipline
- Social responsibility
- Fairness
- Responsibility (of directors)

(Consider any other principles of good Corporate Governance that Shoprite Holdings would need to consider as part of their "sustainability strategy").

(Mark the first four principles)

4.3 Name THREE elements of the Triple Bottom Line/Integrated reporting that should form part of Shoprite Holdings' "sustainability strategy".

- People/Social
- Planet/Environmental
- Profit/Economic

(Consider any other elements of the Triple Bottom Line that should form part of Shoprite Holdings' "sustainability strategy".

(Mark the first three elements)

4.4 Discuss the demands that each of the stakeholders below would place on Shoprite Holdings. Suggest how Shoprite Holdings could deliver on these demands.**Suppliers:**

The people who supply Shoprite Holdings with the materials and services that they need to operate, require that the business also considers their needs. The more heads up you can give suppliers about changes to your business, the more they can plan their budgets and delivery schedules. Smaller partners like a one-person graphic design business or an IT service provider with a handful of employees need to be paid on time.

Employees:

Treating employees as valued assets, promoting a non-discriminatory work environment and actively involving employees in important decisions are examples of how this stakeholder influences a business, according to their job and career. The business might experience an increase in costs by increasing workplace safety, wages and benefits, but will keep their workers happy and make the business stronger, therefore potentially increasing the profit in the longer term.

Customers:

Satisfying customers and building long-term relationships are key to building a long-term, successful business. For example, if long-term customers are late with their payments because they are struggling, you might eliminate interest charges and late fees and let them work out a payment plan. This will change your cash flow projections, but might help you keep an important customer.

Many organisations use customer relationship management, a data-driven business marketing process whereby companies collect data on customers for more targeted and efficient marketing and sales efforts.

(Consider any other relevant facts that each of the stakeholders would place on Shoprite Holdings and suggest how Shoprite Holdings could deliver on these demands).

4.5 ***To ensure success, it is essential that Shoprite Holdings continually assess its business environments. Make use of the balanced scorecard and provide the missing information below.***

- Financial perspective
- Customer perspective
- Internal process perspective
- Learning and growth
- **Financial:** encourages the identification of a few relevant high-level financial measures. In particular, designers were encouraged to choose measures that helped inform the answer to the question "How do we look to shareholders?" Examples: cash flow, sales growth, operating income, return on equity.
- **Customer:** encourages the identification of measures that answer the question "What is important to our customers and stakeholders?" Examples: percent of sales from new products, on time delivery, share of important customers' purchases, ranking by important customers.
- **Internal business processes:** encourages the identification of measures that answer the question "What must we excel at?" Examples: cycle time, unit cost, yield, new product introductions.
- **Learning and growth:** encourages the identification of measures that answer the question "How can we continue to improve, create value and be innovative?". Examples: time to develop new generation of products, life cycle to product maturity, time to market versus competition.

(Only the first two responses should be considered)
(Consider any other relevant facts on elements of the balanced scorecard and how Shoprite Holdings supports its sustainability strategy)

4.6 Discuss, with the aid of an example for each strategy how Shoprite Holdings would ensure overall business success.

Low-cost strategy	→	In a low-cost strategy, the true winner is the business with the actual lowest cost in the market place. For example, if two businesses make essentially identical products that sell at the same price in the market place, the one with the lower costs has the advantage of a higher level of profit per sale.
Backward integration strategy	→	Backward integration refers to the business's strategy of vertical integration with its supply-side or supplier where the business either merges with the suppliers or acquires the supplier's business who provides raw materials to the business and also if the business decides to set up its own internal supply unit.
Product development strategy	→	Product development strategy is the process of bringing a new innovation to consumers from concept to testing through distribution. New product development strategies look at improving existing products to invigorate an existing market or create new products that the market seeks.

(Consider any other relevant facts to ensure overall business success)

4.7 Develop possible criteria that Shoprite Holdings could use to measure the success of their "Sustainability Strategy".

Conformity as an indicator for a business's sustainability is about respecting the rules and the national or international standards.

Use of materials and performance – The second KPI introduced by the *GreenTire* measures the number of resources and raw materials that are used, the amount of waste and the emissions that they generate. An indicator that evaluates both the environmental and economic part of a company for defining it as "sustainable".

Effects – What are the effects that your business produces? What about its utter environmental impact? What kind of regulation do you have for protecting the employees? How many accidents at work have you had in your organisation? Just ask these questions and you will have a clearer idea of the social and environmental effects of your company.

The supply chain and the product life cycle – This indicator underlines those aspects that are about the business itself. For defining a business as 'sustainable', it is important to take into account the whole product life cycle, from the choice of raw materials to the final disposal. For this reason, it is important to acknowledge if the suppliers use renewable energy sources; the amount of carbon dioxide produced by moving the products; if the product may be recycled or reused.

(Consider any other relevant criteria that Shoprite Holdings could use to measure the success of their 'Sustainability Strategy')

QUESTION 5**5.1 Define the term entrepreneurship.**

Entrepreneurship refers to an individual that has an idea and intends to execute on that idea, usually to disrupt the current market with a new product or service.

(Consider any other relevant facts that define entrepreneurship)

5.2 Name THREE entrepreneurial characteristics SPAR would want to drive as part of their entrepreneurship value.

- Creativity
- Passion
- Motivation
- Product or service knowledge
- Ability to network
- Self-confidence
- Optimism
- Vision
- Goal mindset
- Risk-taking
- Persuasiveness
- Decision-making
- Tenacity
- Money management
- Adaptability

**(Consider any other relevant entrepreneurial characteristics)
(Mark the first three entrepreneurial characteristics)**

5.3 Explain how SPAR should conduct professional and ethical business practices to ensure they are the first-choice brand in the communities they serve.

- The concept of good business practice refers to the standards of professionalism, accountability, ethics and effective business practice that should be conducted.
- Professional behaviour is guided and prescribed to by professional codes which stipulate that there are predetermined consequences for professionals that do not act in accordance with the specific professional code.
- If the employee does not belong to a professional organisation, it is sometimes not clear what is regarded as unethical behaviour, because ethical behaviour is also part of an individual's values and morals.
- To complicate matters even more:
 - Unethical actions are not necessarily illegal, e.g. it is not illegal to sell goods of a poor quality at a high price, because we live in a free market economy.
 - BUT all illegal acts will be seen as unethical, thus it will be illegal (and therefore unethical) to sell petrol below the price that government determines – even if selling it at a lower price may be to the advantage of consumers.

(Consider any other relevant facts on how SPAR should conduct professional and ethical business practices)

5.4 5.4.1 Name the type of conflict described in the statement above.

- Dysfunctional conflict

5.4.2 Explain the possible impact of this conflict on SPAR's operations and make recommendations on how to manage this type of conflict.**Possible outcomes** of dysfunctional conflict:

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

Possible management options:

- Provide conflict resolution training. You can reduce the negative impact of conflict by helping employees develop the skills they need to successfully resolve the conflicts that occur in their lives. This gives people more confidence in their ability to resolve both personal and professional conflict. It also makes people more effective at addressing minor conflicts as they occur, instead of allowing them to become major distractions.
- Provide communication skills training. By providing communication skills training, employees can increase their ability to communicate effectively with a diverse range of individuals, and manage the communication problems that are often at the heart of organisational conflict.
- Help staff develop positive work relationships. Give employees a chance to get to know each other better and to feel more comfortable with each other. This can be done by providing opportunities for social interaction on a continuous basis, by giving assignments that put staff into contact with people they don't normally interact with, and by providing cross-training opportunities.
- Implement team building activities. You can significantly improve team relationships and performance through the team development process. Such activities provide an opportunity for team members to get more comfortable with each other, to identify acceptable behaviours and modes of interaction, and to determine how team problems and conflicts will be resolved.
- Develop strong communication channels. You can improve communication within a team or organisation by strategically employing informational and problem-solving meetings, and by utilising a diverse range of organisational communication tools. Such tools include face-to-face discussions, e-mail, texting, videoconferences, online meetings, bulletin boards (both physical and electronic), voice mail and faxes.
- Create an environment that encourages participation. This can be done through formal employee involvement programs such as self-directed work teams, and suggestion systems that ask for employee input and reward people for their participation. This is especially important because research has shown that employee involvement programs have a positive impact on both individual and organisational performance.

- Provide conflict mediation training for leaders. No matter how hard you work at reducing dysfunctional conflict (conflict that hinders performance and prevents you from achieving organisational goals), sooner or later it is going to occur. Therefore, organisational leaders should develop their conflict mediation skills so they can help employees resolve the conflicts that will inevitably arise.
- Provide third-party conflict mediation services. There will be times when a manager or supervisor cannot mediate a conflict between employees. During these times, it helps if employees feel they have an experienced, objective third-party where they can confidentially address a conflict situation.
- Make sure employees are clear about organisational goals and priorities. Generally speaking, conflicts occur because of differences over *facts*, *goals*, *methods* or *values*. By ensuring that employees (especially the members of a given work team) are on the same page regarding objectives, priorities and plans, you will decrease the chances that dysfunctional conflict will occur due to differences over facts, goals or methods.
- Treat everyone fairly. This may seem obvious, but many managers are accused of preferential treatment, and it is incumbent upon organisational leaders to make sure they are behaving in an egalitarian fashion. Even the appearance of preferential behaviour can create conflict situations.

(Consider any other relevant facts the possible impact of dysfunctional conflict on SPAR's operations and make recommendations regarding managing this type of conflict)

5.5 Complete the schematic diagram below on recruitment and selection.

5.5.1 Provide an example of internal recruitment:

- Promotions.
- Transfers.
- Advertisements.
- Freelance to full-time employee.
- Enlisting retired former employees to freelance or work part-time.
- Having an employee referral scheme.

**(Consider any other relevant examples of internal recruitment)
(Mark the first example)**

5.5.2 Discuss an advantage of internal recruitment.

- Reduced time to hire
With internal recruiting, you save all the time you otherwise spend on identifying, attracting and engaging candidates. You have instant access to your candidates and their track records, they are already a culture fit and also pre-screened for the position, and the department is already acquainted with the candidate!
- Shortens the induction process
Every new hire takes some time to get acquainted with new people and processes but an internal hire is already familiar with the company's policies, practices and people. All they need to know about is their new role and its responsibilities.

- **Cost-effective**
Internal recruitment is cost-effective because unlike external recruitment it does not involve job postings, CV screening, filtering relevant CVs, communicating with shortlisted candidates, and conducting interviews. You simply need to narrow down on the most suitable candidates and hire the right fit to fill the open role.
 - **Improved employee morale**
Internal promotions send out the message that you value your staff and are willing to invest in their career growth. Giving your current employees more opportunities for career advancement by changing their roles will work to boost their morale and motivate them to do better in their new roles.
- (Consider any other relevant advantages of internal recruitment)**

5.5.3 Provide an example of external recruitment:

- Company websites.
- Employee referrals.
- Job boards (paid and free)
- Networking (informal, formal)
- Job fairs (online and virtual)
- On-campus college recruiting.
- Print, radio and TV advertising.
- Social media.

(Consider any other relevant examples of external recruitment)

5.5.4 Discuss a disadvantage of external recruitment.

- **Higher risk**
The external recruitment process can attract candidates who are not relevant or worthy of the open position. Since maximum candidates are total strangers to the recruiter, the risk of bringing a misfit onboard cannot be ruled out completely.
- **Greater cost**
The external recruitment process involves posting jobs on different platforms, coming up with compelling JDs, communicating with candidates, screening CVs, conducting interviews and coming up with an irresistible offer. All of these aspects of the recruitment process are time consuming, tedious, complicated, and costly.
- **Time consuming**
The biggest downside of an external recruitment drive is the time taken to fill open positions. Recruiters receive hundreds of CVs for every open position and screening them takes up a lot of time. However, using an applicant tracking system can take this entire screening time from hours to minutes and narrow down your talent pool to include only qualified candidates in a jiffy.
- **Possibility of maladjustment**
It is possible that your new hires may not be able to adapt to their new working environment and break the ice with their new team members. When recruiters fail to hire a culture fit, new hires often leave the job and need to be replaced, requiring recruiters to hunt for new candidates.

(Consider any other relevant facts of a disadvantage of external recruitment)

5.5.5 Identify any FOUR steps in the selection process.

- Initial screening of applications.

- Employment tests.
- Selection interview.
- Verifications and references.
- Physical examination.
- Final decision.
- Benefits of using employee selection.
- Put the test results into perspective.

**(Consider any other steps in the selection process)
(Mark the first four steps)**

5.6 Karabo, an employee at SPAR, receives the following monthly salary package:

5.6.1 Explain why Karabo's salary package is a cost plus benefits salary package.

Cost plus benefits means the business pays a basic salary and then makes additional contributions towards certain fringe benefits. These benefits may include contributions towards:

- pension
- medical aid
- travel allowance
- housing
- meals
- accommodation

(Consider any other relevant fact on why Karabo's salary package is a cost plus benefits salary package).

(Max one mark may be awarded for an example. Remaining mark should be given for explanation)

5.6.2 Explain the purpose of the UIF as part of Karabo's salary package.

The Unemployment Insurance Fund (UIF) gives **short-term relief to workers when they become unemployed or are unable to work because** of maternity, adoption and parental leave, or illness. It also provides relief to the dependants of a deceased contributor.

(Consider any other relevant purpose of the UIF as part of Karabo's salary package)

5.6.3 Name THREE fringe benefits Karabo could receive as part of his contract.

- life insurance
- tuition assistance
- childcare reimbursement
- cafeteria subsidies
- below-market loans
- employee discounts
- employee stock options
- use of a company-owned vehicle

(Consider any other relevant fringe benefits Karabo could receive as part of his contract.

(Mark the first three fringe benefits)

5.6.4 What is the total monthly cost of employing Karabo at SPAR?

Total CTC: Monthly Salary: R12 500 Pension: R625 (5% of the gross salary) Medical: R1000 UIF: R125 TOTAL CTC package: R14 250
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(Candidates must demonstrate an understanding of CTC)

5.7 Explain how brand extension would be used to achieve SPAR's vision: "First choice brand in the communities we serve".

An existing brand is used to launch a new product in the same or a related market. For example: Spar will use the Spar brand to add a new chocolate or ice cream to their product range.

A brand extension is when a company uses one of its established brand names on a new product or new product category. The strategy behind a brand extension is to use the company's already established brand equity to help it launch its newest product.

(Consider any other relevant facts on how brand extension would be used to achieve SPAR's vision: "First choice brand in the communities we serve".

5.8 Name THREE factors that SPAR should consider when building the SPAR brand.

- clear identity
- trust
- consistency
- distinctive voice
- intimacy with customers

(Consider any other relevant factors that SPAR should consider when building the SPAR brand)

(Mark the first three factors)

5.9 ***As SPAR continues to implement its purpose and vision in its supermarket strategy, complete the table below.***

- **PRODUCT**

It goes without saying that the service or product you're selling should be at the centre of every element of the marketing mix.

Fundamentally, it allows you to address the questions key to sales conversion: what problem or issue does the product solve for customers? Why is your product the best one to solve it?

- **PRICE**

The strategy behind the pricing of your product needs to be based on what your customers are prepared to pay, costs such as retail mark-up and manufacturing, as well as other considerations.

Your marketing mix can include subscription and membership discounting programs, or email marketing of promotions and sales.

- **PROMOTION**

Successful marketing strategies include all the promotional activities across the marketing mix, including advertising, direct marketing, and in-store promotional activities.

The possibilities of digital promotion are limited only by your imagination and can include online events, chats, social media groups, and livestreams.

- **PLACE**

Where and how your product is displayed and sold should be directly informed by your customers.

A deep understanding of their purchasing patterns – and targeting them at the right stage in their buying cycle – will make it clear where you should promote and sell your products and how that fits into your online and real-world marketing mix.

- **PEOPLE**

Excellent customer service not only converts to sales but can increase your customer base by referrals. Acquiring these referrals by people who love your brand can also be a great example of how your marketing efforts can support your sales process.

It's important that everyone who represents your brand or deals with customers – including the non-human chat bot variety! – are fully trained sales professionals with an intimate knowledge of your product and how they will improve the lives or solve the problems of your customers.

- **PROCESS**

The process of delivering your product to the consumer should be designed for maximum efficiency and reliability, but may also include features that are in line with your brand, such as being environmentally or sustainably focused.

With the rise in online shopping, digital partnerships and logistics have become an essential part of the marketing mix.

- **PHYSICAL EVIDENCE**

Physical evidence incorporates aspects that proves your brand exists and that a purchase took place.

Examples of proof that your brand exists can include things like a physical store or office for your business, a website if your business operates solely online, and printed business cards that you exchange when meeting people. Examples of proof of purchases can include physical or digital receipts, invoices, or follow-up email newsletters that you send to customers as a retention exercise.

Your marketing mix must also take into consideration all the things your customer sees, hears – sometimes even smells – in relation to your product or service.

This, of course, includes packaging and branding, but should also bring in the ways products are displayed in stores, where they are placed, and the context in which they are displayed, as well as digital placement, including on your website and social media.

**(Consider any other relevant identification of the marketing mix and a strategy that SPAR could implement)
(Mark the first two elements)**

QUESTION 6

- 6.1 ***As Pick n Pay is committed to legal employment practices. Discuss any TWO reasons that would be substantively fair for dismissing an employee.***

Dismissal due to incapacity (inability to meet the required standards)

Dismissal due to incapacity can be sub-divided into two categories:

- **Poor work performance:**
 - Examples may include incomplete or inaccurate work, work of a poor standard, carelessness regarding output or failure to meet deadlines.
 - The employer has to prove that the required work standard was fair, that the employee was aware of the required standard and that he/she was given sufficient support (e.g. training) to improve performance.
 - Demotion or a transfer to another job should be considered before an employee is dismissed (if this may solve the problem).
- **Poor health** preventing the employee from meeting the required standards:
 - The employer should try to modify or adapt the employee's tasks, if possible, to enable the employee to meet the required standards.
 - Extended unpaid leave should be considered if this will enable the employee to recover and thereby return to perform his/her duties to the required standard.
 - A transfer, to another more suitable position, should be considered before dismissal based on ill health occurs.

Dismissal based on misconduct (not adhering to the rules)

- The disciplinary code of the business should stipulate which offences are seen as more serious than others and what the disciplinary action associated with each offence will be. An employee may be dismissed for a less serious offence if all other methods to correct the behaviour have failed. Some offences, however, are serious enough that they may warrant immediate dismissal.
- Forms of misconduct may include, but are not limited to:
 - Abuse or unauthorised possession of company property.
 - Actions that are a threat to the safety of the employee or others.
 - Being under the influence of alcohol or any illegal substance.
 - Bribery and corruption.
 - Failure to adhere to rules.
 - Fighting.
 - Illegal industrial action.

Dismissal due to operational reasons (retrenching workers)

Section 189 of the LRA prescribes the procedures to be followed when retrenchments are implemented. Retrenchments may be implemented for a number of reasons such as:

- The restructuring of the department or business.
- If the business has economic reasons such as cost reduction or to increase profits.
- Technological reasons such as new machines necessitating fewer employees, and making some employees redundant.
- The business is closing.

(Consider any other relevant reasons that would be substantively fair for dismissing an employee.)

6.2 Explain each of the following activities that could occur during an industrial action at Pick n Pay.

Protected strike:	A protected strike is a strike that complies with the requirements in the LRA, where the subject matter of the strike is legitimate and procedural requirements are complied with prior to the strike commencing.
Lock-out:	The employer prevents employees from entering the workplace in an attempt to force them to accept the employer's demands. During a protected lockout (the employer followed the correct procedure), the employer does not have to pay wages and employees cannot sue the employer for loss of income.
Picketing:	Refers to a situation where striking workers demonstrate in a public place <i>outside</i> of the workplace. Only a registered trade union may organise a picket, and it must meet the requirements as stipulated in Code of Good Practice on Picketing issued by NEDLAC.
Sympathy strikes:	Takes place when employees strike in support of another strike. In order for the secondary strike to be protected (see below), the original strike has to be protected, i.e. the correct procedure has been followed.

(Consider any other relevant activities that could occur during industrial action at Pick n Pay)

6.3 Discuss the requirements that Pick n Pay would need to consider for an insurance contract to be valid.

Absolute good faith

This is also known as utmost honesty and requires the insured to disclose all relevant information that may affect the risk. If all questions are not answered honestly and accurately, the risk will not be covered, and the policy will be declared null and void. All premiums paid to cover the risk will be lost and no compensation will be received.

Insurable interest

A person has insurable interest if it can be proved that he/she will sustain a financial loss if a certain event takes place. The following are examples of insurable interest:

- A person has insurable interest in his own assets (belongings).
- A person has an insurable interest in his/her own health (if he/she becomes permanently or temporarily disabled) or in his/her life (in the case of death, the family members should be looked after).
- A married person has insurable interest in the life of the spouse (husband/wife).
- Business partners have an insurable interest in the lives of co-partners because they are jointly and separately liable for the debts of the business.
- A creditor has an insurable interest in the life of his debtor (a person that owes him/her money).

Contractual capacity means the person entering into the insurance contract is of legal age and sound mind. Legal age in South Africa is 18 years of age.

(Consider any other relevant requirements that Pick n Pay would need to consider for an insurance contract to be valid).

6.4 Discuss the advantages of Pick n Pay being covered by insurance.

- The insured can transfer some of the risks to the insurance company which then provides indemnification against a large number of risks, e.g. fire, theft, natural disasters, etc.
- Peace of mind, not having to worry about uncertainties.
- Cash back bonuses from some insurers if no claims are made.
- It may be cheaper to pay for insurance rather than paying the expense if the event takes place. Think, for example, of buying a new car and within a month it is stolen or written off. One premium has been paid and the car is replaced.

(Consider any other relevant advantages of Pick n Pay taking out insurance.)

6.5 Name FOUR types of non-compulsory insurance.

- Fire insurance
- General business insurance/Commercial insurance
- Household insurance
- Vehicle insurance
- Money in transit insurance
- Fidelity insurance
- Crop insurance

(Consider any other relevant types of non-compulsory insurance)

(Mark the first four types of non-compulsory insurance)

6.6 Pick n Pay needs to consider risk, return on investment (ROI), and timelines as part of their investment strategy. Using these THREE criteria, evaluate various investment options that Pick n Pay could consider.**Equities/shares:****Risk:**

- The JSE (and other stock exchanges in the world) have strict rules for companies to list on the stock exchange to protect investors and (hopefully) decrease the risk of investing in these listed companies. Despite this, equities are still seen as a moderate to high-risk investment.
- *Blue-chip shares* are shares in high-end companies on the stock exchange and the risk of acquiring shares in a blue-chip company is smaller than having shares in another company. The ROI in these blue-chip companies is usually higher than in other companies.
- Investors usually take smaller risks than people speculating with shares (see discussion under time frame to understand the difference between these two groups of people).

Return on investment (ROI):

When evaluating the ROI of shares bought in a listed company, there are two factors that contribute to the ROI:

- Increase in share price
- Dividends

Shareholders will buy shares in the company with the expectation that:

- The share price will increase over a period of time (capital growth).
- Good dividends will be generated. Dividends are the profits of the company that are divided among the shareholders and are not taxed in the hands of the shareholder in South Africa.
- A combination of the above occurs, as this usually helps to outperform inflation.
- The level of confidence in the state of the economy. When the economy is doing well, investors will feel positive about investing on the JSE and they will be eager to buy shares (bull market). If investors are pessimistic and they anticipate losses, they will sell their shares (bear market).
- Government policies or new legislation will impact on the overall confidence in the economy of the country and therefore the share prices. If, for example, there is speculation about nationalisation (state takes over ownership of private assets), shareholders will want to sell their shares and the share prices will drop.
- Industry performance will affect all the companies listed in that industry. Some industries may be more attractive to investors than others. If an industry has recently had negative publicity due to problems (strikes, out-dated technology) or positive publicity owing to upcoming events (tourism industry will benefit if a world cup event is won by South Africa), share prices in that industry may fall or increase.
- Financial performance of the business: sales, profits, financial ratios such as solvency, liquidity, return on employment, and the dividends declared. The better the financial performance of the business, the more likely the company is to declare good dividends and as a result the share price is likely to increase.
- Management and the public's confidence in the management team. The higher the confidence in the management team, the higher the demand will be for the shares and share prices will increase.
- Social issues surrounding the company may, for example, include its image in terms of environmentally-friendly manufacturing processes or the degree of involvement in CSR. This may either have a positive or negative impact on share prices.
- Legal issues such as pending lawsuits or allegations of price fixing may have a negative impact on the share price.
- Media coverage increases public awareness of the above developments, thereby creating certain perceptions of the country, industry and/or company with investors and potential investors; this in turn it will have a direct impact on share prices.

Time frame of the investment:

- Some people prefer to invest their money in shares with no short-term need to see huge capital gains. The investor will invest in blue-chip shares where there is capital growth (increase in share price) in the long term, and where dividends earned from the share portfolio are often used to buy more blue-chip shares.
- People that speculate with shares approach the matter differently. Speculators buy shares in companies that (in their opinion) will have a quick and significant increase in the share price. The speculator will then sell the shares when there is an opportunity to make a profit based on a higher share price. The speculator is not really concerned with dividends.

Debentures**Risk:**

- When the debenture is sold, it is often sold at a fixed interest rate, which has benefits and risks. Should interest rates drop, the debenture holder will be in the advantageous position that he/she will earn the higher interest rate on the debenture than what the banks offer. If, however, interest rates increase then the debenture holder may miss out on earning higher interest rates offered by other opportunities. If the debenture is sold at a variable interest rate linked at prime), this risk does not exist.
- Because debentures are usually unsecured financial instruments, there are always risks of the business going bankrupt, with a consequent loss for the debenture holder of his/her investment. The degree of this risk will be determined by the company's financial strength; and of course, the degree of risk linked to the projects / type of activity with which the business is involved.
- It carries a higher risk than investments at banks, but a lower risk than an investment in shares, because creditors rank higher than owners to recoup their money in the event of liquidation.

Return on investment (ROI):

- The company that issues the debenture is legally obliged to pay interest. This increases the potential for a return on investment when compared to shareholders, because the company does not have to declare dividends if the financial position does not allow it.
- There is no capital growth associated with debentures, just a steady stream of interest.
- Because debentures are unsecured debt, the business has to offer a higher interest rate to potential investors to compensate them for the higher risks.
- Remember interest income is taxable (above the threshold) and after tax is paid, the ROI on debentures seldom beats inflation.

Time frame of the investment:

- Debentures may be used as a long-term financial instrument to earn interest until such time as the debenture is redeemed.

Retirement annuities and pension funds**Risk:**

The risk associated with both a RA and a pension fund will depend on how and where the administrators have invested the contributions of members.

We can also look at risk from a different perspective. Think how pension funds or RAs can help individuals to manage their risk of not having sufficient income to survive once they have retired (when they no longer earn a salary).

Both RA's and Pension funds are tools to make provision for an income when the employee stops working and goes on pension. Unfortunately there are many people who do not make sufficient provision for their pension and as a result they cannot maintain their standard of living. The following points reflect some of the reasons why people may not be financially secure when they reach retirement age:

- People wait too long before starting to make provision for retirement. Who wants to think about saving money for something 30 or 40 years in the future?
- People generally live longer due to good medical care and, therefore, need to make provision for a longer time after 65 (retirement age), when they will be without a salary.

- Getting older may also mean more money is needed for health care. Additional provision should be made for these costs.
- People do not always consider the loss of benefits when they retire. They are happy if their salary, at the time of retirement, matches the pension payment. What, however, about the loss of a company car or housing subsidy when retirement is reached? One would in such a case actually need MORE money from the pension fund / RA than the last salary earned.
- When people change jobs, the pension built up at the previous job may be paid out. People should immediately reinvest this money in the new pension fund, rather than spending it on luxuries. Unfortunately, many do not reinvest their money.

Pension funds also have the option/benefit to help members to manage risks in terms of death and/or disability, as it offers cover for both these events.

Return on investment (ROI):

- The ROI will be determined by the prudent decisions of the investment manager that handled and invested the contributions. There are no guarantees and even if a specific ROI is guaranteed by the RA fund/Pension fund, it is important to compare this to inflation. Note: The figures regarding ROI given by the funds usually sound better than what they really are, because the funds make "predictions" of what they are hoping to achieve.
- Also be aware that most financial instruments (pension funds and RA included) will have administrative costs and management fees which will reduce the ROI.

Time frame of the investment:

From the above discussion under "Risk", it should be clear that provision for retirement, be it in the form of a RA or a pension plan is something that should be started as soon as possible and maintained for the entire 40 or 45 years that a salary will be earned as an employee.

Endowments

Risk:

- When taking out an endowment policy, the investor can choose the risk profile he would like to have – varying from high risk in an equity fund to a lower risk where a more balanced investment approach is followed.
- If the investor has chosen to invest monthly contributions, it is possible (with some insurers) to add a contribution waiver, which means if the investor suffers from a serious illness or becomes disabled, consequently being unable to continue contributing to the investment, the insurer will pay the monthly contributions on behalf of the insured. This is a form of risk management that the insured can take out in the event of adverse circumstances.

Return on investment (ROI):

- The ROI will depend on the risk profile chosen.
- There are management and admin fees that are deducted from the savings amount that will reduce the ROI.

Time frame of the investment:

The investment is usually for a period of between 5 and 10 years. It is thus a long-term savings plan.

Offshore investments

Risk and Return on investment (ROI):

Some of the reasons for choosing to invest in an offshore account may include:

- Diversification (when referring to offshore investments) means that risks are spread over different countries. Some countries are considered to have more stable markets (developed countries) than others (emerging markets).
- Changes in exchange rates may make it more attractive to invest in another country. The rand has shown a tendency to depreciate against the major currencies of the world – US dollar, British pound and the euro. If the currency depreciates (get weaker) it is favourable for someone with an investment in a foreign country. To illustrate how a depreciating rand can have a good ROI as a result, consider the following example: Suppose John has invested R5 in the USA at a time when the exchange rate was 1\$ = R5. This means he will have an investment = 1\$. The exchange rate has since depreciated to 1\$ = R10. If John cashes his investment in now, he will get R10 for the original R5 that he invested.
- There may be investment opportunities in other countries that do not exist in South Africa. South Africa does not have oil and if an investor feels oil is a good investment to make, he/she will have to buy shares in an oil company listed in another country.
- Someone may consider the option of emigration to a different country. Because of the exchange control mechanisms in place in South Africa, it is only possible to take a limited amount of money out of the country each year. It may then be a good idea to begin an investment portfolio in the foreign country.

Time frame of the investment:

The only limitation in terms of time is the amount of money that may be taken out of the country every year owing to exchange control by the Government. Offshore investments, however, may be used as a long-term or short-term investment strategy.

Unit trusts**Risk:**

The options available to choose from may vary from a high-risk equity fund where all funds are invested in shares, to a stable fund where risks are reduced by diversifying investments between equities, international markets and even investing in some low-risk money market instruments.

Return on investment (ROI):

- A good unit trust investment will outperform inflation over the medium term of 3 to 5 years.
- The rate of return will depend on the risk option that was chosen but will ultimately depend on how well the fund manager has invested the money.

Time frame of the investment:

Investing in unit trusts is usually a medium to long-term investment.

CollectiblesRisk:

- To deal in collectables requires a high level of knowledge and expertise.
- Any damage to something like a stamp collection, artwork or antiques will drastically diminish the value.

Return on investment (ROI):

- If the asset is truly a collectable, the value of the asset will increase over time (provided there is no damage).
- The disadvantage of this type of investment is that there is no monthly source of income for the investor.

Time frame of the investment:

- The markets for true collectables are not really volatile and this type of investment generally shows growth over a long period.
- Of course it is possible to make a profit over a short period of time if an item was bought at a low price, e.g. an unknown artist suddenly becomes famous because he/she was "discovered". Or, a piece of antique furniture, bought at a pawn shop that does not know the value of the asset, is subsequently sold at a handsome profit. Generally, these finds are the exception to the rule and sheer luck for the investor.

Notice deposits / Fixed depositsRisk:

Money invested with the bank generally has a very low risk. The investment can only be "lost" if the bank is liquidated. It has happened in South Africa that banks have been liquidated in the past, a relatively rare event. However, take note of the situation where African Bank was placed under curatorship in August 2014 to understand that even money in the bank carries some risk.

Return on investment (ROI):

- The interest rate offered on a fixed deposit will differ from bank to bank. It will also depend on the amount of money invested. Generally the longer the time frame and the higher the amount invested, the higher the interest rate will be. Despite this, it can only be hoped that the fixed deposit (even with cumulative interest) will exceed inflation. Unfortunately, it is often not the case.
- The only capital growth achieved with a fixed deposit is if interest on the fixed deposit is capitalised (re-invested). Cumulative interest is then earned on the original fixed deposit and the interest that was reinvested.
- If the investor decides that the interest must be paid out to him/her to supplement his/her income, there will be no capital growth.
- The return on investment with a fixed deposit is usually low, but then, so is the risk associated with the fixed deposit.

Time frame of the investment:

Fixed deposits can be from a year to 10 years (or even longer). The longer the time frame of the investment, the higher the interest rate usually is.

Money market accountsRisk and Return on investment (ROI):

Money market accounts have a low risk but offer a lower interest rate than longer-term investments.

The interest rate on money market accounts usually outperforms normal savings accounts. This makes them attractive options for short-term investors.

Time frame of the investment:

A money market account is a short-term investment option, ranging in time periods of about a month to a year.

(Marks are not awarded for describing an investment options)
(Consider any other relevant investment options that Pick n Pay could consider)

SECTION C

Fact marks are allocated as per the rubric for:

- **Naming**
- **Explaining/Justifying/Motivating**
- **Examples**

MANAGEMENT TASKS

Planning

- Every business needs to plan to ensure actions are geared towards the desired outcome. The plan should be drawn up with the aim of achieving the goals and objectives of the business, but the plan should be flexible and adaptable according to circumstances.
- The following are possible steps to be taken during the planning process: Understand and define the problem, get all the relevant information, analyse the information and consider all possible eventualities. Decide on a plan of action but consider alternative plans (contingency plans), implement the plan carefully and follow up to ensure the plan is successful; if not, implement corrective action. Planning in the business takes place on different management levels:
 - Top management is responsible for the overall, long-term strategic business plan, including the vision, mission, objectives and strategies for the overall business.
 - Middle management formulates tactical plans, which involve the acquisition of resources needed by the departments that they control namely, the Financial department, Marketing department, Production department, Human Capital department, etc. Middle management is responsible for medium-term planning and has to ensure that lower levels of management are guided to align their daily planning with that of middle management.
 - Lower management is responsible for operational plans and is in charge of planning work schedules and programs on a daily basis.
- The following are some principles to keep in mind when planning:
 - All managers, who are in a position where they are responsible for development and implementation of plans, will be held accountable for these two elements. However, it is important that managers receive support and guidance from middle/top managers during the planning and implementation phases.
 - Planning is aimed at the future. It has to be done in advance to give guidance to employees to implement changes timeously, while still ensuring the plans are within the budget (realistic).
 - Clear communication is crucial to inform employees of desired goals. It is always a good idea to communicate plans in writing in case someone needs to refer to the plan to confirm the original goal.
 - The KISS-principle: Keep it straight and simple so that the plan is easy to understand and to implement.
 - Planning is a management tool and should be used to guide employees towards the end goal. Planning is the crucial first step, but no plan will yield results without it being implemented.

Organising

- When the manager organises, it means he/she arranges activities in such a way that all resources (factors of production) contribute towards a systematic and successful business.
- These factors of production include the following: employees, working capital needed to run the business, any raw materials needed to produce the product, obtain the inventory to sell to consumers.
- There are different managers in charge of each of the functions, but the General Manager/CEO has to ensure all these managers realise that their tasks are inter-dependent and they must work together to achieve the overall goals of the business.
- Organisation also refers to reporting structures within the businesses. There is no single correct (or incorrect) organisational structure that fits all business. Regardless of the organisational structure chosen for the business, the important thing is that the reporting lines are clear in order to avoid confusion and blame-shifting.

Leading

- In order to implement plans and reach the desired outcome, the manager has to ensure guidance and support is given to employees, i.e. that they are guided to achieve the goals of the business, as well as their personal goals as employees.
- A good leader will strive to maintain a balance between being risk orientated (getting the job done) and people orientated (to focus on the needs of employees).
- on different management or leadership styles, e.g. democratic, autocratic etc. to understand the different approaches a manager may follow in order to achieve the goals of the business in different circumstances.
- The following are some general rules for good leadership:
 - Workers should always be helped to understand what goals are to be achieved.
 - A good leader will allow (and also encourage) subordinates to provide input and voice their opinions.
 - Employee morale improves if employees know that management respects them and will support them where possible.
 - Good work should always (or where possible) be recognised openly, while cautioning employees and/or addressing work-related problems which should be conducted in private. It is important that criticism should never be personal, but constructive to guide the employee to avoid repeating the mistake.
 - Explain to employees why there are changes or why certain procedures are to be followed, to ensure their acceptance and cooperation.

Control

- It is essential that management always uses control as the last step in any process. Control will provide the manager with feedback to determine how problems can be addressed in order to improve the performance of employees and the overall business.
- A good control system will include the following aspects:
 - Step 1: Set standards so that the Company's expectations are clear to every employee. These standards and expectations are, in turn, used as a benchmark to compare with actual performance. The standards must indicate to employees what will be evaluated and how it will be evaluated.
 - Step 2: The actual performance is measured against (compared to) the predetermined standards set in step 1.
 - Step 3: If there are any deviations from the projections when compared to actual performance, these deviations must be corrected by trained people or at the very least discussed to establish the cause of the deviations to prevent repetition of sub-standard work.

Coordinating

- Coordination ensures there is cooperation between different departments in the business and that everybody works towards a common goal.
- The key to coordination and cooperation is clear communication to ensure everybody understands the expectations required. Regular meetings will help to ensure this is achieved.
- The ultimate goal of coordination is to create synergy between individual efforts, teams and departments.

Communication

- Communication refers to the transfer and receiving of ideas and attitudes between management and workers, but also between the business and external groups such as the media, suppliers, customers and the government. Without good, clear communication, it is not possible to build relationships with these different stakeholders.
- Communication ensures coordination of activities within the business by letting workers know exactly what is expected from them.
- On the other hand, clear communication channels enable workers (or external stakeholders) to inform management about problems and ideas.
- Proper communication may help to improve the overall performance of the business, because the relevant people are informed about certain facts if and when (or before) they need the information.

Delegation

- Delegation is necessary in order to reduce the workload of senior employees and to achieve a more meaningful distribution of tasks and responsibilities.
- The manager will delegate duties, authority and responsibilities to subordinates.
- The person to whom the tasks were delegated must be able to perform the new tasks and may need additional training to empower him/her. It is also important to remember that when responsibility is delegated, the worker should also be authorised to handle situations that arise from the added responsibility.
- Both the employee and the manager who delegated the responsibility will be held accountable for the quality of the work done.

Motivation and Decision making

- In order to make a responsible decision, all relevant facts must be considered.
- A choice is made regarding what will be the best in a particular situation.
- Business decisions should be objective, with no personal prejudice influencing the decisions.
- It is important to assess the decision by considering its feasibility and viability.

Discipline

- The purpose of discipline is to improve future behaviour in the business. In order to achieve this, it is imperative that everybody knows what is regarded as misconduct, but also what the consequences will be if rules are broken or performance standards are not met.
- It is crucial when disciplinary measures are implemented, that it is done consistently (everybody is treated fairly).
- There is a misconception that the business has to issue three warnings before the employee may be dismissed.
 - A minor offence will result in a verbal warning or even more than one verbal warning.

- If the employee continues to act in a manner that led to the verbal warnings, a written warning may be issued and perhaps a second final written warning may follow.
- However, if it is a serious offence, immediate suspension of the employee may occur until the disciplinary hearing is held. No verbal or written warnings are required if the offence is serious.
- The business 'code of conduct' will specify what the disciplinary action should be for different offences.

MANAGEMENT COMPETENCIES:

Global awareness

- A global awareness is much more than merely trying to understand political, language or cultural differences between countries in order to avoid making general assumptions about other people. It is more than the fact that exchange rates appreciate or depreciate and that this may have an impact on the cost of the product. While these issues are important, it is vital to appreciate that global awareness encompasses much more.
- The manager must understand that even if the business does not trade (buy or sell) directly with other countries, he must know that the business world is interrelated and interconnected and that suppliers may originate from a range of countries. It is possible therefore that customs and values will differ between countries. An awareness of the entire supply chain is crucial. Consider the following: Should a manager allow a particular product to be sold in the business if somewhere in the supply chain child labourers were exploited? Or should a jewellery store sell diamond rings if it is suspected that "blood diamonds" may have been used? Should businesses sell a product if they know that during the manufacturing process serious harm was done to the environment?

Organisational awareness

- No organisation operates in a vacuum. Organisational awareness requires management to be aware of internal as well as external factors that may have an impact on the success of the business.
- The manager should understand the capabilities (strengths) and constraints (weaknesses) of the business.
- In order for management (at all levels) to be successful, it is important for them to have an understanding of what happens in the entire business, because the actions of the different functions or departments in the business have an impact on each other (interdependent).
- The manager should also have empathy and consider the pressures that different departments experience, and should aim to accommodate people where possible in order to ensure the entire business (rather than just that one department) is successful.
- Management must also understand the organisational culture of the business. If there is something within the culture that is not desirable, a proactive plan has to be implemented to change the organisational culture to something that is in line with the vision and mission of the business. This is important in order to enhance the overall functioning of the business.

Analysis

- In order to develop both a global and organisational awareness, the manager should be able to identify important sources of information, gather the relevant information, interpret the influence that different events may have on one another and then compare alternative plans of action. This is the ability to analyse and draw conclusions.
- When information is analysed, potential problems should be identified and solutions pre-empted in order to make sure risks are managed.

- Management needs to understand that analysis is a difficult task and where possible, decisions should not be made impulsively, but only after consideration of all relevant facts.

Strategic thinking leading to strategic action

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

Teamwork

- A good manager will be aware of other people's feelings and fears and anticipate how these will affect team members. The manager should ensure that teams are designed so that members will complement each other's strengths and weaknesses.
- As the team leader, the manager has to ensure that members of the team (employees in the business) listen to each other, express disagreement in a constructive manner and then find a way to work cooperatively with one another.
- The manager will encourage all team members to work together but will prudently intervene to resolve conflict.
- It is important that the team members have a clear understanding of the goals and that all team members are empowered with the necessary skills to achieve these goals. If the skills are lacking, team members must be trained and then be held accountable for their performance.

Empowerment & talent development

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

Initiative

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

Judgement

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

Negotiation

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

Customer service orientation

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

Total: 300 marks

BUSINESS STUDIES PAPER II – LOWER ORDER THINKING RUBRIC (60% WEIGHTING)

BUSINESS STUDIES PAPER II – LOWER ORDER THINKING SKILLS (50% 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 A: (30 marks)	

BUSINESS STUDIES PAPER II – 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 understanding of the issues at hand. Current affairs is fully integrated into the response.			
	0		1		2		3		4		5	
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.	
	0		1		2		3		4		5	
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	
1 Introduction – don't just re-write question, but shows 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 B: (20 marks)												
TOTAL												