

**BUSINESS STUDIES: PAPER II**  
**MARKING GUIDELINES**

Time: 2 hours 100 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.

The following aspects may be considered when marks are allocated in this paper:

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

**QUESTION 1 LO 1 and LO 3**  
**SUGGESTED CONTENT: for mark out of 24 on LOT – Rubric**

PESTLE Analysis for TOYOTA		Possible Challenges
External Environmental Factors		Political situation in SA (this can not be described at present as there may be developments after the General Elections and closer to the time this examination paper is written. It will be discussed at the standardisation meeting during marking).
<b>P</b> Political Factors		Political instability in neighbouring countries or countries where parts are imported from or cars exported to.
<b>E</b> Economic Factors		Inflation Exchange rates for both imports and exports Cost of labour Demand for transport (mini buses) close to the 2010 Soccer World Cup Threats of new entrants to the market Availability and cost of resources such as steel
<b>S</b> Social Factors		Sustainable community development Employees with HIV/AIDS resulting in absenteeism and low productivity Community development and upliftment
<b>T</b> Technological Factors		Technology development
<b>L</b> Legal Factors		Labour legislation Tender processes Black Economic Empowerment
<b>E</b> Environmental Factors		Sustainability of Resources Pollution 'Green' issues

24 + 12 = 36

**Extension of PESTLE Analysis:**

**P = Physical environment:** Availability of housing, transport for employees.

**E = Ethical environment:** Toyota strives to maintain ethical business practice in marketing, negotiating and all other aspects of business. (Max. 24) 36

**At least 2 factors to be discussed**  
**1 mark for naming, 1 mark per fact in discussion**

**Reasons for conflict:**

There are numerous reasons for conflict and to pretend to be able to draw up an all-encompassing list is unrealistic. We attempt here to look at some of the most obvious reasons for conflict in a business environment.

**1. Change**

The same is true in the business world. Proper change management will help to increase the chances of survival of undertakings operating in the new economy. The so-called **new economy** can be defined as a situation where revolutionary changes are experienced in terms of innovation in technology, globalisation and knowledge management. The management of these changes may be the difference between businesses that will succeed and those that will perish.

There is, however, (almost) always resistance to change. This resistance often leads to conflict.

**2. Inclusivity and cultural diversity**

In South Africa we have many different cultures and it is important to remember that we have to accommodate all of these in the workplace. Unfortunately these cultural differences may lead to conflict situations – often because of ignorance.

Also beware of the danger of stereotyping, e.g. 'All Afrikaners believe this or that' or 'Only men are natural leaders and should therefore be promoted over females'.

Despite having warned against stereotyping, we have to acknowledge that certain cultures in a country or certain countries have very distinct characteristics and may require a thorough understanding.

In this regard we can simply look at the African culture of Ubuntu vs the more Western culture. When entering business transactions or negotiations in the workplace, it will stand the person in good stead to acknowledge that some of these differences may lead to conflict situations if not taken into account.

**3. Lack of or poor communication**

If employees are not informed about decisions or not sure what to expect next, they start to rely on the grapevine (rumours) which is not always reliable. Conflict is a result of uncertainty.

Uncertainty regarding expectations, such as poorly defined job descriptions or inconsistent actions from management, will most definitely lead to conflict.

Poor communication may be the result of poor listening skills. People sometimes listen but they don't hear and this results in misunderstandings.

Communication barriers such as an organisational structure that is too hierarchical could also contribute to conflict. A poorly defined organisational structure on the other hand may lead to jurisdictional ambiguities (uncertainty regarding what is allowed) such as who may discipline a worker. Any other barrier to effective communication will also probably lead to conflict between role players in the business.

**4. Resource allocation**

Insufficient resources or unequal distribution of resources to perform the task will cause stress amongst employees. This 'fighting' for resources is a structural reason for conflict in an organisation.

Interdependence in the organisation is related to resource allocation. If for example the purchasing department has to wait for the financial department to allocate funds needed to buy raw material that is required in the production process, this interdependence will mean a delay in one department and may have a ripple effect of conflict throughout the organisation.

Skills and abilities are also classified under resources. If a manager expects an employee to perform a task that an employee is not capable to perform, it will lead to problems in the workplace.

**5. Personalities and emotions**

All people in the workplace are unique. Sometimes different personality types thrown together in close proximity in the workplace may contribute to conflict. Different personality types also react with different emotions to situations.

Type A personalities are for example usually workaholics that have extremely high expectations of themselves and others, they are impatient and unhappy about even small delays in deadlines. Type B personalities on the other hand are usually easy going with no real time urgency.

**6. Values and ethics – Perceived or real**

Values and ethics are personal sets of beliefs that guide actions or describe a preferred manner in which to handle a situation. Values and ethics are however closely linked to culture and religion and will therefore differ between people.

Remember perceptions are more important than reality. People often believe what they perceive to be true even if it is not true and this may lead to unnecessary conflict.

**7. Inner Conflict**

Conflict is not only external. We are all human, and as such, bring our past experiences, issues, beliefs and morals into every situation. Often, our perception of a situation is far more important (and influential) than the reality. That is why two people can attend the same event, e.g. a soccer match, and have two totally different reactions to it. One will see it as disorganised and the crowd as unruly; the other will describe it as having a great vibe and the audience as having a lot of spirit.

As discussed in the section on Problem Solving, the problem presenting itself is often not the real issue. For example, an argument erupts between two team members busy on a task. The team has to decide which of three different advertising layouts to use for their next campaign. Xando is keen on layout 1, but Ann is insisting on layout 2. After stepping in to arbitrate, the team leader discovers that Ann is actually upset about the fact that Xando was recently promoted into a position that she applied for, so she is not looking at the best layout, but merely determined to oppose Xando. Her inner conflict over the promotion is causing problems in the workplace, so in order to resolve the issue, that has to be addressed.

Some of the issues that can lead to inner conflict:

- Jealousy (as above)
- Feelings of inferiority, being used as a scapegoat
- Need to control or need to impress people (seeking constant approval)
- Personal morals, beliefs and ethics
- Oversensitivity and low self esteem

(Max 12)

1/1/1  
6 x 2  
or  
4 x 3  
7 x 2 = 14  
12 = 12

**What skills should a manager have and what tools can be used to manage conflict?**

Managers and employees alike can and should be coached to change behaviour in order to handle conflict better. In order to change, employees in the organisation can, irrespective of their level in the business, use skills and tools to transform a conflict situation into an opportunity through constructive conflict resolution.

**1. Ability to deal with change**

Change is often one of the key contributors to conflict. Managers at all levels should be able to cope with change and help their employees deal with change.

This can be done by understanding how people deal with change and helping them to overcome anxieties related to change.

People's first reaction to change is usually resistance. Communication to motivate the change and training can be used to overcome or reduce resistance to change.

## 2. Tolerance regarding inclusivity and cultural diversity

People should be exposed to and educated regarding cultural diversity to create tolerance for differences. Keep background information in mind when dealing with different people. For example there are huge cultural differences regarding time and interpersonal space to name but two potential sources for conflict. An American that is appointed as the CEO of a company operating in South Africa might not understand or appreciate it when the meeting starts twenty minutes late and the excuse offered is 'African time'.

## 3. Communication skills

A manager should have the ability to communicate information in a clear and understandable manner. The success of the communication is, however, often dependent on the degree of trust invested in the relationship. Without rapport, chances of successful communication diminishes radically.

Regular meetings to get feedback and suggestions from employees can be useful communication tools. As an alternative to meetings to get input from employees, a suggestion box can be implemented. Meetings can also be used to communicate new initiatives and motivate changes that will be implemented. Notice boards, newsletters and memo's are also forms of written communication in an organisation.

Regular written reports regarding proposed plans, the status of current activities and accomplishments can help management to pre-empt conflict situations that may cause problems.

An important element of communication is listening to the reason for the unhappiness, acknowledging what is being said, then trying to understand why the person is feeling this way before responding. Summarising and paraphrasing before responding are good tools that may improve the communication process.

Negotiation, mediation and arbitration are methods that can be used to reduce or eliminate conflict by involving a third party to improve the communication process.

## 4. The ability to think and act strategically

The starting point of strategic planning is to develop a shared vision and mission to help employees to understand the purpose and direction of the organisation. The systems approach to strategic planning helps the organisation to link its internal and external environments and improving performance by reconciling available resources with changes in the external environment.

Linking the internal resources with the external environment requires an environmental scan using tools such as a SWOT analysis or a value chain analysis in order to identify the key success factors and competitive advantage of the undertaking. The business can then formulate a strategy that will assist all employees to understand the long term goals of the business.

Although strategic planning takes place at top management level it is important to get input and feedback from lower levels, as well to ensure buy-in and understanding of the process. If this can be achieved, a huge obstacle would have been overcome in managing potential conflict in the organisation due to inefficient resource allocation.

## 5. Emotional intelligence to deal with different personalities and emotions

**Emotional intelligence** refers to the person's ability to manage relationships in a mature manner and this may include, amongst other things, to resolve conflict and disagreements in a positive manner.

A good starting point of resolving conflict due to personalities and emotional issues is to keep emotions in check. This does not imply a person has to ignore their emotions or pretend they don't exist, but rather that a choice is made on how to vent those emotions.

The manager should acquire the skill to steer the conflict in such a manner that people focus on the problem at hand and not get abusive towards the other party. When emotions run high these two issues (the problem vs the other person) often become entangled.

It is important that the origin of the conflict situation remains the focus and that the conflicting parties don't get side tracked with non-pertinent issues in this emotional debate.

One tool that can be applied to separate the person and the problem is to ask the question 'why' in order to understand the reason for the underlying problem. Asking the conflicting party to explain the problem will help to understand the root rather than allowing people to get carried away justifying their emotions.

Asking the question 'why' may also offer the opportunity to ask 'how' do you propose we solve this problem in a fair manner? This once again focuses on the problem and prevents people attacking one another purely based on emotions.

## 6. Values and ethics – perceived or real

Training and open communication can help to overcome conflict due to a lack of understanding and help to encourage flexibility and create empathy that can help people to accommodate and even celebrate differences. (Max 12)

## Management of conflict (how people deal with conflict)

### 1. Stimulating functional conflict – Devil's advocate

Conflict can stimulate creativity and prevent group think in teams. Group think occurs when team members do not want to criticise one another because of their desire to get along. This then hampers critical thinking.

When a person assumes the role of Devil's Advocate he/she criticises the proposed plan of action in order to encourage analytical thinking and to test the proposed plan of action. This deliberate introduction of criticism is known as programmed conflict and is used in order to elicit debate and different opinions.

### 2. Negotiation and integration to solve problems

Integration is one possible method of handling dysfunctional conflict. It is a suitable approach to resolve conflict that exists due to misunderstanding, but is not suitable when the root of the conflict lies with differences in value systems. People are usually just not prepared to re-negotiate their value systems!

In a situation where negotiation fails it usually calls for the dispute to be resolved through anything from facilitation to arbitration. Think about third party interventions.

**3. Smoothing**

This is mostly a temporary method of solving a conflict situation as differences are ignored and the focus is placed on what people have in common. The conflict situation is 'smoothed over' but if it is a serious problem it may actually make the situation worse. The short term solution to the problem may lead to the conflict surfacing again in the future.

**4. Forcing**

In a situation of forcing, a person in a position of authority forces his/her solution to the problem on the subordinate. This autocratic style does not encourage participation in the problem solving process and often leads to resentment.

**5. Avoidance**

The problem is avoided by pretending it is not there or ignoring it, and is mostly used when the perception exists that it is simply not worth the effort to argue. This approach is suitable for trivial issues, but with a serious situation, it may worsen the conflict over time.

Another form of conflict avoidance is if someone else is sent to deliver a message rather than to confront the situation. The issue is not resolved but just (often temporarily) postponed.

**6. Compromise**

This democratic style of handling conflict is found in a situation where there are opposing opinions on an issue but both parties have equal power. It is a situation of mutual give-and-take but if it is not managed well it may lead to a situation where deadlines are not met because it is easier to simply withdraw or give in. If one person is constantly expected to yield or compromise he/she may decide it is better to (at least psychologically) withdraw from the situation. This approach may even worsen the conflict over time as it may cause conflict within the person that constantly has to compromise and accommodate others. (Max 12)

**LOWER ORDER THINKING RUBRIC (60%)**

Business Studies – Paper II: Lower Order Thinking Assessment Grid					
Format	2	1	0		Marks
	Correct format	Partially correct format	Not meeting the correct standard		
	4	3	2	1	0
<b>Terminology</b>	Outstanding use of business terminology	Good use of business terminology	Limited use of business terminology	Isolated use of business terminology	No use of business terminology
<b>Content</b> (number of relevant facts)	Maximum 48 facts. Divide by 2 to get mark out of 24.				
<b>Sub-Total</b>					
	/30				

**HIGHER ORDER THINKING RUBRIC (40%)**

Business Studies – Paper II – Higher Order Thinking Assessment Grid

CRITERIA	4	3	2	1	0	Mark
<b>Substantiation</b> (Justification for statements made)	Statements are thoroughly substantiated showing breadth and depth of understanding.	The majority of the statements are well substantiated.	Less than half of the statements are well substantiated.	Very limited substantiation.	Attempt at substantiation but incomplete, incoherent or insufficient.	
<b>Application to context</b>	Examples are relevant to the case study and fully integrated into the response showing understanding of the issues at hand.	Most of the examples relate to the case study and are adequately applied.	Some reference made to the case study with isolated examples given.	Superficial reference to the case study.	No application to the case study.	
<b>Creative Problem Solving</b>	Superb insight into the crux of the problem, and pertinent solutions offered which are fully discussed.	Good understanding of the problem, with a viable solution discussed in some detail.	Some insight into the problem, with a partially relevant solution, which is not explored in depth.	Correct identification of the problem, but irrelevant solution.	No understanding of the problem.	
<b>Synthesis</b> (With conclusion where possible)	Arguments logically presented in a thorough cohesive manner where threads are clearly drawn together.	Arguments are logically presented with minor loss of focus.	Arguments are partially developed with some focus evident in the arguments.	Attempt at arguments but loss of focus leading to waffling and unable to link facts.	Isolated facts with no cohesion.	
<b>Sub-Total</b>						/20

**30 + 20 = 50 marks**

**Sections: Max per section**

- PESTLE (24)
- Reasons for conflict (12)
- Skills in handling conflict (12)
- Alternatives in handling conflict (12)

**QUESTION 2 LO 2 and LO 4**

**Suggested answer**

**1. Role of Trade Unions**

A trade union is any number of employees in a particular undertaking, industry, trade or occupation associated together for the purpose of regulating relations in that undertaking, industry, trade or occupation between themselves or some of them and their employers or some of their employers.

The South African Constitution guarantees the principle of Freedom of Association. This affords employees the right to join a Trade Union of their choice and employers the right to join an employer's organisation.

In order for trade unions to make full use of the procedures of the LRA (Labour Relations Act), they must be registered, in order to obtain registration certain requirements must be met namely:

- A proper constitution.
- The constitution must be consistent with the LRA.
- The union should not be formed to evade any law, nor should it be affiliated to any political party.
- Registration is important as it gives certain rights to the trade union, one of the most important being that it allows them to be party to the Bargaining or Statutory council. This means that wages and conditions of employment can be negotiated which may be made binding by law.

With the exception of workers in the excluded categories, essential services, e.g. National Defense Force members, any worker has the right to join or form a trade union.

No employer may make it a condition of employment that an employee may not become a member of a trade union. An employer can be compelled to deduct trade union membership fees from the wages of an employee and to pay these over to the trade union. The law also gives the employee the right to engage in union action (provided certain conditions are complied with), to hold meetings at the workplace and the employer may not prevent these actions from taking place.

The main aim of a trade union is to engage in collective bargaining with employers on behalf of the members of the union. The union will also advise and represent members on conditions of service, grievances and disciplinary issues as well as other labour relations issues.

The functions of a trade union can be summarised as follows:

- Protecting the rights of workers and ensuring fair treatment of members.
- Improving conditions of service/employment by addressing the following issues:
  - Salaries
  - Employee benefits, e.g. leave, housing, medical
  - Job security
  - Physical work environment (safety)
- Representing members in negotiations with employers.
- Representing employees in disciplinary issues, e.g. at a disciplinary hearing or in a labour court.
- Advising employees on labour relations issues, e.g. procedures for retrenchment, promotion (interviews).
- Striving to achieve industrial peace while influencing policies and decisions regarding labour issues. (Max 16)

**2. Industrial action: Strikes, Lock-outs and other forms of industrial action**

The LRA gives employees the right to strike, but it also gives employers recourse to lock out striking employees.

**2.1 Strikes:**

A single worker cannot strike as it will only be regarded as a strike if two or more employees participate in the action. These striking employees might work for the same or different employers, but they must act with a common work-related purpose. The reason for the strike action must therefore be to solve a grievance or dispute about a matter of mutual interest that concerns employees and employers. So for example, will industrial action over the removal of a national sports captain not be classified as a strike?

The action can be a partial or complete refusal to work, for example go-slow, work-to-rule or intermittent strikes (where employees stop and start the same strike over a period of time). It may also include overtime bans.

**Protected strikes:**

Strike action can be protected or unprotected. Employees involved in protected strikes enjoy certain benefits that employees who engage in unprotected strikes do not have.

- A Certain procedures need to be followed for a strike to be considered protected.
  - Any collective agreement regarding dispute resolution procedures must be followed.
  - If there is no agreed dispute resolution procedure then the procedures of the LRA must be followed:
    - The issue in dispute must be referred in writing to the CCMA, a bargaining council or a statutory council.
    - The CCMA or council must try to settle the dispute through conciliation within 30 days.
    - If this fails, the CCMA or council must issue a certificate saying that the dispute has not been resolved, and
    - At least 48 hours notice in writing of the proposed strike must be given to the employer or seven days notice if the state is the employer.

**B A strike will not be protected if:**

- A collective agreement specifically states that workers may not strike over the issue at hand.
- The correct procedures have not been followed or if the arbitration decision is ignored.
- The parties are engaged in an essential service.

**C During a protected strike:**

- Employees may not be dismissed for going on strike. Employees may, however, be dismissed for misconduct during the strike, such as intimidation or violence.
- The employer cannot apply for a court interdict to stop the strike, but may apply for a court interdict to prevent unlawful action, such as damage to property or intimidation of working employees.
- The refusal to work is not seen as a breach of contract and the employer cannot claim damages for loss of production from striking workers.
- An employer does not have to pay employees participating in a protected strike, i.e. the 'No work, no pay-rule' can be enforced.

The LRA defines an essential service as:

- A service where the interruption of that service may endanger the life, personal safety or health of any part of the population
- The parliamentary services
- The South African Police Services

Disputes in essential services go to arbitration if conciliation has failed to settle the matter.

**Reasons for strikes/lock-outs:**

Strikes and lock-outs may be held over disputes regarding issues of mutual interest between the employee and employer and may include issues such as:

- Wage increases
- A demand to recognise a trade union
- Unhappiness regarding unilateral changes that the employer made to working conditions
- In sympathy with a protected strike by another party

**Lock-outs:**

Employers can lock-out employees, which means that they physically exclude employees from the workplace in order to force employees to accept a demand or offer of the employer that relates to the strike.

**2.2 Other forms of industrial action:**

**A Picketing**

The LRA recognises the right to picket as follows:

- Only a registered trade union may organise a picket.
- A picket may be held at any place to which the public has access, e.g. outside the premises of an employer. Unions must obtain the employer's permission to picket inside the workplace, but the employer may not withhold this permission unreasonably.
- The picket must be peaceful.

**B Secondary action**

Secondary action refers to employees striking in support of a strike by other employees.

Secondary action will be protected if:

- The main strike is protected.
- The secondary strikers give seven days' notice to their employer. (Max 16)

**Entrepreneurs** *Maake - i Enjinera i Enjinera well + words (Not necessarily 6/16 but 3 or 4 words explain)*

Critical entrepreneurial qualities:

- Passionate visionaries who believe they can do something that no-one else had either thought of, or succeeded in doing before them.
- Creative thinkers who challenge the conventional ways of doing things, innovating different aspects of traditional businesses such as products, methods and marketing campaigns.
- Risk takers with a positive attitude, taking chance by devoting their time, money and other resources to something they believed would work.
- They're good leaders, because they persuade others to buy into their dream and help them to realise it.
- They are independent spirits, who like to be in control and are internally motivated, rather than working for a boss who tells them what to do.

- They have perseverance and commitment. Entrepreneurs know they can't change the world in a day, but they work hard until, eventually, they change the part of the world they live in.
- They are all opportunists who happened to be in the right place at the right time – people who see an opening and take it.

- They are individuals who either have the necessary expertise, knowledge and skills to make the business a success, or the ability to recognise their shortcomings and then hire the right people to fill the gaps. (Max 16)

**Critical Success Factors**

**The Micro Environment of the Business** *No Mark. for their heading!*

The size and type of business will play a huge role in determining when it is a success. A sustenance type of business will be successful if it can sustain the family or owners running it, whereas a larger business may need to pay off loans before it can be considered successful. At least the owners have control over these internal elements (such as the eight management functions), and often working harder, cutting costs or innovating production will have direct benefits on the success of the business.

The goals and objectives of the business are based within the broader context of the Vision and Mission Statements of the business. Is it profit-driven, CSR-driven or aimed at some other purpose such as making the owner famous?

In business, success for some may be making a profit, but for others merely breaking into the market with their new invention, even if the business is initially running at a loss, would count as success. Charitable organisations count their success in the number of people or animals they help – not in rands and cents. Other organisations tackle global issues such as global warming, deforestation or predicting natural disasters, (e.g. tsunamis, earthquakes and volcanic eruptions), and financial considerations are a secondary issue.

Entrepreneurial businesses, however, are mostly started with economic goals, especially at the beginning of their life cycle. Survival precedes philanthropic ideals, but in many cases, as the business grows the entrepreneurs are able to get more involved in other issues that are meaningful to them. Some entrepreneurs will start their own business purely to be able to have control over profits in order to pursue their dreams of saving dolphins or building orphanages, for example.

Therefore, in order to analyse the success factors for any specific business, it is important to start by looking at their aims and values – is it 'accomplishing its intended purpose'? It is only possible to measure the achievement of an aim or goal if it is properly formulated to start off with.

**The Market Environment of the Business** *No Mark.*

This environment is volatile when determining the success or failure of a business. The owner can influence, but not always control the market factors. For example, they can influence customers through better marketing, or cooperate with trade unions and suppliers through open communication, but they are usually powerless to influence competitors unless it is an industry where there is cooperation between them such as the cellular service providers.

Refer to Porter's Five Forces model:

- The level of rivalry in the market
- The availability of substitute products
- The threat of new entrants that may join the market
- The power of suppliers
- The power of buyers

• **The Macro Environment of the Business** No marks

The macro environment has a huge effect on the success of the business, as a single incident has the potential to wipe it out completely. The business has no control over these elements, but it is necessary to have strategies in place in order to minimise the effect that these incidents have on the success of the business. Examples of these strategies include having sufficient insurance or doing risk management assessments.

In today's economy, no business can operate in isolation, and the ultimate measure of success is not only what the owners quantify success to be for themselves, but the increased emphasis on social and environmental awareness that has led to these factors being incorporated into the yardstick for measuring the success of a business.

**Triple Bottom Line Reporting**, which forms an integral part of modern business management, therefore includes reporting on:

- Economic prosperity Profit
- Social responsibility People
- Environmental sustainability Planet

Guidelines were set by the GRI (Global Reporting Initiative) that aim to enhance the 'quality, rigour and utility of sustainability reporting' around the world. HIV/AIDS reporting is specifically addressed in this document to try and maintain a reporting standard that will enable better cooperation and sharing of resources, research and development of treatment strategies.

Following these world-wide trends, the King Committee on Corporate Governance in South Africa released the now-famous King Report in 1994, and King II in 2002, which recommends that all JSE-listed companies pursue good corporate governance and ethical trading, as well as address both environmental and social issues together with the financial ones in their annual reporting. Although not legally binding, the Report has become part of corporate culture to the extent that some companies are favouring businesses who do comply for contracts, tenders and other business dealings.

This has become a competitive advantage that companies are pursuing with vigour: whereas previous community and environmental projects were largely sporadic, the emphasis has now moved to long-term and more sustainable projects where companies commit to a project – or various projects – over a period of time. The paradigm shift means that instead of merely giving money or short-term resources (such as food or clothing), companies are getting involved in 'upskilling' (training for more marketable skills), establishing educational and self-sufficiency projects such as the setting-up of farms or simple factories that provide both an income and opportunities for further development.

With respect to environmental issues, there is an increased awareness of where and how businesses source their raw materials, and interest groups make a point of 'naming and shaming' businesses in the media that harm the environment or animals in the process. Improved legislation on labelling is also requiring more detailed information, giving the consumer the right to support those companies that they feel are in line with their own ethical and moral choices.

Both environmental and community projects are widely used in gaining publicity for the organisations. Signage, media coverage and detailed reporting on their websites and company newsletters ensure that the money spent is also benefiting the company, not only the project it was intended for in the first place.

But how does this affect a non-listed business, especially in the SME sector of the economy? Obviously SMEs have less money available to spend on non-core aspects of the business, but in the spirit of good governance and the private enterprise working alongside government to build our democracy, many do try to comply where possible.

With SMEs it is a case of doing what they can, during the execution of their normal business. If they cannot afford to finance large projects, they can try some of the following:

- Replacing packaging and other materials with bio-degradable products.
- Being aware of the source of products or raw materials. Are issues such as laboratory testing on animals, deforestation of rain forests, child-labour or slavery (to name but a few) involved in the sourcing of their products?
- Recycling what they can. Paper, glass, cardboard, organic waste for compost – any materials that are recycled mean less of a drain on the Earth's resource. South Africa has recently joined the worldwide trend of cutting down on the use of plastic bags that cause pollution and often death to fish and animals if not disposed of properly.
- Cutting down on the use of paper. Email. Internet payments, bulk SMSs are all modern facilities that are not only convenient, but also save the environment.
- Sharing of skills, training in the community or getting involved with government learnership schemes through the SETAs.
- The creating of jobs, or any other community-based project. (Max 16)

**LOWER ORDER THINKING RUBRIC (60%)**

Business Studies – Paper II: Lower Order Thinking Assessment Grid						Marks
Format	2	1	0			
Format	Correct format	Partially correct format	Not meeting the correct standard			
Terminology	Outstanding use of business terminology	Good use of business terminology	Limited use of business terminology	Isolated use of business terminology	No use of business terminology	
Content (number of relevant facts)	Maximum 48 facts. Divide by 2 to get mark out of 24.					
Sub-Total						750

Address. }  
 Date }  
 Topic }  
 Signature }  
 Addressed to somebody }  
 Formatted }  
 3 of 4 to 1/2 }  
 score 2 for nothing }  
 marks. }  
 Done with copyright © 2009

**HIGHER ORDER THINKING RUBRIC (40%)**

Business Studies – Paper II – Higher Order Thinking Assessment Grid						
CRITERIA	4	3	2	1	0	Mark
<b>Substantiation (Justification for statements made)</b>	Statements are thoroughly substantiated showing breadth and depth of understanding.	The majority of the statements are well substantiated.	Less than half of the statements are well substantiated.	Very limited substantiation.	Attempt at substantiation but incomplete, incoherent or insufficient.	
<b>Application to context</b>	Examples are relevant to the case study and fully integrated into the response showing understanding of the issues at hand.	Most of the examples relate to the case study and are adequately applied.	Some reference made to the case study with isolated examples given.	Superficial reference to the case study.	No application to the case study.	
<b>Creative Problem Solving</b>	Superb insight into the crux of the problem, and pertinent solutions offered which are fully discussed.	Good understanding of the problem, with a viable solution discussed in some detail.	Some insight into the problem, with a partially relevant solution, which is not explored in depth.	Correct identification of the problem, but irrelevant solution.	No understanding of the problem.	
<b>Synthesis (With conclusion where possible)</b>	Arguments logically presented in a thoroughly cohesive manner where threads are clearly drawn together.	Arguments are logically presented with minor loss of focus.	Arguments are partially developed with some focus evident in the arguments.	Attempt at arguments but loss of focus leading to waiving and unable to link facts.	Isolated facts with no cohesion.	
<b>Sub-Total</b>						<b>20</b>

**30 + 20 = 50 marks**

**Sections: Max per section**

- Role and Function of Trade Unions (16)
- Industrial Action (16)
- Entrepreneurial Characteristics (16)
- Critical Success Factors (16)

**Total: 100 marks**