

BUSINESS STUDIES GRADE 12 PAPER II

MARKING GUIDELINES

QUESTION 1 LO1 AND LO3

- Must be in dialogue (see rubric)
- Use of business terminology (see rubric)
- Naming PESTLE elements 6 facts (rubric 1)
i.e. Political, Economic, Social, Technological, Legal, Environmental.
- * Challenges and strategies marked with rubric 2.

PESTLE TECHNIQUE

Possible challenges and strategies:

	Challenges	Strategies
Political	Political instability Employment of foreigners	Review recruitment process.
Economic	High fuel prices Load shedding Inflation	Introduce control measures Outsource transport Avoid or limit unnecessary use of vehicles Regular servicing and maintenance of vehicles to reduce fuel consumption. Generators. Use of generators advertised in media. "Inflation beater prices" advertised.
Social	HIV/AIDS absenteeism and low productivity Commitment to CSR	Aids programmes and clinics etc. Sustainability

Technological	New technology	Ongoing research and
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	Cost of new technology	design Environmental scanning Research costs involved.
Legal	Labour legislation Black Economic Empowerment Legislation regarding labelling	Policies adapted (recruitment and selection) Policies Purchasing stock that clearly indicated ingredients etc.
Environmental	Recycling Packaging	Research Create awareness etc.

- Consider any other challenges and strategies.
- Ethics- any relevant theory.
- E.g. ethical issues- 1 fact
- Explaining issue- 2 facts
- Application or example- 1 fact
- Total facts = 34

ETHICS

Ethics refers to a set of values that are morally acceptable in society which define right, good and fair actions.

Business ethics refers to rules and principles which influence the best business practice.

Businesses develop their own code of ethics for best practice.

Ethical issues:

- Inappropriate gifts
 - Inappropriately large may be considered as a bribe
 - Inappropriately given to swing decision or kickbacks
- Unauthorized use of funds
 - Fraud is theft, misuse of money that belongs to the employer
 - Systems must be in place to reduce fraud
 - Fraudulent invoices, forged signatures, unauthorized EFT's, skimming accounts.
- Affirmative action
 - reverse discrimination
- Insider trading
 - Divulging confidential information or trade secrets.
- Tax evasion
 - Professional behaviour for business in this regard would be to not evade tax by falsifying financial records.

- Illegal
- Sexual harassment
 - Any sexual advance, gesture or remark that causes a person to feel Intimidated or threatened.
 - May include sexually explicit comment, signs, innuendos, phone calls, e-mails.
 - Violation of human rights
- Conflict of interest
 - moral conflict
 - Someone in position to make decisions on granting tenders has a family member who is tendering.
- Firing an employee for whistle blowing
 - Situation where employee reports unethical behaviour
- Consider any other issues mentioned.
 - e.g. Internet, e-mails and cell phone issues
 - Stealing from the company
 - Abuse of work time
 - Unfair advertising
 - Pricing of goods in rural areas. Etc.

LEVELS OF BUSINESS ETHICS

1. Individual level
 - to cheat on an expense account
 - to call in sick when one is not
 - accepting a bribe
 - Plagiarism
2. Organisational level
 - to ask an employee to perform an illegal or unethical act
 - to pressure to overlook wrongdoings
3. Business ethics at a professional or Association level
 - e.g. an accountant advising a client to deduct questionable items for tax purposes.
4. International level
 - Economic sanctions against countries such as Zimbabwe.
 - Companies that are involved in countries where there are gross violations of human right.
5. Laws, norms, customs and transactions differ between societies
 - E.g. trading on public holidays.

QUESTION 2 LO2 AND LO4

1. PUBLIC COMPANY

FACTS (max 20) Rubric 1

- Formation procedure
- Legal persona and liability
- Continuity
- Tax implications
- Management/control
- Capital requirements

Rubric 2

Possible effect on success or failure

2. QUALITY OR PERFORMANCE OF BUSINESS FUNCTIONS

FACTS (MAX 20) Rubric 1

Businesses have to perform 8 functions

- General management
- Human resources
- Production
- Purchasing
- Financial etc

Naming function is 1 fact

Describing function is 2 facts

Rubric 2

Describing the quality of performance of the function.