

CHAPTER 4

BUSINESS STUDIES

The following report should be read in conjunction with the Business Studies Paper 1 and Paper 2 question papers for the NSC November 2021 examinations.

The year 2021 was the second in the move to 2 two-hour papers of 150 marks each. Each paper assesses separate and distinct disciplines as outlined in the *2021 Examination Guidelines*, as follows:

	MAIN TOPICS	SUBTOPICS
PAPER 1	Business Environments	Macro environment: Impact of legislation Macro environment: Business strategies Business sectors and their environments
	Business Operations	Human Resources function Quality of performance
PAPER 2	Business Ventures	Management and leadership Investment: securities/opportunities Investment: insurance Forms of ownership Presentation and data response
	Business Roles	Ethics and professionalism Creative thinking and problem solving Social responsibility (CSR/CSI) Human rights, inclusivity and environment Team performance; conflict management

4.1 PERFORMANCE TRENDS (2017–2021)

The number of candidates who sat for the Business Studies examination in 2021 increased significantly by 36 798 compared to that of 2020, i.e. a 17,7% increase of the cohort.

There was a most encouraging improvement in the pass rate this year, while a steady upward trend in pass rates is evident from 2018–2021.

Candidates who passed at 30% (Level 2) improved from 77,9% in 2020 to 80,5% in 2021. There was a corresponding improvement in the pass rate at 40% (Level 3) from 57,0% to 60,4% over the past two years.

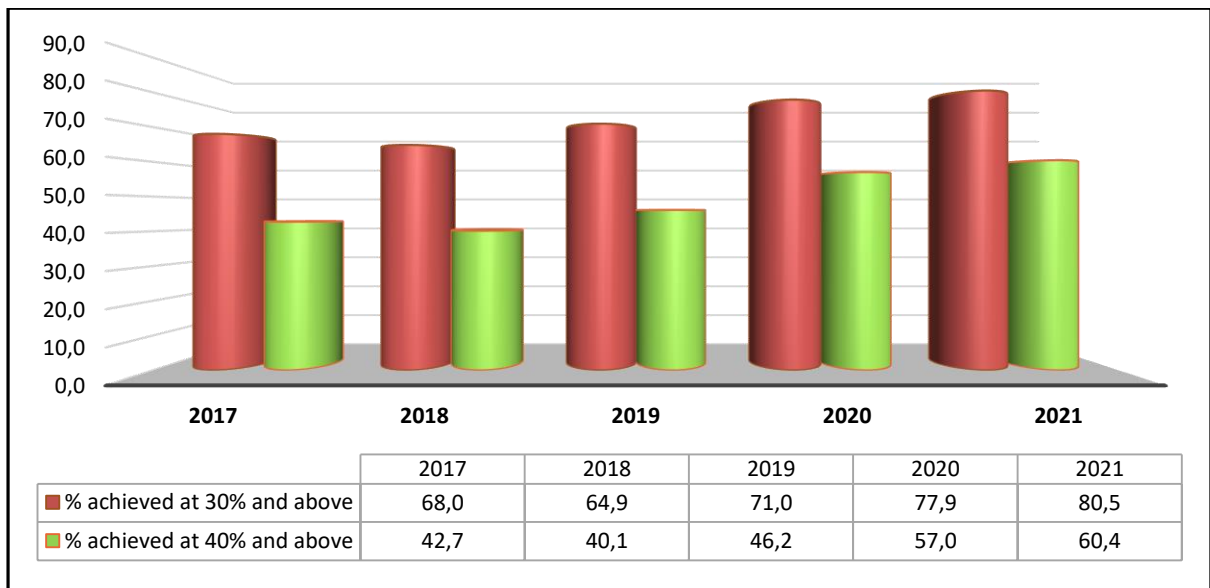
Given the increase in the size of the cohort, the number of passes achieved at 30% (Level 2) and at 40% (Level 3) increased considerably by 35 009 and 29 298 respectively. Furthermore, the percentage of distinctions (over 80%; Level 7) improved from 3,6% to 5,2% which converts into an increase in the total number of distinctions from 7 454 in 2020 to 12 680 in 2021.

The results reflected above were despite the challenging circumstances brought about by the Covid-19 pandemic over the past two years which affected the teaching and learning activities of the 2021 cohort. This appears to have been the result of constructive intervention strategies by teachers and subject advisors as well as schools and provincial education departments. The resourcefulness and diligence of the above-average candidates also contributed to the overall performance in the subject.

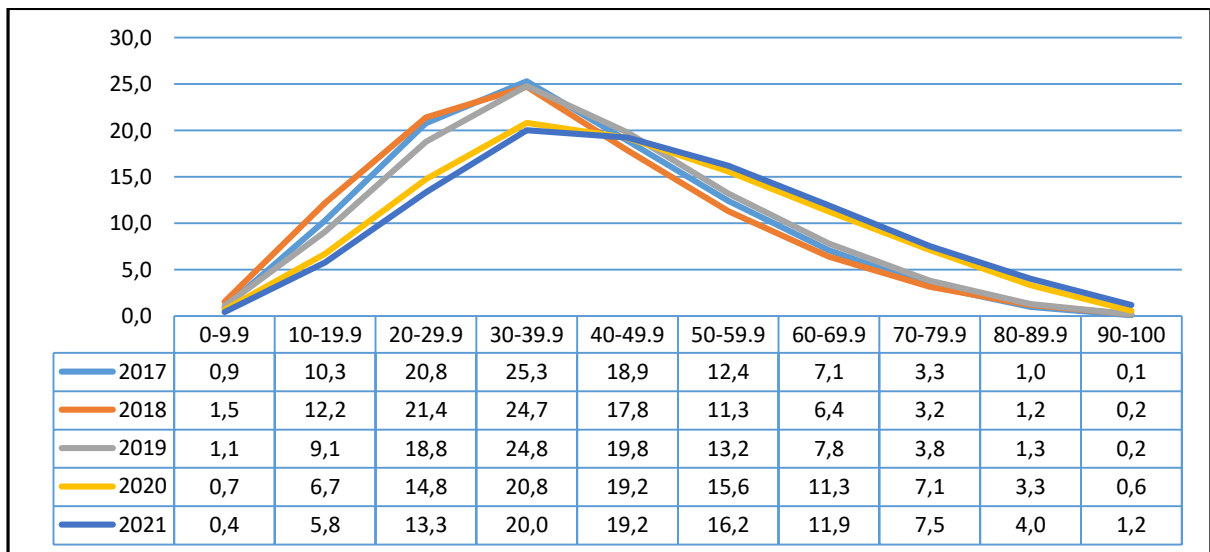
Table 4.1.1 Overall achievement rates in Business Studies

Year	No. wrote	No. achieved at 30% and above	% Achieved at 30% and above	No. achieved at 40% and above	% Achieved at 40% and above
2017	204 849	139 386	68,0	87 535	42,7
2018	192 139	124 618	64,9	77 105	40,1
2019	186 840	132 571	71,0	86 242	46,2
2020	207 045	161 224	77,9	118 100	57,0
2021	243 843	196 233	80,5	147 398	60,4

Graph 4.1.1 Overall achievement rates in Business Studies (percentage)



Graph 4.1.2 Performance distribution curves in Business Studies (percentage)



4.2 OVERVIEW OF CANDIDATES' PERFORMANCE: PAPERS 1 AND 2

General comments

- (a) The two-paper format was again well received. This format afforded candidates the opportunity to stagger their preparation according to the specific content that is relevant for each paper, as each paper is written on different days. It allows candidates to manage time more effectively as they have 2 hours to complete each paper of 150 marks each, as compared to 3 hours for a 300-mark paper in the past.
- (b) Candidates also benefitted from the extensive intervention strategies of provincial departments, districts and schools in their attempt to minimise the impact of the pandemic and to bridge the gap between the well-prepared candidates and the average or weaker candidates.
- (c) The general performance of candidates was noticeably better in Paper 1 than in Paper 2. This was primarily due to their responses in questions based on the *Human Resources function* and *Quality of Performance*.
- (d) Candidates' performance ranges from poor to excellent in all three sections. The improvement in performance by well-prepared candidates can be attributed to the fact that some questions were assessed in past NSC papers.
- (e) Many candidates were able to adequately respond to indirect questions that required application of knowledge. Good performance was observed in questions that required candidates to identify concepts from given scenarios and statements. They were able to understand the contents of scenarios and provided correct motivation for each concept.
- (f) Some candidates continue to display language barriers when responding to middle- and high-order questions as noted by the vague and incomplete responses offered. However, they managed to score part-marks.
- (g) It was pleasing to note that most candidates were able to effectively answer essay-type questions and to provide an appropriate introduction and conclusion to essay questions.
- (h) However, many candidates, including stronger candidates, still struggled to provide relevant and valid examples of the latest developments in Business Studies to support their responses of Q5 and Q6 and subsequently lost the two marks allocated for originality in essay questions.

General suggestions for improvement

- (a) Learners must be exposed to a variety of Section A type direct and indirect questions that focus on concepts, terminology and application of knowledge. These questions must cover aspects of all topics that were taught during the academic year.
- (b) Teachers should explain the meaning of action or instructional verbs that are listed in points 12.1 and 12.2 of the 2021 notes to markers, and apply the national marking principles in both formal and informal assessment tasks. This basically enlightens learners on how marks will be allocated for these verbs, so that they can practise accordingly. Furthermore, it is recommended that points 12.1 and 12.2 be pasted in learners' activity books as a readily available reference.

- (c) Learners must be encouraged to provide complete responses to questions that require middle- and higher-order thinking skills. Teachers should then mark these questions objectively using the 2021 notes to markers mentioned above. Ticks must be placed or allocated appropriately to avoid either lenient or stringent marking.
- (d) Teachers should encourage learners to respond (i.e. verbally and written) in the languages of teaching and learning (LOTL) in the classroom. This should be the practice applied consistently throughout the teaching and learning process. They should also provide simple facts as alternative answers to enhance understanding.
- (e) Practical examples of the different Acts, including newspaper clippings, can be used to enhance understanding of legislation. Learners must first understand the purpose of each Act to enable them to understand other aspects that must be covered in relation to each Act. They must be given an assessment task consisting of contextual and essay questions for each Act, and the marking of these tasks must be done according to the national principles of marking. Learners must also be requested to reflect on their strengths and weaknesses on the topic being discussed.
- (f) Practical examples and video clips should be used when teaching the types of business strategies, especially *integration* and *diversification* strategies. Learners should be requested to conduct research on this content and present their findings in the classroom.
- (g) *Business Ventures* must be adequately taught and assessed in Terms 2 and 3 of the academic year. Learners need to acquire a deeper understanding of this topic to allow them a wider option on the choice of questions to be answered.
- (h) Learners must be encouraged to conduct research on topics that are dynamic in nature. They must realise that including recent developments and current trends, such as legislation and environmental issues to their responses will lead to better marks for originality.
- (i) In placing greater emphasis on the learning of appropriate terminology related to the various topics, teachers are advised to include the following strategies:
 - Introduce new terms in every lesson, elaborate on the meaning and context of each, and create a glossary.
 - Illustrate the meaning of new terms by using them in context, in sentences and in short scenarios.
 - Encourage learners to be attentive during lessons, to spot new terms and to find their meanings using a dictionary, a textbook or Google. This may form the basis of an informal class 'competition'.
 - Always strive to include subject-specific terminology in all informal assessment tasks, as well as during teaching.
 - The meanings and expectations of verbs that are commonly used in Business Studies should be pasted in learners' books.
 - Copies of the *2021 Examination Guidelines* with specific reference to 'elaborated content' must be given to the learners. They must also be advised on the requirements or expectations of key verbs in each sub-topic.

4.3 DIAGNOSTIC QUESTION ANALYSIS OF PAPER 1

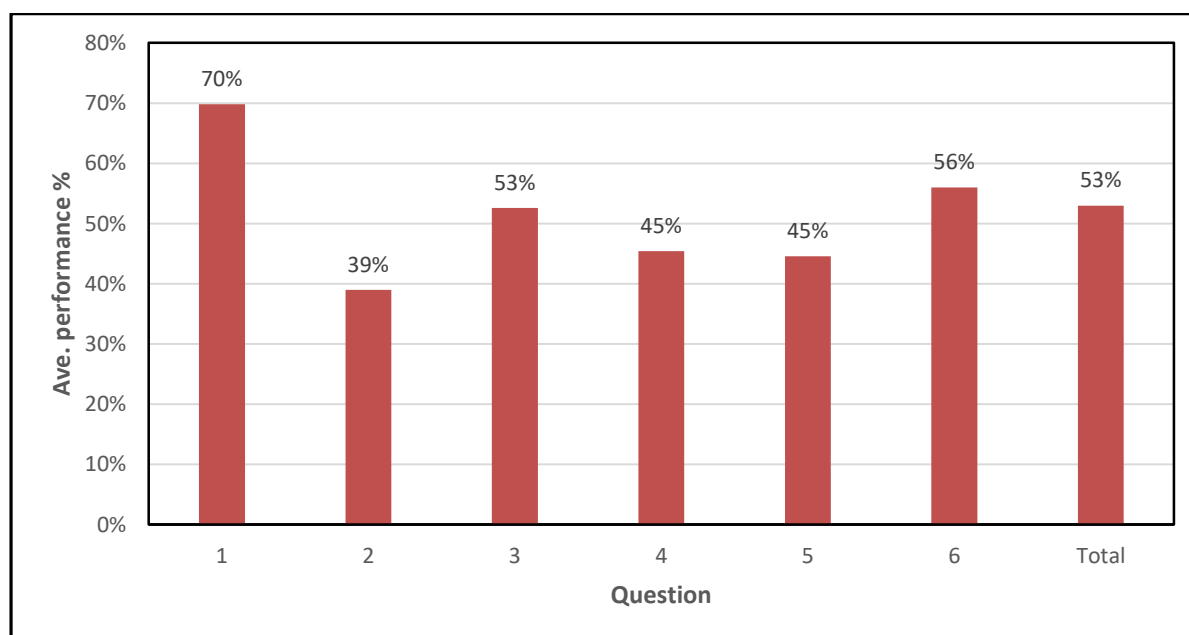
The graphs presented below are based on data from a random sample of candidates in the different provinces. While these graphs might not accurately reflect national averages, it is useful in assessing the relative degree of challenge of each question, as experienced by candidates.

Paper 1 consists of five sub-topics listed above that range from easy to high levels of complexity. Many candidates did not perform well in questions based on *Business Environments* Q2 assessed in Paper 1 even though all questions tested on this topic appeared in past NSC papers. They were expected to perform well in questions on *Business Strategies* as this topic was also assessed in Section C of the November 2020 NSC paper.

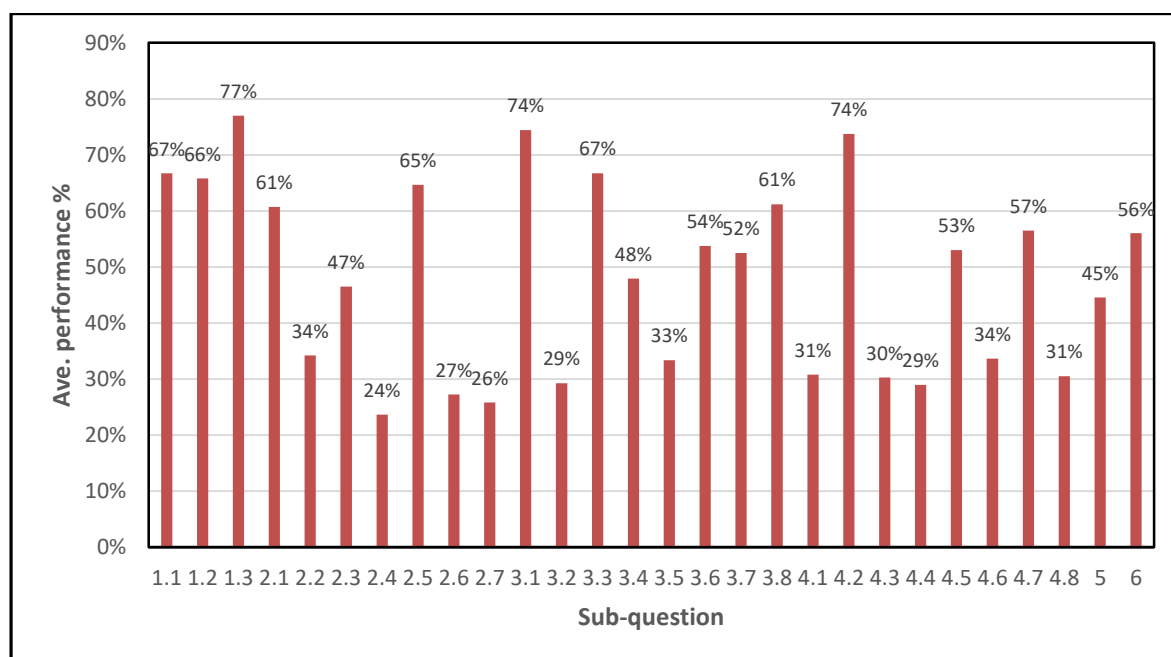
Candidates' performance in Q1 was very good. This question assessed the topics of *Business Environments* and *Business Operations*. Q2 assessed *Business Environments*. Performance in this question was relatively poor even though the level of difficulty of most of the sub-questions ranged from easy to medium.

Good performance was noted in the *Business Operations* topics in Q3, and in the Q6 essay on *Human Resources* which appeared to be popular amongst candidates. However, Q4 and Q5 presented the greatest challenge for candidates. Q4 comprised miscellaneous topics of Q4 and in the essay on *Business Strategies* in Q5.

Graph 4.3.1 Average performance per question in Paper 1



Q	Topic
1	Short Questions
2	Business Environments
3	Business Operations
4	Miscellaneous Topics
5	Business Environments (Business Strategies)
6	Business Operations (Human Resources Function)

Graph 4.3.2 Average performance per subquestion in Paper 1

Sub-Q	Topic	Sub-Q	Topic
1.1-1.3	Short questions	3.6	Bus Opn: PDCA Model
2.1	Bus Env: Porter's Five Forces	3.7	Bus Opn: TQM implementation
2.2	Bus Env: Intensive strategies	3.8	Bus Opn: Quality control & assurance
2.3	Bus Env: Defensive strategies	4.1	Bus Env: Consumer rights / CPA
2.4	Bus Env: COIDA	4.2	Bus Env: Sectors & Environments
2.5	Bus Env: Types of leave	4.3	Bus Env: Funding of SETAs
2.6	Bus Env: Rights of employees / LRA	4.4	Bus Env: Evaluating strategies
2.7	Bus Env: BBBEE Pillars	4.5	Bus Opn: Internal recruitment
3.1	Bus Opn: Salary determination	4.6	Bus Opn: Implications of EEA
3.2	Bus Opn: Placement	4.7	Bus Opn: Quality management
3.3	Bus Opn: Selection procedure	4.8	Bus Opn: TQM elements
3.4	Bus Opn: Fringe benefits	5	Bus Env: Business Strategies
3.5	Bus Opn: Quality indicators / P.R.	6	Bus Opn: Human Resources

4.4 ANALYSIS OF CANDIDATES' PERFORMANCE IN INDIVIDUAL QUESTIONS IN PAPER 1

SECTION A: MULTIPLE-CHOICE/SHORT ANSWER QUESTIONS

QUESTION 1: COMPULSORY (MULTIPLE-CHOICE, CHOOSING CORRECT WORDS AND MATCHING ITEMS)

Performance of candidates in this question was generally excellent. However, some did not perform well in Q1.2 as they chose incorrect words from the list provided in the question. Others lost marks in Q1.2.1–1.2.5 for not writing the whole phrase from the text box, as requested by the question. In Q1.3 many candidates were able to choose the correct description of each concept stated in column A.

Common errors and misconceptions

- (a) In Q1.1.1 some candidates confused the *Consumer Protection Act/CPA* with the *National Credit Act/NCA*. It appears that candidates were not conversant with how businesses should comply with the CPA; hence, an incorrect choice was made.
- (b) Some candidates confused the *forward integration* strategy with the *backward integration* strategy in Q1.1.2 despite the improvement in teaching and learning on this content. It appears that candidates still struggle to interpret indirect questions in Section A.
- (c) Q1.1.5 was poorly answered by many candidates as they confused the quality indicator of the public relations function with the marketing function. Candidates were expected to perform well in this content as it should be covered at length in Grades 10 and 11.
- (d) In Q1.2.2 many candidates confused *market development* with *product development* as intensive strategies. This continues to be a challenge in spite of recommendations for improvement being offered in many past diagnostic reports.
- (e) Many candidates confused the meaning of *quality management* with *quality performance* in Q1.3.5 even though this content was assessed in the Nov 2020 NSC paper as a contextual question.

Suggestions for improvement

- (a) Practical examples of how businesses comply with each Act must be used during teaching and learning. Learners must be given a project-based learning task to investigate the impact, compliance, and non-compliance with each Act and present their findings in the classroom. Teachers should stimulate debates on each Act and clarify misconceptions and errors committed by learners.
- (b) Teachers are advised to draw four columns consisting of four types of businesses strategies on the chalkboard/interactive whiteboard. A clear description of each type of business strategy, with practical examples, illustrations and video clips, must be used effectively. Learners must understand the reasons for businesses choosing to implement particular strategies; they must also be exposed to direct and source-based questions on this content.
- (c) In addressing prior knowledge covered in Grades 10 and 11, proper recap of the meaning and quality indicators of each business function must be done. Teachers must make effective use of key words that will enable learners to remember the facts of each business function. Learners must be requested to visit any local supermarket and conduct research on quality indicators of each business function. This topic must also be assessed as an essay question during the academic year.
- (d) All concepts related to 'quality' must be taught in detail, with emphasis being placed on activities that take place in each quality concept to achieve the desired outcome. To avoid confusion, teachers must provide a detailed description of each quality concept and explain the relationships between quality concepts.
- (e) Teachers must consolidate questions on this topic from various NSC past papers and administer them as informal assessment activities, throughout the academic year. This will enable learners to enhance their knowledge.

- (f) Learners must be made aware that each question in Section A will have a correct answer and some distractors. It is therefore important that they read the question/statement and all the options given, before choosing the correct answer.

SECTION B: LONGER AND PARAGRAPH QUESTIONS, USING CASE STUDIES AND INFORMATION

QUESTION 2: BUSINESS ENVIRONMENTS

Poor performance has been noted in this question as indicated by the average percentage of based on data from the random sample of candidates. Candidates who attempted this question did not perform well on subquestions that assessed three Acts, even though these were assessed in past NSC papers.

Common errors and misconceptions

- (a) Good performance was noted in Q2.1 although some candidates did not write the full name of each Porter's Five Forces model. They forfeited marks for committing this error.
- (b) In Q2.2 candidates explained the types of intensive strategies instead of outlining the advantages. Many candidates managed to get a maximum of two marks only as they simply wrote 'increase in sales/profitability'. The challenge in this content is persistent despite numerous interventions that have been put in place to improve learner performance.
- (c) Poor performance was noted in Q2.3.1 as many candidates could not identify the type of defensive strategy from the given scenario. Other candidates could not quote appropriately from the scenario in motivating their responses and in addressing the question.
- (d) Candidates did not perform well in Q2.4 as responses were based on either non-compliance with COIDA or the purpose of this Act instead of penalties for non-compliance. A common response to this question was 'businesses may close down' which was not the required answer.
- (e) In Q2.5 many candidates were generally able to identify the different types of leave from a given scenario. However, some candidates lost marks by inappropriately interpreting quotes from the scenario.
- (f) In Q2.6 candidates appeared to confuse the rights of employees in terms of the Labour Relations Act (LRA) with either human rights or economic rights of employees, which are covered in Paper 2. Some responses were limited to the right to 'join trade unions and embark on a legal strike'.
- (g) In Q2.7 many candidates could not recommend ways in which businesses could apply ownership and Enterprise and Supplier Development (ESD) as BBBEE pillars. Other candidates confused ESD with ways in which businesses should overcome the challenges of the market environment that were covered in Grade 11. It appears that they misinterpreted the word 'supplier' which led to the incorrect responses provided.

Suggestions for improvement

- (a) Learners must be able to name and write the Porter's Five Forces model in full to avoid losing marks unnecessarily. They must be able to explain how businesses should

apply each force to analyse their position in the market. It should be impressed upon learners that businesses apply this model when doing research on the challenges posed by the market environment.

- (b) Learners must know that the advantages of intensive strategies are embedded in each type of intensive strategy. Teachers must show the relationship between the types of intensive strategies with the advantages of these strategies. Learners must be encouraged to give examples of businesses strategies and explain how they benefit businesses. It must be noted that with effect from 2022, learners will not be awarded two marks for only writing 'Increase in sales/income and profitability' without an elaboration such as 'due to a variety of advertising campaigns'.
- (c) Learners must be made aware that penalties for non-compliance with each Act are punitive in nature and that businesses may lose a lot of money on heavy fines and legal costs. They must also understand that penalties for non-compliance with each Act are not the same, as this depends on the nature and context of each Act.
- (d) Teachers are advised to provide a detailed recent description of each type of leave as per the 2020 NSC Marking Guideline and the DBE notes. This should include the types of parental leave. It should also be noted that adoptive leave forms part of parental leave. This content must be assessed in both direct and indirect questions including essay type questions.
- (e) Teachers must focus on the purpose of the Labour Relations Act with special reference to how this Act protects the employer and employees, as this will enable learners to gain a better understanding of the rights of employers and employees in the workplace. Teachers should also alert learners to the fact that some of the rights of employees are not the same as the economic rights of employees as covered in Paper 2.
- (f) Teaching and learning must focus on how businesses should comply with each of the five BBBEE pillars. Learners must first understand this content before moving on to the impact of BBBEE on businesses and other related aspects. This will ensure a logical flow of the content being addressed. Full marks will not be awarded for 'contribution can be monetary, e.g. loans/investments/donations' as a response to how businesses should comply with ESD. This has been revised to 'invest/support black-owned SMMEs by contributing loans/donations/consulting services/advice/ entrepreneurial programmes'.

QUESTION 3: BUSINESS OPERATIONS

Good performance was generally evident in this question. This was in line with the data from a random sample of candidates. Furthermore, many candidates chose this question as it consisted of only two sub-topics namely, *Human Resources* and *Quality Performance*, which were equally weighted, consisting of 20 marks each.

Common errors and misconceptions

- (a) Most candidates were able to name the *piecemeal* and *time-related* salary determination methods in Q3.1 even though some gave an explanation instead of naming the salary determination methods. It was noticed that that few candidates wrote monthly and weekly salary even though this content has matured in terms of teaching and learning.
- (b) In Q3.2 most candidates could not elaborate on the meaning of *placement* as a human resource activity and subsequently, did not obtain 4 marks. Many candidates confused

placement with induction and/or selection. This challenge has persisted since the inception of the CAPS despite recommendations made in all national diagnostic reports on this content.

- (c) A good performance was noted in Q3.3.1 and Q3.3.2 on the selection procedure and the role of the interviewer during the interview. Some candidates however, did confuse this aspect with the role of the interviewee during the interview. Responses such as, 'ask clarity seeking questions and making eye contact' were common inappropriate responses.
- (d) Many candidates performed poorly in Q3.4 even though this question was assessed in the 2020 NSC examination. They also confused the impact of fringe benefits on businesses with the impact of external recruitment. Others listed the types of fringe benefits which was not the required answer.
- (e) Poor performance was recorded in Q3.5 as many candidates confused the quality indicators of the public relations function with those of the marketing function. Other responses were incorrectly based on the meaning of this function. This is despite recommendations having been made in previous diagnostic reports on suggested teaching approaches in the context of business functions.
- (f) The majority of candidates were able to identify the PDCA steps from the given scenario in Q3.6 but were not able to motivate their responses by quoting correctly from the scenario. They were awarded marks only for the correct identification of the concepts.
- (g) In Q3.7 the responses on 'TQM if poorly implemented' were vague and incomplete. Some gave positive instead of negative responses for poor implementation of TQM in the workplace. Others gave definitions of quality concepts. Candidates were expected to perform well on this question as it was assessed in 2020 NSC Examination. The poor performance on this question at that stage was also noted in the 2020 national diagnostic report.
- (h) In Q3.8 some candidates confused the meaning of *quality assurance* with *quality control* even though this question has been asked many times before in previous question papers. Others provided incomplete statements on this question.

Suggestions for improvement

- (a) The explanation of the terms *piecemeal* and *time-related* salary determination methods should be explained in terms of how businesses calculate the remuneration to be paid to employees. The amount paid will be informed by either the tasks to be completed (piecemeal) or a tariff based on time spend, such as per hour, per day or per week (time-related).
- (b) Learners must be made to realise that *placement procedure* takes place after the recruitment and selection procedures. Teachers must emphasise the fact that businesses are responsible for assigning employees to a specific job where they will function properly.
- (c) Learners must understand the difference between an *interviewer* and *interviewee* before proceeding to the role of each party. Teachers can use the three columns approach where they outline the roles of the interviewer before and during the interview and emphasise that the role of the interviewee is only during the interview. Role-playing and demonstrations are effective to enhance understanding in this regard.

- (d) Learners must be requested to conduct research on the impact of fringe benefits on businesses. Teachers must consolidate learners' findings with content and advise learners to refrain from confusing this content with the impact of external recruitment. Learners must understand that fringe benefits are offered to existing employees while external recruitment focuses on prospective employees.
- (e) Quality indicators for each business function will focus on activities that are conducted by the respective function. A clear distinction must be made between public relations and the marketing function. The latter aims at improving the image of a business, while the former aims at improving business sales. Practical examples of the public relations function should be given, and learners must be requested to give other examples of this function to illustrate their understanding of the concepts.
- (f) Learners should be informed that the PDCA model forms part of continuous improvement to processes and systems. A detailed description of each step of this model should be given to prepare learners to answer direct and indirect questions on this content.
- (g) Learners must be well conversant with the advantages of the five TQM elements that are stated in the *2021 Examination Guidelines* to enable them to understand the impact of TQM if poorly implemented by businesses. Teachers should award part- instead of full marks for vague and incomplete responses as this may encourage learners to write complete sentences on this content.
- (h) It should be noted that *quality control* must first take place before *quality assurance* is done as businesses must set targets and check the quality of raw materials before the actual production is done. Quality assurance focuses on the production processes while quality control on the quality of the final product and corrective measures that must be done by businesses.

QUESTION 4: MISCELLANEOUS TOPICS

This question was chosen by many candidates. This question assessed both main topics namely, *Business Environments* and *Business Operations* consisting of 20 marks each. Although marks achieved were generally below average, improved performance was noted in parts of the question, particularly those on *Human Resources* functions and *Business Strategies*.

Common errors and misconceptions

- (a) Some candidates failed to mention the consumer rights as stipulated in the Consumer Protection Act (CPA) in Q4.1. Others confused the consumer rights of the CPA with either human rights or consumer rights in terms of the National Credit Act/NCA. Others forfeited marks by not giving the complete name of each consumer right. Some provided an explanation of each right, which was not required.
- (b) Good performances was recorded in Q4.2.1 and Q4.2.2 as many candidates were able to identify the business sector from the scenario and were also able to quote the businesses' challenges appropriately from the scenario. However, some candidates could not classify each challenge according to the relevant business environment. This challenge persists despite recommendations that were made in the 2019 and 2020 NSC Examination.
- (c) Many candidates could not explain in Q4.3 how SETAs are funded. They confused the funding of SETAs with the functions of SETAs. Other responses were incomplete such

as 'the employee pays 1% of his/her salary'. The reason for candidates' poor performance in this question could be that it was asked for the first time in this NSC Examination.

- (d) Poor performance was observed in Q4.4. Many candidates confused steps for evaluating strategies with problem-solving steps covered in Paper 2. Candidates were expected to perform well on this question as it has been assessed in past NSC papers either as a contextual or essay question.
- (e) Many candidates performed well in Q4.5 even though some confused the sources of internal recruitment with the sources of external recruitment. Incorrect responses such as 'headhunting and internet' were popular in this question.
- (f) In Q4.6.1 many candidates had difficulty in quoting the implications of the Employment Equity Act/EEA on the human resources function as some of the facts in the scenarios were placed as distractors. This affected their responses to Q4.6.2 as this was a follow-on question. Others confused this content with the purpose of the EEA which was not a required answer.
- (g) In Q4.7 some candidates were not clear about the benefits of a good quality management system, often relating this to the impact of total client satisfaction as a TQM element. Many responses were based on customer satisfaction, increased market share and profitability. They were awarded only one mark each for incomplete responses such as these.
- (h) Candidates did not perform well in Q4.8. Many responses were based on the description of the Skill Development Act instead of the impact of skills development as a TQM element. Candidates were expected to perform exceptionally on this content as it has reached maturity in terms of teaching and assessment.

Suggestions for improvement

- (a) Teachers are advised to first recap the purpose of the Consumer Protection Act (CPA) and the National Credit Act (NCA) when addressing consumer rights according to each Act. Learners must realise that the consumer rights according to the CPA focus on information about the product in relation to the NCA which focuses on consumer rights in terms of 'credit granting'. Learners must be advised to write only 'the right to privacy' instead of 'the right to privacy and confidentiality'. It must also be noted that the 'right to information about products and agreements' has been replaced with the 'right to disclosure and information'. Teachers are advised to amend DBE notes on these facts.
- (b) The elements of each business environment as well as challenges posed by each environment on businesses must be recapped at appropriate times. Learners must be able to identify the elements of each business function from each challenge presented in the scenario. This will enable them to classify each challenge according to the relevant business environment.
- (c) Learners must understand the relationship between the functions of SETAs and how they are funded. They should place emphasis on the different sources of funding and impress upon learners that various SETAs cannot perform their roles without funding. Differentiated methods are also suggested to assess this content.
- (d) Practical examples, role plays, and demonstrations can be used to illustrate the steps in strategy evaluation. Learners must be taught the importance of evaluating strategies

to stimulate interest on how businesses discharge this process. It should also be noted that the main aim of strategy evaluation is to achieve the business mission and objectives that were reviewed during the initial stage of the strategic management process. Note that learners will no longer be awarded two marks for 'decide on the desired outcome' as they need to elaborate on this fact as follows: 'decide on the desired outcome as envisaged when strategies were implemented'.

- (e) Learners must first be made aware of the meaning of internal and external recruitment to enable them to understand the differences. Learners should be provided with newspaper articles and magazine extracts on various sources of recruitment and then requested them to classify these sources either as internal or external recruitment with a motivation.
- (f) The implications of the EEA on the human resources function are in line with the ways in which businesses should comply with this Act. Teachers must recap this before teaching the content. Teachers should take note that the following has been revised:
 - 'The human resource manager must treat employees fairly and promote/provide equal opportunities in the workplace.'
 - This means that learners will no longer obtain full marks for writing the following: 'The human resources manager must promote/provide equal opportunities in the workplace.'

Teaching and learning should focus on *what* the human resources function should do in order to comply with the EEA. This content must be adequately assessed using various methods during the academic year.

- (g) Learners must be well conversant with the meaning of the quality concepts before they are taught the benefits of a good quality management system. The benefits of a good quality management system depend on the effective implementation of the quality concepts. Learners must be able to explain the relationship between each quality concept with the benefits of a good quality management system for enrichment purposes and to enhance understanding.
- (h) Teachers are advised to teach the impact of TQM elements on large businesses focusing on the *how* part e.g. how large businesses implement these TQM elements and what the advantages and disadvantages are in implementing these elements. Teaching and learning should focus on five TQM elements stated in the *2021 Examination Guidelines*. Practical examples should be given on how each TQM element impacts on large businesses. Learners could be given a research project on this topic and be requested to critically evaluate their findings. Teachers should close content gaps by clarifying learners' misconceptions and errors in this regard.

SECTION C: ESSAY QUESTIONS

QUESTION 5: BUSINESS ENVIRONMENT: BUSINESS STRATEGIES

Few candidates chose to answer this question. Although marks were below average, marginal improvement was noted in this question, possibly due to the fact that this question was assessed in the topic *Business Strategies* which is perceived as 'low hanging fruits' by many teachers and learners.

Common errors and misconceptions

- (a) In Q5.1 the introduction by many candidates was based on statements copied from the preamble. Others only wrote the word 'introduction' with no content. They forfeited one mark for this error.
- (b) Poor performance was recorded in Q5.2 as many candidates' responses were inappropriately based on the evaluation of strategies while some wrote the problem-solving steps. Others repeated facts for option 1 and option 2 in the strategic management process.
- (c) Q5.3 was well answered by many candidates even though some provided responses that were based on the types of intensive strategies and defensive strategies which were not required answers. Others were able to mention types of diversification strategies but confused the meaning of *concentric* with *horizontal* diversification strategies.
- (d) Q5.4.2 was intended as a follow-on question to Q5.4.1. Many candidates who were able to explain challenges posed by PESTLE factors were not able to provide appropriate recommendations. In contrast, others presented valid recommendations, but were unable to explain challenges. Candidates were not penalised for being unable to link the challenges and recommendations.
- (e) Many candidates were not able to provide recent information or current trends and developments to be awarded marks for originality.

Suggestions for improvement

- (a) Teachers must stress the importance of a valid introduction and conclusion based on the specific topic chosen. They should not repeat facts or points given in the question as an introduction and/or conclusion. Learners must be trained on how to write an introduction and conclusion at the end of each topic that was treated in the classroom.
- (b) Teachers are advised to focus on the first option of the strategic management process as it provides a detailed description of this process. This option also enables learners to understand the reason why businesses must formulate and implement different business strategies.

Note that learners will no longer be awarded 4 marks for the following facts in option 2:

- 'Review their vision/mission statement'
- 'Analyse/re-examine their mission statement'

The above facts have been combined as one fact as follows:

- 'Review/Analyse/Re-examine their vision/mission statement'

- (c) Teachers must ensure that learners are aware that in all the diversification strategies a new product is introduced into existing products. The only difference is the target market and whether the new product appeals to existing or new customers.

The following fact will no longer be accepted as an explanation of a conglomerate diversification strategy as this fact is the same as the concentric diversification strategy i.e. 'Occurs when a business wants to increase its product range and target markets'.

- (d) Learners must refrain from giving examples of each PESTLE factor as the focus is on *how* each factor poses challenges to businesses. They must also be able to link the

recommendations with each challenge. Teachers must ensure that this question is marked according to the national marking principles. They must also initiate class discussions for suggestions on how to deal with challenges.

- (e) Learners must be made to realise that businesses use a PESTLE analysis to identify challenges in the macro environment with the aim of developing strategies to deal with each challenge. It is therefore imperative that each challenge be linked to each recommendation.

QUESTION 6: BUSINESS OPERATIONS: HUMAN RESOURCE FUNCTION

Candidates performed well in this question which proved to be popular. This aligns with the data from a random sample of candidates presented above. It appears that many candidates were well conversant with the topic *Human Resources* function as they seem to always perform better in this topic than *Quality of Performance*.

Common errors and misconceptions

- (a) In Q6.2 some candidates provided incomplete responses although they were expected to write full sentences on the recruitment procedure. Some confused this content with the recruitment procedure. It was envisaged that candidates' performance will improve on this content as it was assessed many times in the NSC papers and 2021 provincial preparatory examinations.
- (b) Good performance was noted in Q6.3 even though some candidates confused the impact of external recruitment with either the impact of internal recruitment or fringe benefits.
- (c) Poor performance was recorded in Q6.4 as many candidates' responses were based on the purpose of induction and/or aspects to be included in the induction programme instead of the benefits of induction for businesses. This challenge is persistent despite the recommendations that were made in previous national diagnostic reports.
- (d) Some candidates provided the aspects that should be included in an employment contract in Q6.5 instead of the legal requirements of the employment contract. This is possibly due to the fact that this question has not been asked many times in past NSC papers.

Suggestions for improvement

- (a) Teachers must scaffold the activities of the human resources function and make learners aware that the recruitment procedure is the first human resources activity. Businesses must initially compile a job analysis, decide on the type of recruitment method, and advertise the vacant position in the appropriate media. The selection procedure is done after the recruitment procedure.
- (b) Teachers must focus on *what* new employees will bring to the business and *how* businesses benefit from using external recruitment. A table on the differences between the impact of internal and external recruitment methods could be drawn to illustrate the differences between these concepts. Teachers should stimulate debates on this content to enhance understanding.
- (c) Learners must first understand the purpose of induction before unpacking the benefits thereof. Teachers must explain the relationship between the purpose and the benefits

of induction focusing on how induction benefits both new employees and the business. Assessment on this topic should cover both direct and indirect questions.

- (d) Learner responses on the legal requirements of the employment contract should focus on what makes the employment contract a legal document and not on the aspects that should be included in the employment contract. Teachers must focus on the role of the employer and employee in the contract. Learners must be requested to link some aspects of an employment contract with the legal requirements so that they are able to formulate full sentences on this content.

The following response on the legal requirements of the employment contract will no longer be accepted as it is merely a definition of the contract:

‘An employment contract is a legally binding agreement between the employer and the employee.’

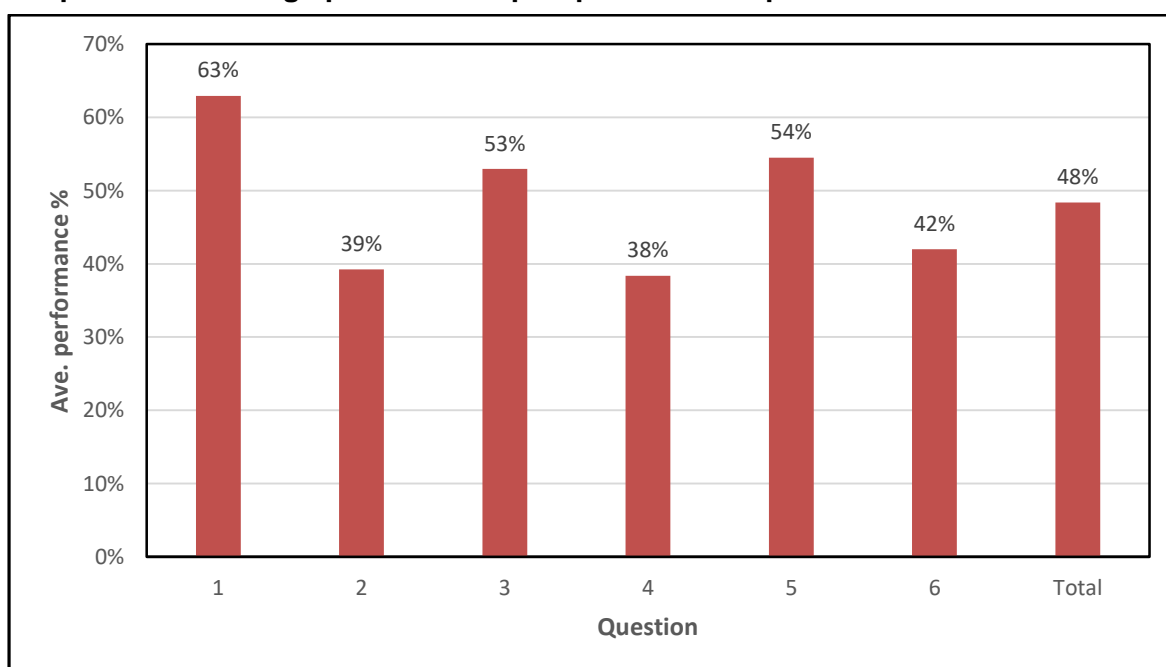
4.5 DIAGNOSTIC QUESTION ANALYSIS OF PAPER 2

The graphs presented below are based on data from a random sample of candidates in the different provinces.

Many candidates did not choose Q3 and Q6 which were based on *Business Ventures* in Paper 2. These questions consisted of some relatively simple subquestions which would have improved the quality of results in Business Studies. The general performance in Q1 was good as this question consisted of ten subquestions that assessed *Business Ventures* and *Business Roles*. Candidates did not perform well in Q2 and Q4, especially on subquestions which assessed the topic *Business Ventures*.

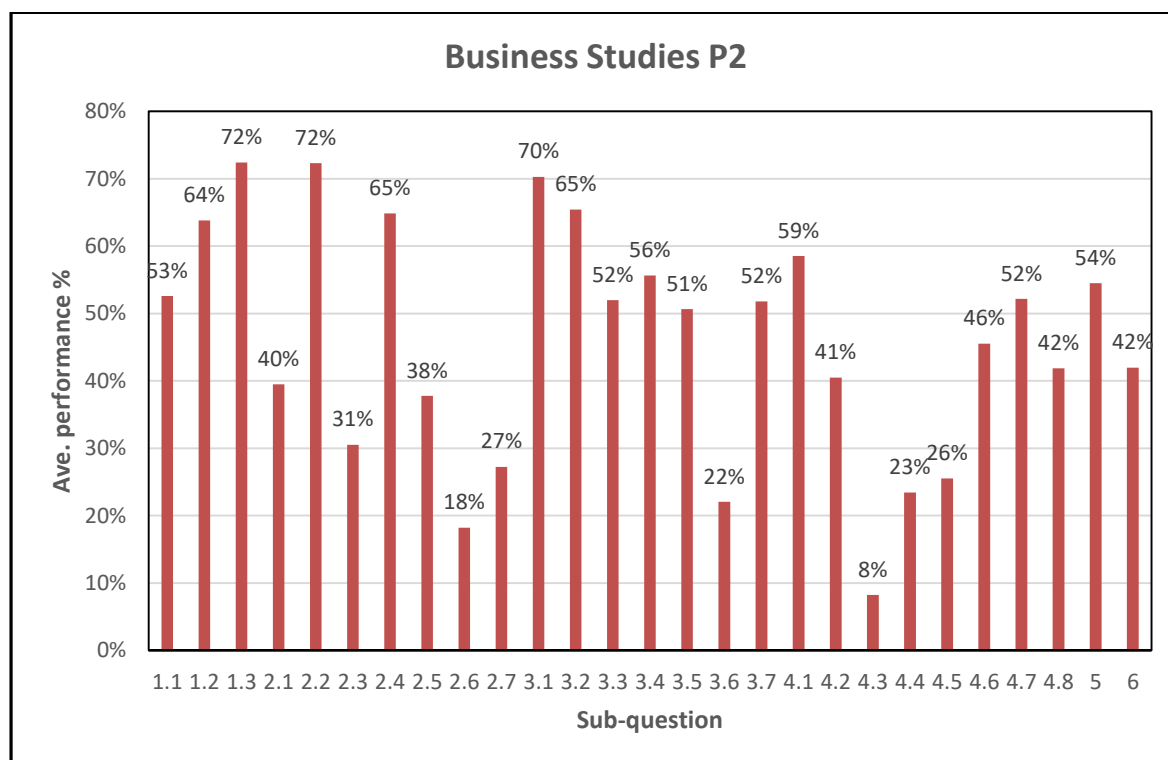
However, they performed well in Q3 which covered questions on *Business Roles* and Q5, and the essay question on *Business Ventures* which assessed the topic ‘insurance’. Candidates did not perform well in Q6 (Section C). It appeared that candidates had neglected the sub-topic of *Ethics and Professionalism* in their preparation for the examination.

Graph 4.5.1 Average performance per question in Paper 2



Q	Topic
1	Compulsory
2	Business Ventures
3	Business Roles
4	Miscellaneous Topics
5	Business Ventures (Insurance)
6	Business Roles (Ethics and Professionalism)

Graph 4.5.2 Average performance per subquestion in Paper 2



Sub-Q	Topic	Sub-Q	Topic
1.1-1.3	Short questions	3.6	Bus Roles: Force-field analysis
2.1	Bus Vent: UIF benefits	3.7	Bus Roles: Cultural rights
2.2	Bus Vent: Presentation factors	4.1	Bus Vent: Functions of JSE
2.3	Bus Vent: Preference shares	4.2	Bus Vent: Leadership theories
2.4	Bus Vent: Leadership styles	4.3	Bus Vent: State-owned company
2.5	Bus Vent: Visual aids	4.4	Bus Vent: Unit trusts
2.6	Bus Vent: Forms of ownership	4.5	Bus Roles: CSR
2.7	Bus Vent: Leadership styles	4.6	Bus Roles: Problem solving & decisions
3.1	Bus Roles: Team development	4.7	Bus Roles: Difficult employees
3.2	Bus Roles: Causes of conflict	4.8	Bus Roles: Benefits of diversity
3.3	Bus Roles: CSI focus areas	5	Bus Vent: Insurance
3.4	Bus Roles: Creative thinking	6	Bus Roles : Ethics & professionalism
3.5	Bus Roles: Human rights		

4.6 ANALYSIS OF CANDIDATES' PERFORMANCE IN EACH QUESTION IN PAPER 2

QUESTION 1: COMPULSORY (MULTIPLE-CHOICE, CHOOSING CORRECT WORDS AND MATCHING ITEMS)

The performance of candidates in this question was good, even though some candidates did not perform well in Q1.1. This was the multiple-choice question which included indirect sub-questions that required application of knowledge. However, good performance was noted in Q1.3 as many candidates were able to choose a correct description from column B that matched a term in column A.

Common errors and misconceptions

- (a) Many candidates confused the role of personal attitude in successful leadership with the characteristics of leaders and entrepreneurial qualities in Q1.1.1. The majority chose either option A or C even though this question has been asked many times in past NSC examinations.
- (b) Q1.1.2 was poorly answered by many candidates as they could not identify legislation as a criterion for successful team performance. Most of their responses were based either on management or on division of profits.
- (c) Many candidates did not do well in Q1.1.3 probably since this question was asked for the first time in the NSC examination in Section A.
- (d) Candidates confused the meaning of *excess* with *shares* in Q1.2.1. This could also be attributed to the fact that this question was asked for the first time in the NSC examination.
- (e) The meaning of *debentures* was confused with the meaning of *shares* in Q1.2.2. It appears that candidates did not carefully read the statement before answering the question.
- (f) Many candidates performed well in Q1.2.3 even though some confused the application of brainstorming with a nominal group technique.
- (g) Q1.3.1 was poorly answered as many candidates confused the meaning of leaders with general management which is covered in Paper 1. It appears that candidates did not read the description of the required answer carefully.
- (h) Candidates confused the meaning of *limited* liability with *unlimited* liability in Q1.3.3 despite this question appearing in the 2020 Nov NSC Examination.
- (i) In Q1.3.5 some candidates still confused the role of the health and safety representatives with the responsibilities of employers in protecting human health and safety in the workplace.

Suggestions for improvement

- (a) Teaching and learning must focus on *how* personal attitude contributes to successful leadership. It must be emphasised that a 'positive attitude' leads to successful leadership which enables the overcoming of business challenges. Class discussions should focus on the words 'positive attitude' when teaching the role of personal attitude

as being vital to successful leadership. Examples of respected business leaders who embody these factors must be given.

- (b) The meaning of each criterion that contributes to the success and/or failure of each form of ownership must first be taught before explaining how each criterion contributes to the ultimate success of an enterprise.
- (c) Learners should be exposed to various ways of calculating the simple and compound interest on monthly and annual bases.
- (d) All insurance concepts must be taught in detail using practical examples to enable learners to gain insight and apply acknowledge. Teachers are advised to administer source-based assessment tasks on this content.
- (e) Learners should be advised to first identify the correct description and its distractor when answering questions such as Q1.3 which tests their knowledge of different concepts. This exercise will reduce guess work.
- (f) Teachers should unpack the meaning of financial concepts that are highlighted on page 19 of the *2021 Examination Guidelines*. They should also emphasise the fact that debentures form part of the borrowed capital of businesses.
- (g) Emphasis must be placed on the difference between brainstorming and the nominal group technique. The former is used when a group of employees sit together in a round-table discussion and generate as many ideas as possible. The latter is applied when employees first generate ideas silently and then share them with the team members, hence it is called nominal-group technique.
- (h) A detailed description of the meaning of leadership and management must be given using demonstrations and practical examples. Learners must be made to realise that leaders have to communicate effectively with employees and that each line function is managed by leaders.
- (i) Teachers must unpack the meaning of *limited* and *unlimited* as well as *liability*. They are advised to draw two columns on the chalk/Smartboard for this purpose. One column must consist of the forms of ownership and the other one for limited and unlimited liability. Learners must be made aware that only a sole trader and partnership have unlimited liability as they are not legal entities.
- (j) Learners must be alerted to the fact that the health and safety representatives form part of the business' employees, hence they cannot provide personal protective clothing. They serve only as watchdogs for their fellow colleagues by ensuring that the employer complies with health and safety requirements in the workplace.

SECTION B: LONGER AND PARAGRAPH QUESTIONS, USING CASE STUDIES AND INFORMATION (THREE QUESTIONS TO BE ANSWERED)

QUESTION 2: BUSINESS VENTURES

The performance of candidates who attempted this question was generally average. Candidates were expected to perform exceptionally well since all subquestions were assessed in past NSC papers. Moreover, the level of difficulty of high-order questions was moderate as five subquestions consisted of direct questions.

Common errors and misconceptions

- (a) Good performance was noted in Q2.1 as many candidates were able to name the benefits paid out by the Unemployment Insurance Fund (UIF) even though some continue to confuse this content with the types of fringe benefits. Some confused this content with the provisions of the Basic Conditions of Employment Act (BCEA) which is covered in Paper 2.
- (b) Q2.2 appeared in past NSC papers and the 2021 preparatory examination paper. Some candidates' responses were based on how to handle feedback after rather than during a presentation as required by the question. Other candidates' responses were inappropriately based on factors to be considered when preparing for a presentation.
- (c) Many candidates were able to identify the types of preference shares from a scenario given in Q2.3. However, some candidates simply provided other types of preference shares that were not applicable to the given scenario. Others did not quote appropriately from the scenario and consequently lost marks by not addressing the question.
- (d) Some candidates provided vague responses on the difference between the democratic and autocratic leadership styles in Q2.4. Others explained situations in which each leadership style can be applied in the workplace, which was not the required answer.
- (e) Poor performance was noted in Q2.5.1. Candidates were expected to perform well in this question as it appeared many times in the NSC papers. Candidates could not identify PowerPoint from the given scenario. Responses to this question were based on either 'slides' or 'overhead projector'. They automatically forfeited marks for the motivation. Others confused PowerPoint with Smartboards/interactive whiteboards. Some candidates did not even attempt answering this question.
- (f) Many candidates did not perform well in Q2.5.2 as their responses were limited to 'can be used with video clips and captures the attention of the audience'. Some responses were based on the disadvantages of a PowerPoint which was not the required answer.
- (g) Candidates performed poorly on Q2.6.1 as many responses were based on the contribution of a public company instead of a sole trader to the success and/or failure of a business. Some part of candidates' responses incorrectly included advantages/disadvantages of a sole trader with no bearing on taxation and division of profits as criteria that could contribute to the success and/or failure of a sole trader.
- (h) Some candidates' responses were limited only to 'takes all profits', while others confused a sole trader with partnership in Q2.6.2. Other responses were based on the characteristics of the sole trader instead of explaining how each characteristic becomes an advantage.
- (i) In Q2.7 many candidates confused the application of the transactional leadership style with either the meaning or the advantages of this leadership style.

Suggestions for improvement

- (a) A clear distinction should be made between the types of benefits paid out by UIF and other types of fringe benefits. Teachers must explain the meaning of the word 'benefit' and outline conditions in which each type of UIF benefit is paid. Learners must be advised that they will forfeit marks for writing the word 'leave' instead of 'benefit'. They

must also be encouraged to write the correct terminology for each type of benefit paid by the UIF e.g. maternity instead of pregnancy benefit.

- (b) Demonstrations and role play on the factors that should be considered while presenting could be used. Learners could be requested to critically evaluate the presenter while presenting and make recommendations for improvement. The main aim of this exercise is to enable learners to gain insight into this content and to avoid confusing factors that must be considered before, during and after a presentation.
- (c) Learners must be requested to conduct research on different types of preference shares and present their findings in the classroom. Teachers should draw a table consisting of two columns for this purpose. The first column should consist of types of shares and the second column for the types of preference shares. The table will enable learners to make a clear distinction between the types of shares. This topic attracts a relatively high number of marks. It also includes rich content that requires differentiated teaching and assessment methods.
- (d) Teachers are advised to first explain the meaning, application and impact of each leadership style. The differences between the democratic and autocratic leadership styles must be explained in terms of how each style takes decisions, the line of communication used and its impact on employees' confidence.
- (e) Learners must be requested to give examples of the six types of visual aids stated in the *2021 Exam Guidelines*. Teachers must give practical examples and the impact of each visual aid during teaching and learning. The use of a collage depicting different types of visual aid should be incorporated in teaching and learning of this content.
- (f) The meaning of each criterion that contributes to the success and/or failure of each form of ownership must first be taught before recapping the advantages and disadvantages. Learners must be requested to identify the criteria that contribute to success and/or failure of each form of ownership from the advantages and disadvantages of each.
- (g) It is essential that the meaning and impact of each leadership style be clarified, before teaching the situations in which each leadership style can be applied in the workplace, as this will facilitate better understanding. Furthermore, various approaches could be used to assess all types of leadership styles that are highlighted in the *2021 Exam Guidelines*.

QUESTION 3: BUSINESS ROLES

Many candidates attempted this question. Performance of candidates ranged from average to good as all sub-topics that were assessed in this question appeared in past NSC papers. The phrasing of some of these questions was, however, different.

Common errors and misconceptions

- (a) In Q3.1 some candidates were not able to name the stages of team development even though this content has reached its maturity level. Responses such as 'introduction intermediate and peak stage' were written as the stages of team development.
- (b) Many candidates performed well in Q3.2 although some confused the causes of conflict with the examples of a grievance. Others simply mentioned the causes of conflict without providing an explanation, but they were not penalised for this error.

- (c) Some candidates were able to name the Corporate Social Investment (CSI) focus areas from the scenario given in Q3.3.1. Others copied the whole paragraph from the scenario instead of naming the CSI focus areas. Others offered CSI focus areas that were not mentioned in the scenario.
- (d) Poor performance was noted in Q3.3.2 as many candidates explained the impact of each CSI focus area which was quoted in Q3.3.1 instead of discussing the impact of CSI on businesses. Others confused the impact of CSI on businesses with communities.
- (e) In Q3.4 some candidates were able to explain the advantages of creative thinking in the workplace. Others confused this question with the benefits of diversity in the workplace despite the fact that recommendations were made in the past national diagnostic report on this content.
- (f) Some candidates could not identify the correct human rights from the scenario in Q3.5. Others incorrectly refer to *equality* instead of *equity*, while others did not write 'freedom of speech and expression' in full. Some incorrectly wrote 'the right to speak' as a human right.
- (g) The majority of candidates had difficulty in responding to Q3.6 as they confused the advantages of force-field analysis with the Delphi technique. Other responses were based either on the application of force-field analysis or the advantages of creative thinking in the workplace, which were not required in this question.
- (h) Candidates performed well in Q3.7 even though an incorrect response such as 'allow employees to practise their culture in the workplace' persists. Other responses were based on the right to 'dignity and equal pay for work of equal value' which were not the required answers.

Suggestions for improvement

- (a) Teachers must recap the stages of team development as they were taught in Grade 11. Practical examples and demonstrations can be used to explain the meaning and the activities that take place in each stage of development. Learners could be given a project that requires them to work in teams. They must then be requested to reflect on their experiences in working with others, making special reference to the stages of team development. They must also be exposed to source-based questions on this content.
- (b) A clear distinction must be made between the causes of conflict and examples of a grievance. The former occurs when two people in the workplace have different opinions. The latter only involves one person who wants to lodge a grievance in the workplace.
- (c) Learners must be taught the meaning of action or instructional verbs and how to respond to each verb to avoid forfeiting unnecessary marks in both direct and indirect questions.
- (d) The impact of CSI on businesses should not be confused with communities. Learners can be given a project-based task to conduct research on CSI projects that are undertaken by businesses for communities and present their findings in the classroom. Teachers should stimulate debates on the impact of CSR on businesses and communities to enable learners to gain insight in this content. It should be noted that

the following facts on the advantages of CSI on businesses will no longer be accepted as they are based on communities instead of businesses:

- Assists in solving socio-economic issues like poverty/unemployment
 - MSM can become more community-based by working closely with the community to roll out skills development projects
- (e) Teachers should focus on *how* new ideas benefit businesses, when explaining the advantages of creative thinking in the workplace. Teachers could use key words such as *solutions*, *competitive*, *motivation* and *confidence* to formulate statements on the advantages of creative thinking in the workplace. Learners must be advised to use these key words to remember facts on this content.
- (f) Teaching and learning should focus on how businesses must apply human rights in the workplace. Learners must be able to name and identify the six human rights stated in the *2021 Exam Guidelines*. They must also be able to recommend ways in which businesses could deal with each human right in the workplace.
- (g) Teachers should provide a detailed description and the application of each problem-solving technique stated in the *2021 Exam Guidelines*. Learners must have a conceptual understanding of all four problem-solving techniques before discussing the impact of each technique.
- (h) Learners must be requested to write full sentences on ways in which businesses could promote cultural rights in the workplace. It must also be emphasised that employees are allowed to speak their own language only during their free time, and that employees are not allowed to practise their culture in the workplace.

QUESTION 4: MISCELLANEOUS TOPICS

This question assessed the TWO main topics of this paper consisting of direct short questions of 10 marks per topic. This question was popular as reflected by the large percentage of candidates who answered it. Candidates were expected to perform well in this question as all subquestions were previously assessed in past NSC papers.

Common errors and misconceptions

- (a) Many candidates performed well on the functions of the Johannesburg Securities Exchange (JSE) in Q4.1 even though some provided vague and incomplete responses.
- (b) Candidates were able to identify a situational leadership theory from a given statement in Q4.2. However, they could not identify the transformational leadership theory. They confused this theory with the transactional leadership style which was not a required answer.
- (c) Poor performance was observed in Q4.3 even though it was assessed in the 2019 NSC Examination. Many candidates confused the advantages of a state-owned company with the advantages of either a public company or the public sector.
- (d) Candidates' responses were limited to either one or two facts in Q4.4. Other candidates confused the impact of unit trusts with the RSA Retail Savings bonds. Some responses were vague and incomplete.
- (e) Many candidates confused the meaning of corporate social responsibility (CSR) with the meaning of corporate social investments (CSI) and gave examples of CSI projects

in Q4.5. Other candidates explained the relationship between CSR and triple bottom line which was not asked in this paper.

- (f) A good performance was noted in Q4.6 as many candidates were able to distinguish between problem-solving and decision-making even though some swapped the meaning of problem-solving with decision-making. Others provided incomplete responses on each concept.
- (g) Poor performance was observed in Q4.7.2 as many candidates confused other ways of dealing with difficult employees with conflict resolution techniques. Other candidates provided negative strategies on dealing with difficult employees even though recommendations were made in the past national diagnostic reports that learners should refrain from suggesting punitive strategies when this content is assessed.
- (h) Candidates' performance was satisfactory in Q4.8 even though some still confused the benefits of diversity in the workplace with the advantages of creative thinking in the workplace.

Suggestions for improvement

- (a) Learners must be encouraged to write full sentences on the functions of the JSE to obtain two marks for each fact.
- (b) A clear distinction must be made between leadership theories and styles. Learners must be taught that the former guides leaders on how to lead and manage people. Teachers need to define the word *transform* so that learners can have a conceptual understanding of the meaning of the transformational leadership theory. It must be emphasised that this theory provides guidelines on how leaders should manage their followers in a dynamic business environment that requires turn-around strategies.
- (c) Learners must be made aware that a state-owned company is by nature also a profit company. Whilst rendering a service at an affordable price is important, the main aim is to make a profit to ensure sustainability. Learners must be requested to conduct research on the characteristics and impact of state-owned companies to enhance understanding.
- (d) Teachers should use newspaper clippings in the classroom on the advantages and/or disadvantages of unit trusts. They must ensure that learners do not confuse the types of investment opportunities with the forms of investments as categorized in the *2021 Exam Guidelines*.
- (e) A clear distinction must be made between the meaning of CSR and CSI. Learners should realise that businesses must first plan and develop CSR programmes before they embark on CSI projects. They must also know that CSR is a broad concept that focuses on business resources, employees, environment, stakeholders and communities. On the other hand, CSI projects focus only on community upliftment without making a profit.
- (f) An in-depth analysis of the differences between problem-solving and decision-making is essential, especially with regards to the word *alternative*. Learners must know that decision-making considers only alternative solutions without a critical evaluation of each solution as compared to problem-solving.

- (g) Learners must be informed that businesses are supposed to develop positive strategies to deal with difficult employees in the workplace. It must be emphasised that difficult employees usually exhibit behavioral problems rather than incompetency, hence businesses must develop positive strategies to deal with them. It is imperative that learners clearly understand that businesses implement specific strategies to deal with difficult employees and different strategies to deal with difficult personalities in the workplace.
- (h) The benefits of diversity in the workplace should not be confused with the advantages of creative thinking. The latter focuses on positive strategies and ideas that diverse employees bring in the workplace, while the former focuses on the advantages of innovative ideas for businesses. Teachers must provide examples of the benefits of diversity in the workplace and request learners to conduct research on businesses that benefit from a diverse workforce.

SECTION C: ESSAY QUESTIONS

QUESTION 5: BUSINESS VENTURES: FORMS OF OWNERSHIP AND INVESTMENT

Many candidates did not choose Q5 even though it consisted of four subquestions that were assessed in past NSC examinations and the 2021 preparatory examination. Those who answered this question performed well. A possible reason for good performance is that candidates might have been well prepared for this topic since it has been moved to Term 2 in the ATP.

Common errors and misconceptions

- (a) Many candidates repeated the second part of the statement that was used in the question paper as their introduction to an essay in Q5.1. Some candidates' responses were not relevant to any of the four subquestions that were asked in this question. This challenge persists as it was also reported in the 2020 national diagnostic report.
- (b) Good performance was noted in Q5.2 as many candidates were able to outline the differences between over-insurance and under-insurance even though some provided vague and incomplete responses on this question. Some candidates simply repeated the words 'over-insured' and 'under insured' instead of explaining these concepts.
- (c) Many candidates were able to name the principles of insurance, but they could not explain the meaning of each principle in Q5.3. Other candidates wrote incomplete names of the principles of insurance. Some wrote the words 'security guard' instead of 'security', while others confused the meanings of the different principles.
- (d) In Q5.4 many candidates provided vague and incomplete responses on the advantages of insurance. Others provided limited responses to explain the meaning of insurance.
- (e) Poor performance was observed in Q5.5 as many candidates confused the purpose of COIDA in the context of a Compensation Fund with COIDA as an Act whereby penalties for non-compliance are applied. Some candidates also confused COIDA with RAF and UIF as types of compulsory insurance.

Suggestions for improvement

- (a) Impress upon learners that an introduction should reflect any one or two subquestions of the questions that were asked in the paper. Learners must be

advised to refrain from repeating words or statements that were used in the question paper. Instead, they must be encouraged to write creative responses that will not be repeated either in the body or conclusion.

- (b) Teachers are advised to start introducing learners to the principles of insurance when teaching the differences between insurance and assurance. Learners must be able to write the full name of each insurance principle to avoid losing marks. It must be emphasised that the principle of 'indemnification' is based on a short-term insurance, while 'security' relates to long term insurance. Learners must acquire an in-depth understanding of all four principles of insurance and must be advised that these principles form part of an insurance contract.
- (c) Learners must be advised that the key word 'protect' appears four times in this content and the word 'transfers' appears twice but in different contexts. The above-mentioned key words may assist learners to formulate statements on the advantages of insurance for businesses. Furthermore, teaching and learning should focus on the advantages of insurance for businesses instead of individuals.
- (d) Learners must focus on the benefits offered by the Compensation Fund/ Compensation for Injuries and Diseases Fund to employees and how employers must comply with this fund.
- (e) Teachers should assist learners on how to write a proper introduction and essay without repeating statements contained in the preamble.

QUESTION 6: BUSINESS ROLES: HUMAN RIGHTS, INCLUSIVITY AND ENVIRONMENTAL FACTORS

The responses of candidates to this question ranged from poor to average. Candidates were expected to perform exceptionally well in this question as all four subquestions were asked as either contextual or essay questions in past NSC papers.

Common errors and misconceptions

- (a) Q6.2 was fairly well answered by many candidates even though some confused the meaning of professional behavior with ethical behaviour. Other candidates gave examples of professional behaviour instead of providing a detailed explanation of this concept.
- (b) Poor performance was noted in Q6.3 as many candidates confused the types of unethical business practices with the types of unprofessional business practices. Some responses were based on the types of socio-economic issues. Other candidates were able to name the types of unethical business practices, but could not explain how each type poses challenges to businesses. Some candidates wrote 'false advertisement' instead of 'unfair advertising'.
- (c) In Q6.4 some candidates provided incorrect strategies on how businesses could deal with each type of unethical business practice. Others provided punitive strategies on how businesses can deal with each type.
- (d) Many candidates performed well in Q6.5. However, some responses were based on the application of the King Code principles for good corporate governance, which was not required by the question. Others inappropriately provided the advantages of ethics which are not part of Grade 12 content.

Suggestions for improvement

- (a) Teachers should provide a detailed description of ethical and professional behaviour as essential pre-requisite knowledge for learners to understand this content. Learners must be taught that ethical behaviour has to do with business conduct, while professional behaviour with employee conduct.

The following statement on the meaning of professional behaviour will no longer be awarded two marks:

- 'Set of standards of expected behaviour'

This is revised to:

- 'Professional behaviour is a certain standard of behaviour/specific level of competence that adheres to an ethical code of conduct'

- (b) Teaching and learning should focus on *how* each type of ethical and unprofessional business practice poses challenges to businesses. Teachers should refer to the *2021 Exam Guidelines* on this content. Learners must be exposed to different types of assessment approaches on how each type of unethical and unprofessional business practice poses challenges to businesses. Teachers should teach professional behaviour and unethical business practice in a tabular format. This will give learners an opportunity to understand the differences between the two concepts.

- (c) Full marks will no longer be awarded for the following statement under challenges posed by pricing of goods in rural areas:

- 'Some consumers in rural areas have little economic power and are vulnerable to exploitation'

This is revised as follows:

- 'Some businesses in rural areas exploit their customers by adding much more than necessary to their prices'

- (d) The recommendations on unethical and unprofessional business practices should be correctional/positive strategies that are developmental rather than punitive in nature. Learners must first have an in-depth understanding of the challenges posed by each unethical and unprofessional business practice to enable them to suggest strategies to deal with each type. They can be requested to conduct research on how businesses deal with the types of unethical and unprofessional business practices.

Teachers are advised to replace the following fact on dealing with unfair advertising: 'consumers must report unfair advertisement to ASA' with 'businesses must report unfair advertisements by competitors to ASA'. The reason for this change is that teaching and learning should focus on how the types of unethical business practices pose challenges to businesses.

- (e) Learners must be able to suggest ways in which professional, ethical, and effective business practice should be conducted in terms of how businesses should deal with employees, take care of the environment and comply with relevant legislation.