



Province of the  
**EASTERN CAPE**  
EDUCATION

**NATIONAL  
SENIOR CERTIFICATE**

**GRADE 10**

**NOVEMBER 2018**

**BUSINESS STUDIES P2  
MARKING GUIDELINE**

**MARKS: 150**

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This marking guideline consists of 23 pages.

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## NOTES TO MARKERS

1. Candidates' responses for SECTIONS B and C must be in full sentences; however, this would depend on the nature of the question.
2. A comprehensive memorandum has been provided but this is by no means exhaustive. Due consideration should be given to an answer that is correct but:
  - Uses a different expression from that which appears in the memorandum
  - Comes from another source
  - Original
  - A different approach is used

### NOTE: SECTION A:

- There are no alternative answers.
- Each question has only one correct answer.

3. Take note of other relevant answers provided by candidates and allocate marks accordingly. (In cases where the answer is unclear or indicates some understanding, part-marks should be awarded, for example, one mark instead of the maximum of two marks.)
4. The word 'sub-max' is used to facilitate the allocation of marks within a question or sub-question.
5. The purpose of circling marks (guided by 'max.' in the breakdown of marks) on the right-hand side is to ensure consistency and accuracy in the marking of scripts.
6. In an indirect question, the theory as well as the response must be relevant and related to the question.
7. **Incorrect numbering of questions or sub-questions in SECTIONS A and B will be severely penalised. Therefore, correct numbering is strongly recommended in all sections.**
8. No additional credit must be given for repetition of facts. Indicate with an R.
9. Subtotals to questions must be written in the right-hand margin. Circle the subtotals as indicated by the allocation of marks. This must be guided by 'max' in the marking guideline. Only the total for each question should appear in the left-hand margin next to the appropriate question number.
10. **SECTION B**
  - 10.1 If, for example, FIVE facts are required, mark the candidate's FIRST FIVE responses and ignore the rest of the responses. Indicate by drawing a line across the unmarked portion or use the word 'Cancel'.

**NOTE:** This only applies to questions where the number of facts is specified.

10.2 If two facts are written in one sentence, award the candidate FULL credit. Point 10.1 still applies.

10.3 If candidates are required to provide their own examples/views, brainstorm this to come up with alternative answers.

#### 10.4 **USE OF THE COGNITIVE VERB AND ALLOCATION OF MARKS**

10.4.1 Where the number of facts are specified questions that require candidates to 'explain/discuss/describe' will be marked as follows:

- Heading 2 marks
- Explanation 1 mark (or as indicated in the marking guideline).

The 'heading' and 'explanation' are given separately to facilitate mark allocation.

10.4.2 If the number of facts is not specified, the candidate must be informed by the nature of the question and the maximum marks allocated.

10.5 **ONE mark will be awarded for answers that are easy to recall, requires one-word answers, or is quoted directly from scenario/case study. This applies to SECTIONS B and C in particular.**



#### 11. **SECTION C**

11.1 The breakdown of the mark allocation for the essays is as follows:

Introduction	<b>Maximum: 32</b>
Content	
Conclusion	
Insight	<b>8</b>
<b>TOTAL</b>	<b>40</b>

11.2 Insight consists of the following components:

<b>Layout/Structure</b>	Is there an introduction, body, proper paragraphs and a conclusion?	<b>2</b>
<b>Analysis and interpretation</b>	Is the candidate able to breakdown the question into headings/sub-headings/interpret it correctly to show understanding of what is being asked?	<b>2</b>
<b>Synthesis</b>	Are there relevant decisions/facts/responses made based on the questions? Marks to be allocated using this guide: No relevant facts: 0 (Two '-S') Some relevant facts: 1 (One '-S') Only relevant facts: 2 (No '-S') NB: 1. If there is no '-S' allocated, award the maximum of TWO (2) marks. 2. Where a candidate answers less than 50% of the question with relevant facts, no '-S' appears in the left margin. In this case award a maximum of ONE (1) mark.	<b>2</b>
<b>Originality</b>	Is there evidence of examples, recency of information, current trends and developments?	<b>2</b>
<b>TOTAL FOR INSIGHT:</b>		<b>8</b>
<b>TOTAL MARKS FOR FACTS:</b>		<b>32</b>
<b>TOTAL MARKS FOR ESSAY (8 + 32)</b>		<b>40</b>

**NOTE:**

1. **No marks will be awarded for contents repeated from the introduction and conclusion.**
  2. **The candidate forfeits marks for layout if the words INTRODUCTION and CONCLUSION are not stated.**
  3. **No marks will be allocated for layout, if the headings 'Introduction, Conclusion,' etc. in 'Insight' are not supported by an explanation.**
  4. **With effect from November 2017 a candidate will be awarded a maximum of ONE (1) mark for headings/sub-headings and ONE (1) mark for interpretation (16 or more out of 32 marks). This applies specifically to the analysis and interpretation part of insight.**
- 11.3 Indicate insight in the left-hand margin with a symbol e.g. ('L, A, S and/or O').
- 11.4 The components of insight are indicated at the end of the suggested answer for each question.
- 11.5 Mark all the relevant facts until the MAXIMUM mark in a subsection has been attained. Write MAX. after maximum marks have been obtained.

- 11.6 At the end of each essay indicate the allocation of marks for facts and marks for insight as follow: (L – Layout, A – Analysis, S – Synthesis, O – Originality) as in the table below.

CONTENT	MARKS
Facts	32 (max.)
L	2
A	2
S	2
O	2
<b>TOTAL</b>	<b>40</b>

- 11.7 When awarding marks for facts, take note of the sub-maxima indicated, especially if candidates do not make use of the same subheadings. Remember headings and sub-headings are encouraged and contribute to insight (structuring/logical flow/sequencing) and indicate clarity of thought. (See MARK BREAKDOWN at the end of each question.)
- 11.8 If the candidate identifies/interprets the question INCORRECTLY, then he/she may still obtain marks for layout.
- 11.9 If a different approach is used by candidates, ensure that the answers are assessed according to the mark allocation/subheadings as indicated in the marking guideline.
- 11.10 Award TWO marks for complete sentences. Award ONE mark for phrases, incomplete sentences and vague answers.
- 11.11 With effect from November 2017, the maximum of TWO (2) marks for facts shown as headings in the memo, will not necessarily apply to each question. This would also depend on the nature of the question.

**SECTION A (COMPULSORY)****QUESTION 1**

- 1.1 1.1.1 C ✓✓
- 1.1.2 A ✓✓
- 1.1.3 D ✓✓
- 1.1.4 C ✓✓
- 1.1.5 C ✓✓ (5 x 2) (10)
- 1.2 1.2.1 Prospectus ✓✓
- 1.2.2 Triple bottom line ✓✓
- 1.2.3 Insurance ✓✓
- 1.2.4 Problem-solving ✓✓
- 1.2.5 Self-confidence ✓✓ (5 x 2) (10)
- 1.3 1.3.1 F ✓✓
- 1.3.2 J ✓✓
- 1.3.3 A ✓✓
- 1.3.4 I ✓✓
- 1.3.5 H ✓✓ (5 x 2) (10)

**TOTAL SECTION A: 30****BREAKDOWN OF MARKS**

1.1	10
1.2	10
1.3	10
<b>TOTAL</b>	<b>30</b>

**SECTION B**

Mark the first TWO answers in this section only.

**QUESTION 2: BUSINESS VENTURES****2.1 Business location****2.1.1 Factors impacting location**

- Raw material ✓
- Infrastructure ✓
- People who are looking for job ✓

**NOTE: Mark only the first two**

Max. (2)

**2.1.2 Importance of business location**

- The business accessible to both consumers and suppliers ✓✓
  - It determines the profitability of the business ✓
- Any other relevant answer relating to the importance of business location. (2 x 2) (4)

**2.1.3 Impact of raw material**

- The closer the raw material to the business, ✓ the lower the transport costs. ✓
- If there is a shortage of raw materials, ✓ the production process could be interrupted and costs could increase. ✓
- The more raw materials available, ✓ the cheaper they will be to purchase. ✓

Max. (4)

**Impact of infrastructure**

Impact of infrastructure

- An availability of water and electricity, ✓ will not limit the business operations. ✓
- A business will be able to save ✓ from installing water pipes and expensive electricity generators ✓
- Having to install water pipelines and electricity generators is expensive and will raise costs, ✓ and will also raise the selling price of products. ✓
- When a business is saved from the mentioned costs. ✓
- it means that products will be sold at reasonable prices. ✓

Max. (4)

### Impact of labour market

- A nearby source of skilled and unskilled labour ✓ save the business to hire and pay for accommodation ✓
- If accommodation needs to be provided ✓ then this will increase costs. ✓
- Residential developments in the area ✓ will increase the income potential of the business ✓

Max. (4)

## 2.2 Types of visual aids.

2.2.1 Flip-chart ✓✓

2.2.2 Interactive white board ✓✓

2.2.3 Data projector ✓✓

2.2.4 Overhead-projector ✓✓

2.2.5 Video-conferencing ✓✓

(5 x 2) (10)

## 2.3 Outline components of a business plan

### Cover page ✓

- It gives the name of the owner, the logo and the name of the business, and address and contact details of the business. ✓ Sub-max. (2)

### Executive summary ✓

- It provides a brief overview of the business to allow investors to get an idea of the business before reading the whole plan. ✓ Sub-max. (2)

### Description of the business ✓

- Describes the product or service and the unique feature of the business. ✓ Sub-max. (2)

### SWOT analysis ✓

- Identifies the strength and weaknesses of the business. ✓
- It also lists the opportunities and threats. ✓ Sub-max. (2)

### Marketing plan ✓

- It is a description of the market analysis including the target market, customers and competition. ✓ Sub-max. (2)

### Financial plan ✓

- Is a detailed description of the entrepreneur's financial contribution, the funding, requirements, projected budgets and cash flow statements. ✓ Sub-max. (2)

### Management plan ✓

- Discusses the hierarchy and roles of the employees. ✓ Sub-max. (2)



**Additional documents** ✓

- The annexure contains additional documents, which could include:
  - o A contingency plan ✓
  - o Time schedule ✓
  - o Diagram of the machinery or product or process ✓
  - o Legal registration documents. ✓

Sub-max. (2)

**NOTE: Mark the first TWO (2) only**

**Heading** (1)  
**Explanation** (1)  
**Max.** (4)

2.4 **Environmental factors using PESTLE with reference to the business plan****Political** ✓

- Means taxation/local government/by-laws or international trade laws. ✓

Sub-max. (2)

**Economic** ✓

- Means interest rate/inflation/levels of remuneration. ✓

Sub-max. (2)

**Social** ✓

- Means income distribution, /attitude to the business and products/  
demographics of the population ✓

Sub-max. (2)

**Technological** ✓

- Means new technology and the rate at which it will become outdated ✓

**Legal** ✓

- Foreign trade laws/competition laws,/labour laws. ✓

Sub-max. (2)

**Environmental** ✓

- Impact on the environment /environmental laws/Cost of electricity. ✓

Sub-max. (2)

**Heading** (1)  
**Explanation** (1)  
**Max.** (8)

2.5 2.5.1 **Steps for preparing a verbal presentation.**

- Write down the purpose ✓ and objectives of the presentation. ✓
- Consider the people in your audience. ✓ Know them, e.g. language, ✓
- Your presentation must have introduction ✓ the body and the conclusion. ✓
- Create visual aids ✓ to get the points correctly. ✓
- Practice the presentation ✓ or rehearse and time yourself. ✓
- Rehearse in front of someone for opinion ✓ to fulfil the objective and purpose. ✓
- Visit the venue ✓ and ensure visual aids appropriate for the room. ✓

Any other relevant answer related to the steps for preparing a verbal presentation.

**NOTE: Mark the first TWO (2) only.**

(4)

**2.5.2 Ways on how to prepare the support material for presentation**

- Use large, clear lettering that is easy to read from an appropriate distance. ✓✓
- Never have too much writing on them. ✓✓
- Provide visual presentations of statistics in the form of graphs or charts. ✓✓
- Contain summaries of what you want to convey and not the whole text. ✓✓
- Be colourful and grab attention. ✓✓
- Be meaningful and appropriate. ✓✓

**NOTE: Mark the first TWO (2) only**

(4)  
[40]

**BREAKDOWN OF MARKS**

QUESTION 2	MARKS
2.1	10
2.2	10
2.3	4
2.4	8
2.5.1	4
2.5.2	4
<b>TOTAL</b>	<b>40</b>



**QUESTION 3: BUSINESS ROLES****3.1 Elements of professional behaviour**

- Being trustworthy and dependable ✓
- Be punctual ✓
- Dress appropriately ✓
- Speaking politely ✓
- Producing neat work and presentations ✓
- Maintain the skills and knowledge needed to the job ✓
- Asking the line manager for guidance when necessary ✓

Any other relevant answer related to the elements of professional behaviour.

Max. (4 x 1) (4)

**3.2 3.2.1 Examples of diversity**

- Men and woman ✓
- Different ethnic groups ✓
- Different religion ✓
- Different cultures ✓

**NOTE: Mark the first TWO (2) only.**

Max. (2 x 1) (2)

**3.2.2 Criteria for successful and collaborative teamwork**

- Clear objectives and agreed goals ✓ – team members should know what they want to achieve. ✓
- Openness and expression ✓ – members should be encouraged to suggest new ideas. ✓
- Respect, support and trust ✓ – members should not fear being laughed at or rejected for expressing their concerns. ✓
- Commitment to achieve ✓ – members should be motivated to achieve the goals of the group. ✓
- Sound inter-team relations ✓ – teams should have good relations with other teams in an organisation. ✓
- Individual development opportunities ✓ – the team should develop the skills of individual members and provide chances for each one to grow and learn. ✓
- Review of the team process ✓ – teams must understand their own character and analyse how they deal with decisions and conflicts. ✓
- Good decision-making ✓ – when communication in a team is good and everyone understands the objectives, a team can make good decisions. ✓
- Creative problem-solving ✓ – team members must be innovative and creative in order to solve problems. ✓
- Role clarity ✓ – team members must know the role within a group. ✓
- Clear standards ✓ – the standard of the work needed must be negotiated and made clear. ✓
- Achievable tasks ✓ – the team should make sure that the members' tasks are achievable. ✓

- Clear deadlines and an action plan ✓ – the team must have clear deadlines and an action plan ✓
  - Appropriate meeting place – teams must meet in appropriate locations with peaceful and quiet surroundings.
  - Value of each member ✓ – team members must have skills, experience or some other quality that adds value to the team. ✓
  - Team spirit ✓ – all team members should participate in the team's tasks. ✓
- Any other relevant points and good explanation.

**NOTE: Mark the First FOUR (4) only.**

Max. (4 x 2) (8)

**3.2.3 Explain how Zandi can handle diversity in his business.**

- In Zandi's business all workers are treated equally. ✓✓
- All workers are treated with dignity ✓✓
- All workers are treated with respect. ✓✓
- All workers' new ideas are supported. ✓✓
- All workers are kept interested and motivated ✓✓
- Zandi shares prosperity with staff. ✓✓
- All workers are involved in decision making. ✓✓
- Any other relevant points on handling diversity

Max. (4 x 2) (8)

**3.3 Problem-solving techniques**

3.3.1 Delphi technique ✓✓ 

3.3.2 Force field analysis ✓✓

3.3.3 Forced combination technique ✓✓

Max. (3 x 2) (6)

**3.4 The problem-solving cycle**

**Identify the problem** ✓

- Understand what the problem is by collecting as much information as possible. ✓ Max. (2)

**Define the problem** ✓

- Once you have an in- depth knowledge and understanding of the problem, you need to generate a definition that is as concrete as possible. ✓ Max. (2)

**Formulate a strategy** ✓

- Think of various solutions to the problems considering the limitations available to you. ✓ Max. (2)

**Implement the strategy** ✓

- It's time to put the strategy into action. ✓ Max (2)

**Allocate the resources** ✓

- You need make sure that the necessary equipment is available and allocated to the right people. ✓ Max. (2)

**Monitor the problem solving** ✓

- Keep a careful watch on the implementation of the strategy. ✓ Max. (2)

**Evaluate the problem-solving process** ✓

- Work through the problem- solving cycle until the desired outcome is reached. ✓
- Evaluate the entire process to see what you have done is right and which step need improvement. ✓ Max. (2)

Any relevant answer related to the analysis of problem-solving cycle.

**Heading** (1)  
**Explanation** (1)  
 Max. (12)  
**[40]**

**BREAKDOWN OF MARKS**

QUESTION 3	MARKS
3.1	4
3.2.1	2
3.2.2	8
3.2.3	8
3.3	6
3.4	12
<b>TOTAL</b>	<b>40</b>



**QUESTION 4: MISCELLANEOUS TOPICS****BUSINESS VENTURE****4.1 Contracts****4.1.1 Types of contracts**

- Rental contract ✓✓
- Lease contract ✓✓
- Hire purchase agreement ✓✓

Max. (6)

**4.1.2 Contents of employment contract**

- Personal details of the employee. ✓✓
  - Details of the business/employer e.g. name/address, etc. ✓✓
  - Job title. ✓✓
  - Job description. ✓✓
  - Job specification. ✓✓
  - Date of employment/commencement of employment. ✓✓
  - Place where employee will spend most of his/her working time. ✓✓
  - Hours of work, e.g. normal time/overtime. ✓✓
  - Remuneration, e.g. weekly or monthly pay. ✓✓
  - Benefits/Fringe benefits/Perks. ✓✓
  - Leave, e.g. sick/maternity/annual/adoption leave. ✓✓
  - Employee deductions (compulsory/non-compulsory). ✓✓
  - Period of contract/Details of termination. ✓✓
  - Probation period. ✓✓
  - List of documents that form part of the contract, e.g. appointment letter/code of conduct/ethics. ✓✓
  - Disciplinary policy, e.g. rules and disciplinary procedure for unacceptable behaviour. ✓✓
- Any other relevant answer related to the aspects of the employment contract.

**NOTE: Award a maximum of TWO (2) marks for examples that illustrate the same fact.**

Max. (8)

**4.2.1 Methods of collecting data**

- Interview ✓
- Surveys ✓
- Group research ✓
- Observation ✓
- Experimenting ✓

**NOTE: Mark only TWO (2) methods.**

Max. (2)

4.2.2 **SWOT analysis**

<b>STRENGTH</b>	<b>WEAKNESS</b>
<ul style="list-style-type: none"> <li>- PMD has three trained employees. ✓</li> <li>- PMD selling meat, milk, cheese and yogurt ✓</li> </ul> <p style="text-align: right;">Sub-max. 2</p>	<ul style="list-style-type: none"> <li>- PMD does not have sufficient capital ✓ to buy new machinery. ✓</li> </ul> <p style="text-align: right;">Sub-max. 2</p>
<b>OPPORTUNITIES</b>	
<ul style="list-style-type: none"> <li>- Same business in the industry/Competitor ✓ is on the verge of closing due to ineffective marketing plan. ✓</li> </ul> <p style="text-align: right;">Sub-max. 2</p>	<ul style="list-style-type: none"> <li>- Located in a crime area ✓</li> <li>- Competitors ✓</li> </ul> <p style="text-align: right;">Sub-max. 2</p>

Max. (8)

**BUSINESS ROLES**4.3 **Benefits of time management**

- Able to meet deadlines ✓
- Waste less time, which will result in more free time ✓
- Stress levels decrease ✓
- Able to spend time with your family and friends ✓
- Provides focus on the task ✓
- Decrease procrastination ✓
- Gain self-confidence ✓
- A way to the goal ✓
- Have an instinct for achievement ✓
- Any other relevant answer related to the benefits of time management.

Max. (4 x 1) (4)

4.4 **Importance of setting goals**

- Goal setting helps you to organise your time and resources ✓ so that you make the very most out of your life. ✓
- Setting goals gives long term vision ✓ and short-term motivation ✓
- When setting goals, you take control of your life ✓ – you have direction of where you want to go. ✓
- Your goals propel you ✓ to take more action. ✓
- When you set goals you think ahead ✓ after which you can create your action plan ✓ and even if things do not go according to plan you can review it. ✓
- Goals gives you focus, ✓ gives you your time as to what exactly you spend your time and energy. ✓
- It creates accountability ✓ – you are accountable to yourself not to anyone else. ✓
- When setting goals, you connect with your inner most desires ✓ they motivate you and gives something to strive for ✓
- Goals helps you to achieve your highest potential ✓ because you set targets to strive towards. ✓
- They make you to live ✓ the best type of life. ✓

- Goals helps you become the best you can be. ✓
- They make you to stretch beyond normal self-✓, to reach heights. ✓
- Any relevant answer related to the steps in setting goals

Max. (4)

4.5 **Ways to build one's strengths and weaknesses**

- Develop skills to the maximum ✓✓
  - Talent on a particular area should not be ignored rather spend time pushing it. ✓✓
  - Breakdown weaknesses into:
    - Those you can change- set fixing. ✓✓
    - Those you cannot change – spend most time in it and manage it. ✓✓
- Any other relevant answer related to the way to build strength and weaknesses.

Max. (8)

**BREAKDOWN OF MARKS**

QUESTION 4	MARKS
4.1.1	6
4.1.2	8
4.2.1	2
4.2.2	8
4.3	4
4.4	4
4.5	8
<b>TOTAL</b>	<b>40</b>



**TOTAL SECTION B: 80**



**SECTION C**

Mark ONE question from this section.

**QUESTION 5: BUSINESS VENTURES****5.1 Introduction**

- There are many different types of businesses that sell or provide services to the public. ✓
  - Choosing a form of ownership depends on a number of factors such as capital/capacity/taxation/division of profits/management/legislation. ✓
  - Some of the ownership are more suitable for small businesses while others are suitable for big businesses ✓
- Any other related introduction related to personal liability companies.

Max. (2)

**5.2 Description of a personal liability company**

- A personal liability company is a voluntary association ✓ of one (1) or more persons. ✓
  - Governed by the Companies Act (Act 71 of 2008) ✓ and incorporated in terms of the Memorandum of Incorporation. ✓
  - The directors are jointly and severally liable ✓ with the company for all company debts and liabilities incurred. ✓
- Any other relevant answer related to the description of a personal liability company.

Max. (6)

**5.3 Characteristics of a personal liability company**

- One (1) or more persons (including juristic persons) ✓ may incorporate a personal liability company. ✓
- The board of a personal liability company must comprise at least one director ✓ (1 or more directors). ✓
- Personal liability companies are subject to fewer disclosure ✓ and transparency requirements. ✓
- The directors are jointly and severally liable ✓ with the company for all company debts and liabilities incurred. ✓
- Certain professional persons, such as attorneys and accountants, who are statutorily prohibited from enjoying limited liability, ✓ often incorporate a personal liability company to regulate their affairs. ✓
- The company has the benefit of corporate existence ✓ and perpetual succession. ✓
- These companies are identified by the suffix 'Incorporated' ✓ or 'Inc.'. ✓
- A personal liability company is prohibited by MOI from offering its shares to the public ✓ and the transferability of its shares is restricted. ✓
- A personal liability company must prepare annual financial statements, ✓ but is not required to lodge its annual financial statements with the Commission. ✓
- Annual financial statements need not be either audited ✓ or independently reviewed, unless prescribed by regulation. ✓

- Shareholders of a personal liability company have a right of pre-emption ✓ in respect of the issue of new securities unless the MOI provides
  - otherwise. ✓ A personal liability company has a separate legal personality, ✓ Shareholders have limited liability. ✓
  - A personal liability company is required to give 10 business days' notice ✓ for shareholder meetings. ✓
- Any other relevant answer related to the characteristics of personal liability company

Max. (14)

#### 5.4 Advantages and disadvantages of personal liability company

##### Advantages

- The board of a personal liability company must comprise of at least one director ✓ (1 or more directors) or any other minimum number as stipulated in its MOI. ✓
  - The life span ✓ of a personal liability company is perpetual. ✓
  - The company is a separate legal person ✓ it can buy property in its own name. ✓
  - The Act imposes personal liability on directors ✓ who are knowingly part of the carrying on of the business in a reckless or fraudulent manner. ✓
  - Directors of a personal liability company are not compelled ✓ to attend the Annual General Meeting (AGM). ✓
  - Audited financial statements are optional; ✓ otherwise the financial statements need to be independently reviewed unless exempted by regulation.
  - A personal liability company is not required to lodge its annual financial statements ✓ with the Commission. ✓
  - Personal liability companies are subject to fewer disclosure ✓ and transparency requirements. ✓
  - Shareholders of a personal liability company have a right of pre-emption in respect of the issue of new securities ✓ unless the MOI provides otherwise. ✓
- Any other relevant answer related to the advantages of a personal liability company.

**AND/OR**

##### Disadvantages

- The directors and past directors are jointly and severally liable together with the company, ✓ for the debts and liabilities of the company that were contracted during their respective terms of office. ✓
- Subject to many legal requirements, ✓ hence it is difficult and expensive to establish compared to close corporations and sole proprietorships. ✓
- A personal liability company is prohibited by MOI from offering its shares to the public ✓ and the transferability of its shares is restricted. ✓
- The company is subjected to double taxation, ✓ i.e. on the taxable income and dividend tax payable on declared dividends. ✓

- A meeting may not begin or a matter may not be debated ✓ unless at least three shareholders are present. ✓
  - The meeting may not begin to be considered unless sufficient persons are present at the meeting to exercise in aggregate at least 25% of all the voting rights. ✓ The voting rights must be determined by MOI. ✓
  - Personal liability companies are compelled to prepare annual financial statements. ✓
  - All distributions to shareholders require board approval ✓ and need to satisfy the solvency and liquidity tests and the payment are also extremely widely defined ✓
- Any other relevant answer related to the disadvantage of PLC.

Max. (14)

5.5 Difference between *profit* and *non-profit companies*,

PROFIT COMPANIES	NON-PROFIT COMPANIES
- Aim to make a profit ✓✓	- Aim is not to make profit ✓✓
- Rely on investors to put money into the business. ✓✓	- Rely on public contributions (donations) ✓✓
- Risk in return on their investment ✓✓	- No risks ✓✓
- Double taxation ✓✓	- Tax exemption ✓✓
Sub-max. 6	Sub-max. 6

- Any other relevant answer related to the difference between profit and non-profit companies



**NOTE: Differences have not to be in tabular form  
Differences must be clear.**

Max. (12)

**CONCLUSION**

- Operating as a PLC can be challenging because of legal requirements. ✓✓
  - This form of ownership is most suitable for professional people, e.g. lawyers, because of limited liabilities of the owners. ✓✓
- Any other relevant conclusion related to personal liability companies.

Max. (2)  
**[40]**

**BREAKDOWN OF MARK ALLOCATION**

<b>QUESTION 5</b>	<b>MARKS</b>	<b>TOTAL</b>
Introduction	2	<b>Max. 32</b>
Meaning of a personality company	6	
Characteristic of personal liability company	14	
Advantage and disadvantage of personal liability company	14	
Difference between profit and no-profit company	12	
Conclusion	2	
<b>INSIGHT</b>		
Layout	2	<b>8</b>
Analysis	2	
Synthesis	2	
Originality/Examples	2	
<b>TOTAL MARKS</b>		<b>40</b>



**QUESTION 6: BUSINESS ROLES****6.1 Introduction**

- A business primary goal is to be profitable but a business uses many resources in its quest for profitability. ✓
- Businesses can reward society by planning a positive role through making contributions to alleviate socio economic problems. ✓
- Businesses have realised that they can also be involved in addressing the imbalances of the past. ✓
- Any other relevant introduction related to social responsibility.

Max. (2)

**6.2 Difference between *corporate social responsibility* and *corporate social investment*.****Corporate social responsibility**

- Corporate social responsibility it's when a business voluntarily takes steps to improve the quality of life for employees and their families, and the local community at large. ✓✓
- CSR encourages business enterprises to consider the interest of society by taking responsibility for the impact of the business's activities on customers, employees, shareholders, communities and the environment. ✓✓
- CSR encourages businesses to be good corporate citizens that not only produce profits for their shareholders but assisting communities where there is need. ✓✓
- Business may choose to commit time, money, energy, knowledge and skills to community development, sustainable development and stakeholder development. ✓✓

Sub-max. (4)

**Corporate social Investment.**

- Corporate social investment (CSI) is when businesses put CSR into practice by ensuring that their activities are sustainable and by displaying responsible business practice. ✓✓
- Corporate social investment is the money that businesses spend from their profit to the community to improve the standard of living. ✓✓
- CSI contributions can be made in different forms, e.g. money or time. ✓✓
- The aim of corporate social investment is to contribute to sustainable economic development. ✓✓

Any other relevant answer related to the differences between CSR and CSI.

Sub-max. (4)

Max. (8)

### 6.3 Benefits of CSI for both business and community

#### Benefits of CSI for businesses

- Assist in solving socio-economic issues like poverty. √√
- Recruit superior and happy workers who in turn will be productive and help to increase profits. √√
- Improve the perception of the business among its staff. √√
- Improve the image of the business. √√
- Attract and keep customers. √√
- Attract investors who prefer to invest in businesses that are socially responsible. √√
- Make communities a better place to live. √√
- Any other relevant answer related to the benefits of the CSI of the business.

Sub-max. (6)

#### Benefits of CSI for communities

- CSI improves the standard of living and the quality of life of communities. √√
- CSI projects generate employment by creating jobs. √√
- Education and training can be provided by CSI projects. √√
- CSI projects contribute towards the provision of education, health care and social development. CSI projects often help to improve infrastructure which is used by all members of the community. √√
- It helps in reducing socio-economic issues. √√
- Any other relevant answer related to the benefits of the CSI to the communities.

Sub-max. (6)

Max. (12)

### 6.4 Workplace programmes to deal with HIV/Aids

- Management should conduct an assessment on the impact of HIV/Aids on the business. √√
- Conduct voluntary testing and counselling for staff. √√
- Provide HIV/Aids education and training, including workshops by external consultants. √√
- Encourage health treatment for TB and STI's. √√
- Condom distribution and the provision of anti-retroviral (ARV's). √√
- Counselling, wellness programmes and other forms of social support for infected employees. √√
- Any other relevant answer in relating to workplace programmes for HIV/Aids on the business.

Max. (10)

**6.5 How to help local communities to address unemployment**

- Implement education, training and skills programmes √√
  - Provide bursaries to needy students √√
  - Invest in infrastructure programmes and employ people from local communities √√
  - Increasing the demand for locally produced goods will reduce unemployment. √√
  - Over-intervention by state of reducing additional tax to foreign investors may attract them up to local communities and promote exports. √√
  - Supporting start-ups and smaller enterprises through financing by buying shares from their small businesses. √√  
(this is a way to foster entrepreneurship)
  - Provide entrepreneurship workshops to encourage people to start their own businesses √√
- Any other relevant answer in relating on how businesses can help local communities to alleviate unemployment.

Max. (10)

**6.6 Conclusion**

- Employers may not discriminate against people who live with HIV/Aids. √√
- Business enterprises should therefore devise policies and strategies for dealing with HIV/Aids. √√

Max. (2)  
**[40]**



**BREAKDOWN OF MARK ALLOCATION**

QUESTION 6	MARKS	TOTAL
Introduction	2	<b>Max. 32</b>
Differentiate between CSR and CSI	8	
Benefits of CSI for both business and the community	12	
Workplace programmes for HIV/Aids	10	
How to help local communities to address unemployment	10	
Conclusion	2	
<b>INSIGHT</b>		
Layout	2	<b>8</b>
Analysis	2	
Synthesis	2	
Originality/Examples	2	
<b>TOTAL MARKS</b>		<b>40</b>

**TOTAL SECTION C: 40**  
**GRAND TOTAL: 150**