 Province of the

EASTERN CAPE

EDUCATION

**DIRECTORATE SENIOR CURRICULUM MANAGEMENT (SEN-FET)**

**HOME SCHOOLING SELF-STUDY ANSWER SHEET**

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| **SUBJECT** | **BUSINESS STUDIES** | **GRADE** | **12** | **DATE** | **17/06/2020** |
| **TOPIC** | **BUSINESS ENVIRONMENT & BUSINESS ROLES** | **TERM 1****REVISION** | **X** | **TERM 1 - 2 CONTENT** | **X** |

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| --- | --- |
| **QUESTION 1: BUSINESS ENVIRONMENT** |  |
| SCE DBE/2018 |  |
|  |  |  |
| 1.1 | **Business strategy**  |  |
|  | 1.1.1 | Forward integration/Vertical integration/Integration√√ |  |
|  | 1.1.2 | Market penetration/Intensive√√ |  |
|  | 1.1.3 | Concentric diversification/Diversification√√ | (6) |
|  |  |  |  |
| 1.2 | Distinguish between product development and market development. |  |
|  |

|  |  |
| --- | --- |
| **PRODUCT DEVELOPMENT** | **MARKET DEVELOPMENT** |
| * Businesses generate new ideas√ and develop a new product or service. √
 | * A process of exploring/finding/ searching new markets√ for existing products.√
 |
| * The introduction of a new product or service√ into existing markets. √
 | * Businesses sell their existing products√ to new markets√/ Involves targeting consumers in a potential market√ that is outside its normal target market.√
 |
| * A business may need to acquire new technology√ to develop new products.√
 | * Business must research√ the market it wants to enter.√
 |
| * They improve/change the packaging of current products√ so that they look and seem different and appeal to the market.√
 | * They change the way the products are distributed√ to reach a different market.√
 |
| * Example: A cell phone manufacturer designs a new phone√ that can also be used to make internet phone calls. √
 | * Example: Finding new markets√ in other towns and cities.√
 |
| Any other relevant answer related to product development.  | Any other relevant answer related to market development. |
|  Sub max (3) |  Sub max (3) |

 | (6) |
|  |  |  |
| 1.3 | **Impact of the Labour Relations Act on businesses.** |  |
|  | **Positives/Advantages** |  |
|  | * LRA provides for the principles of collective bargaining√ and puts structures in place with which disputes in the workplace can be settled. √
* Promotes a healthy relationship√ between the employer and employees. √
* Provides specific guidelines for employers√ on correct and fair disciplinary procedures. √
* Employers and employees have guidelines√ regarding correct and fair dismissal procedures. √
* Provides mechanisms√ such as statutory councils/collective bargaining/ CCMA. √
* Labour disputes are settled quicker√ and are less expensive. √
* Provides protection for employers√ who embark on lawful lock-outs. √
* Employers are entitled to compensation from the Labour Court√ if they suffered damages as a result of unprotected strikes. √
* Workplace forums can add value to businesses√ if it functions properly. √

Any other relevant answer related to the positive impact/advantages of the LRA on businesses**AND/OR****Negatives/Disadvantages** * Employers may have to disclose information about workplace issues to union representatives√ that could be the core of their competitive advantage. √
* Employers may not dismiss employees at will√, as procedures have to be followed. √
* Some businesses may feel that the LRA gives employees too much power√ as it creates lengthy procedures, e.g. consulting with workplace forums. √
* Employers may not get a court interdict√ to stop a strike. √
* Strike actions always result in loss of production√ for which employers may not claim. √
* Some trade unions may not promote the mandate of their members√ but embark on industrial action, which is harmful to labour relations between employers and employees. √
* Many employees and employers√ do not understand/respect the Labour Relations Act. √
* Labour disputes and bargaining council processes become disruptive/ time-consuming√ and can lead to a decrease in productivity in businesses. √
* Many employees take advantage of the right to strike√ without acknowledging their responsibilities. √

Any other relevant answer related to the negative impact/disadvantages of the LRA on businesses. NOTE: Award a maximum of TWO (2) marks if the impact is on trade unions only. | (8) |
|  |  | **[20]** |
|  |  |  |
|  |  |
|  | **BUSINESS OPERATIONS** |  |
| 1.4 | **Aspects to be included in an induction programme.** |  |
|  | * Safety regulations and rules. √
* Overview of the business. √
* Information about the business products/services. √
* Meeting with senior management who will explain the company’s vision/values/job descriptions/daily tasks. √
* Tour of the premises/Introduction to key people and close colleagues. √
* Conditions of employment, e.g. working hours/leave application process/ disciplinary procedures√, etc.
* Administration details on systems/processes/logistics. √
* Discussion of the employment contract and conditions of service. √
* Discussion of personnel policies, e.g. making private phone calls/using the internet√, etc.
* Discussion on employee benefits. √
* Corporate social responsibility programmes. √

Any other relevant answer related to aspects that should be included in the induction program. **NOTE: Mark the first SIX (6) only.** (6 x 1) | (6) |
| 1.5 | **Quality of performance** |  |
|  | 1.5.1 | **Results of poor implementation of TQM from the scenario** * NGC received poor publicity due to the low quality of some products. √
* Their profits also declined resulting in investors withdrawing their money. √

**NOTE: 1. Mark the first TWO (2) only.**  **2. Only allocate marks for responses that are quoted from the scenario.**  **(2x1)** | (2) |
|  |  |  |  |
|  | 1.5.2 | **Impact if TQM is poorly implemented by businesses** |  |
|  |  | * Lack of training/skills development√ may lead to poor quality products. √
* Decline in sales√, as returns from unhappy customer's increase. √
* Decline in productivity√, because of stoppage. √
* High staff turnover√, because of poor skills development. √
* Unrealistic deadlines√ may not be achieved. √
* Businesses may not be able to make/afford the necessary changes√ that will satisfy customers' needs. √
* Loss of customers√ may lead to bankruptcy/closure. √
* Undocumented quality control systems/processes√ could result in error/deviations from pre-set quality standards. √

Any other relevant answer related to the impact if TQM is poorly implemented by businesses. **NOTE: Do not allocate marks for responses that are quoted in QUESTION 1.5.1.**  **Max** | (6) |
| 1.6 | **Benefits of a good quality management system.** |  |
|  | * Effective customer services are rendered, resulting in increased customer satisfaction. √√
* Time and resources are used efficiently. √√
* Productivity increases through proper time management/using high quality resources. √√
* Products/Services are constantly improved resulting in increased levels of customer satisfaction. √√
* Vision/Mission/Business goals may be achieved. √√
* Business has a competitive advantage over its competitors. √√
* Regular training will continuously improve√ the quality of employees’ skills/knowledge. √√
* Employers and employees will have a healthy working relationship resulting in happy/productive workers. √√
* Increased market share and profitability. √√

Any other relevant answer related to the benefits of a good quality management system. **Max** | (6) |
|  |  | **[20]** |
|  | **TOTAL** | **[40]** |