 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** | **22/04/2020** |
| **TOPIC** | **BUSINESS VENTURES MARKS: 100** | **TERM 1****REVISION** |  | **TERM 2 CONTENT** | **X** |

|  |  |  |
| --- | --- | --- |
|  | **QUESTION 1: BUSINESS VENTURES (MANAGEMENT AND LEADERSHIP)** |  |
| 1.1 |  |  |
|  | 1.1.1 Charismatic leadership √√ 1.1.2 Democratic leadership √√ 1.1.3 Autocratic leadership √√ 1.1.4 Bureaucratic leadership √√ 1.1.5 Liassez-faire leadership √√ (5 × 2) | (10) |
| 1.2 | **Distinction between leadership and management** |  |
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| --- | --- |
| **Leadership** | **Management** |
| - Influences human behaviour. √√ | - Guides human behaviour. √√ |
| Communicates by means of interaction / behaviour / vision / values / charisma. √√  | - Communicates through management functions, e.g. line function √√ |
| - Encourages new ideas to increase productivity. √√ | - Administers plans / programs / tasks to reach targets. √√ |
| Inspires staff to trust and support each other. √√  | - Controls systems and procedures to get the job done. √√ |
| - Focuses on what and why. √√ | - Focuses on how and when. √√ |
| - Does the right things. √√ | - Does the right things. √√ |
| - Focuses on the horizon to take long-term decisions. √√ | - Focuses on the bottom line to take short- / medium- / long-term decisions. √√ |
| - Leaders are born with natural / instinctive leadership skills. √√ | - A person becomes a manager because he / she is appointed in the position / trained / qualified. √√  |
| - Guides / Leads people to become active participants. √√ | - Manages the process of getting things done by exercising authority. √√ |
| - Have power / influence because of his / her knowledge / intelligence / skills. √√  | - Have power / authority because of the position into which they are appointed. √√ |
| - Always trying to find more efficient ways of completing tasks. √√ | - Enforce rules on subordinates to ensure that tasks are completed. √√ |
| - Motivational / Inspirational in their approach. √√ | - Instructional in their approach. √√ |
| - People orientated. √√ | - Task orientated. √√ |
| - Lead by example / respect. √√  | - Manage by planning / organising / leading / control. √√  |
| - Any other relevant answer related to leadership.  | - Any other relevant answer related to management.  |
|  (Sub max) (6)  |  (Sub max) (6) |

 **NOTE: 1. The answer does not have to be in tabular format but differences must be clear.**  **2. Mark the first THREE (3) differences only.**  **3. Award a maximum of SIX (6) marks if difference are not clear**. (Max)  **NOTE: 1. The answer does not have to be in tabular format but differences must be clear.**  **2. Mark the first THREE (3) differences only.**  **3. Award a maximum of SIX (6) marks if difference are not clear**. (Max) (12) | (12) |
|  |  |  |
| 1.3 | **1.3.1 Transactional leadership √√** | (2) |
|  | 1.3.2 **Transactional leadership** **Positives / Advantages*** Encourages employees to work hard √ because they will receive rewards. √
* Improves employees’ productivity √ and morale. √
* The goals and objectives of the business can be achieved √ as workers are motivated. √
* Employees’ know √ what is expected of them. √
* Disciplinary actions / procedures √ are well communicated. √

Any other relevant answer related to the positives / advantages of the transactional leadership style.  (Sub max) (6)**AND / OR****Negatives / Disadvantage*** Employees can become bored √ because they have to follow rules / procedures / there is no creativity in the workplace. √
* A transactional leader will have to monitor the work performance of employees / ensure that expectations are met √ which can be time-consuming. √
* Some employees may be demoralised / de-motivated √, if they fail to reach / meet targets despite having worked very hard**. √**
* Usually not suitable for team work √, because all team members can be punished for poor performance caused by a member of a team. √

Any other relevant answer related to the negatives / disadvantage of the transactional leadership style.  (Sub max) (6) (Max) 1.3.3 Situation in which the transactional leadership style can be applied* When the business wants to maximize employee performance. √√
* When deadlines have to be met on short notice / under pressure. √√
* When workers have a low morale. √√
* When strategies / business structures do not have to change. √√
* When productivity levels are very low / not according to targets. √√

Any other relevant suggestion of situations in which the transactional leadership style can be applied. **NOTE: Mark the first TWO (2) situations only**. (2 x 2)  | (12)(4) |
| 1.4 | **Role of personal attitude in successful leadership** |  |
|  | * Positive attitude √ releases leadership potential. √
* A leader's good / bad attitude √ can influence the success / failure of the business. √
* Leaders must know their strengths and weaknesses √ to apply their leadership style effectively. √
* Great leaders understand that the right attitude √ will set the right atmosphere. √
* Leaders' attitude can influence employees' / teams' thoughts √ and behaviour. √
* Leaders should model the behaviour √ that they want to see in team members. √
* Leaders must know / understand their team’s √ to be able to allocate tasks / roles effectively. √
* Enthusiasm √ produces confidence in a leader. √
* A positive attitude is critical for good leadership √ because good leaders will stay with the task regardless of difficulties / challenges. √
* Successful employees and leaders have a constant desire to work √ and achieve personal and professional success. √
* Leaders with a positive attitude know that there is always more to learn √ and space to grow. √

Any other relevant answer related to the role of personal attitude in successful leadership. (Max)  | (12) |
|  |  |  |
| 1.5 | **Democratic leadership style** **Positives** |  |
|  | * Creates a positive work environment √ for both employers and employees. √
* Employees contribute toward the decision making process √, which minimises conflict. √
* Encourages creative thinking amongst employees’ √ as they contribute towards decision making. √
* Productivity increases √, as happy workers have better work ethics. √
* Staff turnover is reduced √ because job satisfaction is high amongst workers. √

Any other relevant answer related to a positive evaluation of a democratic leadership style. **Negatives** * Consulting all stakeholders / participants for decision making is time consuming √ as everyone is expected to agree. √
* Can only be effective in situations where employees are skilled and eager to share ideas √ in order to make informed decisions. √
* Profitable opportunities may be missed √ due to slow decision making. √
* Poor leadership skills may result in not achieving business objectives √ and this may lead to conflict. √
* Contributions by participants may not be considered by the leader in his / her final decision √ as he / she has the final responsibility for making decisions. √
* Leader may make poor decisions √ based on misleading contributions by participants. √

Any other relevant answer related to a negative evaluation of democratic leadership style. (Max) | (8) |
|  | (EC/JUNE 2017) | [60] |
|  |  **BREAKDOWN OF MARKS**

|  |  |
| --- | --- |
| **QUESTION** | **MARKS** |
| **1.1** | **10** |
| **1.2** | **12** |
| **1.3.1** | **2** |
| **1.3.2** | **12** |
| **1.3.3** | **4** |
| **1.4** | **12** |
| **1.5** | **8** |
| **TOTAL** | **60** |

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|  | **QUESTION 2: BUSINESS VENTURES (INSURANCE)**  |  |
|  |  |  |
| 2.1  | **Introduction** |  |
|  | * Insurance is a contract between a person/business/insured requiring insurance cover and the insurance company/insurer bearing the financial risk. √
* The law requires businesses to contribute to compulsory insurance on behalf of employees. √
* The purpose of insurance is to indemnify/cover the insured against certain kinds of insurable risks. √

Any other relevant introduction related to insurance. (2 x 1) (2) | (2) |
|  |  |  |
| 2.2 | **Distinction between insurance and assurance** |  |
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| --- | --- |
| INSURANCE | ASSURANCE |
| * Based on the principle of indemnity.√
 | * Based on the principle of security/ certainty.√
 |
| * The insured transfers the cost of potential loss√ to the insurer at a premium.√
 | * The insurer undertakes to pay an agreed sum of money√ after a certain period has expired/on the death of the insured person, whichever occurred first.√
 |
| * It covers a specified event√ that may occur.√
 | * Specified event is certain√, but the time of the event is uncertain.√
 |
| * Applicable to short term insurance.√
 | * Applicable to long term insurance.√
 |
| * Example: Property insurance/money in transit/theft/burglary/fire,√ etc.
 | * Example: Life insurance/endowment policies/ retirement annuities,√ etc.
 |
| * Any other relevant answer related to insurance.
 | * Any other relevant answer related to assurance.
 |
|  Sub max (6) |  Sub max (6) |

 **NOTE: 1. The answer does not have to be in tabular format, but the distinction must be clear.**  **2. Award a maximum of SIX (6) marks if the distinction is not clear/ Mark either insurance or** **Assurance only.**  Max (12) | (12) |
| 2.3 | **Types of compulsory insurance**  |  |
|  | 1.3.1 **Unemployment Insurance Fund (UIF)√√*** The UIF provides benefits to workers who have been working√ and become unemployed for various reasons. √
* Businesses contribute 1% of basic wages towards UIF√, therefore reducing the expense of providing UIF benefits themselves. √
* Employees contribute 1%√ of their basic wage to UIF. √
* The contribution of businesses towards UIF√ increases the amount paid out to employees that become unemployed. √
* All employees who work at least 24 hours per month√ are required to be registered for UIF/contribute to the UIF. √
* It is an affordable contribution that makes it possible for businesses√ to appoint substitute workers in some instances. √
* The business cannot be held responsible for unemployment cover√ as the UIF pays out to contributors directly/dependants of deceased contributors. √
* Businesses are compelled to register their employees with the fund√ and to pay contributions to the fund. √ Any other relevant answer related to UIF as a compulsory insurance.

 Identification (2)  Explanation (4)  Sub max (6) | (12) |
|  |  |  |
|  | **2.3.2 Road Accident Fund (RAF)/Road Accident Benefit Scheme (RABS)√√** |  |
|  | * RAF/RABS insures road-users against the negligence√ of other road users. √
* The RAF/RABS provides compulsory cover for all road users in South Africa√, which include South African businesses. √
* Drivers of business vehicles are indemnified√ against claims by persons injured in vehicle accidents. √
* RAF/RABS is funded by a levy√ on the sale of fuel/diesel/petrol. √
* The amount that can be claimed for loss of income√ is limited by legislation. √
* The next of kin of workers/breadwinners who are injured/killed in road accidents√, may claim directly from RAF/RABS. √
* Injured parties and negligent drivers√ are both covered by RAF/RABS. √
* The injured party will be compensated√, irrespective of whether the negligent driver is rich/poor/insured/uninsured. √
* RABS aims to provide a benefit scheme√ that is reasonable/equitable/affordable/ sustainable √, etc.
* RABS aims to simplify/speed up the claims process√ as victims of road accidents no longer have to prove who caused the accident. √
* RABS enables road accident victims speedy access to medical care√ as delays due to the investigation into accidents has been minimised. √

Any other relevant answer related to RAF/RABS as a compulsory insurance.  Identification (2)  Explanation (4)  Sub max (6) | (3) |
|  |  |  |
|  | **2.3.3 Compensation Fund/Compensation for Occupational Injuries and Diseases/ COIDA√√** | (3) |
|  | * The fund covers occupational diseases√ and workplace injuries. √
* Compensates employees for injuries and diseases√ incurred at work. √
* Compensation paid is determined√ by the degree of disablement. √
* The contribution payable is reviewed every few years√ according to the risk associated with that type of work. √
* All employers are obliged to register with the compensation fund√ so that employees may be compensated for accidents and diseases sustained in the workplace. √
* The fund covers employers for any legal claim√ that workers may bring against them. √
* Employers are required to report all accidents within 7 days√ and occupational diseases within 14 days to the Compensation Commissioner. √
* Employers are responsible for contributing towards the fund√ and may not claim money back from employees/deduct contributions from wages. √
* In the event of the death of an employee as a result of a work related accident/ disease√, his/her dependant(s) will receive financial support. √
* Employees do not have to contribute√ towards this fund. √
* Employees receive medical assistance√ provided there is no other party/medical fund involved. √

Any other relevant answer related to compensation fund/COIDA as a compulsory insurance. **NOTE: Do not award marks for the disadvantages of COIDA as an Act**.  Identification (2)  Explanation (4)  Sub max (6)  **NOTE: Mark the first THREE (3) candidates' responses as they may include the incorrect identification of compulsory insurance. (**3 x 6) (18) | (10) |
|  |  |  |
| 2.4 | Meaning of average clause | (8) |
|  | * A stipulation set by the insurer which is applicable when property/goods√ is under insured/insured for less than its market value.√
* The insurer will pay for insured loss/damages√ in proportion to the insured value.√
* This means that the insured is responsible for√ a part of the risk that is not insured.√

Any other relevant answer related to the meaning of the average clause. Sub max (4)**Explanation on how average clause is calculated** * The insured amount is divided by the market value of the insured item√ and multiplied by the total value/amount of the damages/loss. √
* Insurance companies apply the following formula to determine the amount to be paid out to the insured:

 Sub max (2)  Max (6) |  |
|  |  |  |
| 2.5 | **Positive impact of insurance on businesses** | (6) |
|  | * Transfers the risk from the business/insured√ to an insurance company/insurer. √
* Transfer of risk is subject to the terms and conditions√ of the insurance contract. √
* Protects the business against theft/loss of stock and/or damages√ caused by natural disasters such as floods, storm damage √, etc.
* Business will be compensated for insurable losses√, e.g. destruction of property through fire. √
* Business assets, e.g. vehicles/equipment/buildings need to be insured√ against damage and/or theft. √
* Business is protected against the loss of earnings√, e.g. strikes by employees which result in losses worth millions. √
* Protects business√ against dishonest employees. √
* Life insurance can be taken on the life of partners in a partnership√ to prevent unexpected loss of capital. √
* Should the services of key personnel be lost due to accidents/death√, the proceeds of an insurance policy can be paid out to the business/beneficiaries. √
* Replacement costs for damaged machinery/equipment are very high√, therefore insurance can reduce/cover such costs. √
* Protects businesses from claims made by members of the public√ for damages that the business is responsible for. √
* Protects businesses against losses√ due to death of a debtor. √

Any other relevant answer related to the positive impact of insurance on businesses. Max (10) |  |
|  |  |  |
| **2.6** | **Conclusion**  | (8) |
|  | * The insurance agreement should take into consideration the risks applicable to each situation. √√
* Business property/assets must be insured for the correct/latest market value. √√
* Compulsory insurance reduces the financial risk of businesses. √√
* The value of insured goods/items must be adjusted to include appreciation and/or depreciation. √√

Any other relevant conclusion related to insurance. Max (2) |  |
|  |  | [40] |
|  | **BREAKDOWN OF MARK ALLOCATION**

|  |  |  |
| --- | --- | --- |
| **Details**  | **Maximum**  | **Total**  |
| Introduction  | **2**  | **Max 32**  |
| Distinction between insurance and assurance  | **12**  |
| Types of compulsory insurance | 18 |
| Average clause : Meaning and explanation of the calculation | 6 |
| Positive impact of insurance on businesses | 10 |
| Conclusion  | **2**  |
| **INSIGHT**  |  | **8**  |
| Layout  | **2**  |
| Analysis, interpretation  | **2**  |
| Synthesis  | **2**  |
| Originality/Examples  | **2**  |
| **TOTAL MARKS**  |  | **40**  |

 LASO - For each component: Allocate 2 marks if all requirements are met. Allocate 1 mark if some requirements are met.  Allocate 0 marks where requirements are not met at all.  |  |
|  |  |  |