 Province of the

EASTERN CAPE

EDUCATION

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

**HOME SCHOOLING SELF-STUDY WORKSHEET ANSWER SHEET**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **SUBJECT** | **BUSINESS STUDIES** | **GRADE** | **12** | **DATE** | **09/04/2020** |
| **TOPIC** | **BUSINESS ENVIRONMENT MARKS: 40** | **TERM 1**  **REVISION** | **X** | **TERM 2 CONTENT** | (Please tick) |

**QUESTION 1: BUSINESS ENVIRONMENTS (LEGISLATION)**

* 1. **Introduction**

- BBBEE was introduced to bring the majority of the South Africans into the mainstream of the economy. √

- It increased the number of black people that manage/own/control the economy. √

- Enterprise and supplier development enable large businesses to empower black owned businesses and suppliers. √

- A BEE scorecard is used to determine the BBBEE status of a business. √

- The Skills Development Act was developed in response to the demand for redress and equity. √

Any other relevant introduction related to BBBEE and SDA. **(2 x 1) (2)**

1.2 **Distinction between BEE and BBBEE**

|  |  |
| --- | --- |
| **BLACK ECONOMIC EMPOWERMENT (BEE** | **BROAD BASED BLACK ECONOMIC EMPOWERMENT (BBBEE)** |
| - It is a government policy√ which may not be enforced.√ | -It is an Act√ that is enforced/must be complied with by businesses.√ |
| - Benefits only a few previously disadvantaged people√ in the economy.√ | - Encourages a wider group of previously disadvantaged people/black women/people who are physically challenged/youth/people in rural areas√ to participate in the economy.√ |
| - Few previously disadvantaged individuals share in the wealth√ of the economy.√ | - Aims at distributing the country's wealth√ across a broader spectrum of society. |
| - Focuses only on three pillars√ that did not include all previously disadvantaged people.√ | - Focuses on seven/five pillars√ which includes all sectors of the society, especially the previously disadvantaged.√ |
| - Any other relevant answer related to BEE. | - Any other relevant answer related to BBBEE. |
| Sub max (4) | Sub max (4) |

**NOTE: 1. The answer does not have to be in tabular format, but the distinction must be clear.**

**2. Award a maximum of FOUR (4) marks if the distinction is not clear/Mark either BEE or BBBEE only.** Max (8)

* 1. **Impact of BBBEE on businesses**

**Positives/Advantages**

- Businesses that comply with BBBEE regarding the pillars√ will be rated high on the BEE scorecard/may get government tenders/may attract other BBBEE business partners/-suppliers. √

- Encourages businesses to address the demands√ for redress/ equity directly. √

- Provides a variety of business codes√ to improve employment equity. √

- Provides for human resources development√ through training and development. √

- Promotes enterprise development√, by developing entrepreneurial skills of designated people to start their own businesses. √

- Businesses will have a good overview on how it is performing√ in comparison to other businesses in the rest of the country. √ - A good BBBEE rating√ will improve the image of the business. √

- By focusing on BBBEE, the business will show commitment√ towards the social/education/economic developments in the community/country. √

- Once rated, the business will understand how to develop BBBEE strategies√ that will increase its BBBEE ratings on an annual basis. √

- Fronting is discouraged√, as it may lead to the disqualification of a business's entire scorecard/BBBEE status. √

- Share prices of BBBEE compliant businesses are likely to increase√ as they attract more business. √

- Businesses that support Small, Micro, Medium Enterprises (SMMEs)√, may increase their own BBBEE ratings. √

- Complying with BBBEE requirements gives businesses experience/exposure√ to be able to provide better employment opportunities/staff development. √

Any other relevant answer related to the positive impact of BBBEE on businesses.

**AND/OR**

**Negatives/Disadvantages**

- Businesses have to go through the process of having their BBBEE compliance measured/verified√ by an independent BEE verification agency. √

- Businesses that wish to do business with the government√, must have their BEE status assessed annually. √

- Provides for preferential procurement√, so certain businesses may be excluded from supplying goods/services. √

- Processes may lead to corruption/nepotism√, if not monitored properly. √

- Many businesses have been disadvantaged due to BBBEE ratings√ as they may not be able to meet all the scoring.√

- Processes and procedures may be costly for a business√ as there are many legal requirements for scoring enough points to be compliant. √

- Businesses could experience large financial implications/penalties√ if they do not comply with BBBEE. √

- Businesses will have to spend money in areas covered by the seven/five BBBEE pillars√ to obtain a good BBBEE rating. √

- Investment/Ownership issues√ can cause unhappiness between existing shareholders. √

Any other relevant answer related to the negative impact of BBBEE on businesses. **Max (10)**

**1.4 Implications of the BBBEE pillar**

**1.4.1 Ownership**

- Business should include black people√ in shareholding/partnerships/franchises. √

- Exempted Micro Enterprises (EMEs) with an ownership of 50% or more of black people√ are promoted to level 3 of the BEE scorecard. √

- More opportunities are created for black people√ to become owners/ entrepreneurs. √

- Encourage small black investors√ to invest in big companies and share ownership. √

- Large businesses should form joint ventures with small black owned businesses√ and share business risks. √

- Businesses sometimes find it difficult√ to locate suitable black business partners/ shareholders. √

- Many black people cannot afford√ shares in companies/contributions to partnerships. √

Any other relevant answer related to the implication of ownership as a BBBEE pillar on businesses. **Max (6)**

**1.4.2 Management**

- Business must ensure that transformation√ is implemented at all levels. √

- Appoint black people√ in senior executive positions/to management. √

- Involve black people√ in the decision making processes.√

- Ensure that black females√ are represented in management. √

- Businesses score points in both management and ownership√ when selling more than 25 % of their shares to black investors so that some of them can become directors. √

- Due to a shortage of skilled black managers/directors√, some businesses find it difficult to make appointments. √

- Businesses are directly penalised√ for not implementing this pillar. √

Any other relevant answer related to the implication of management as a BBBEE pillar on businesses. **Max (6)**

1.4.3 **Enterprise and supplier development (ESD)**

**OPTION 1**

- Business must create jobs√ as ESD promotes local manufacturing. √

- Businesses are encouraged to invest/support√ black owned SMMEs. √

- Contribution can be monetary√, e.g. loans/investments/donations. √

- Contribution can be non-monetary√, e.g. consulting services/advice/ entrepreneurial programmes √, etc.

- Outsource services√ to suppliers that are BBBEE compliant. √

- Identify black owned suppliers√ that are able to supply goods and services. √

- Develop the business skills of small/black owned suppliers√, e.g. sales techniques, legal advice√, etc.

- Support the cash flow of small suppliers√ by offering them preferential terms of payment. √

- Businesses should invest in/support√ black owned SMMEs. √

- SMMEs will be encouraged to use their own business initiatives√ to make them sustainable. √

- Develop and implement√ a supplier development plan/supply chain. √

- Small/Large businesses may not be able√ to afford enterprise development investment/support. √

- Black owned SMMEs may become too reliant√ on support from other businesses/ unable to take their own initiatives. √

- BBBEE suppliers√ may be without good workmanship. √

- Smaller businesses that are not BBBEE compliant√ lose business. √

- Businesses are forced√ to choose from a smaller pool of suppliers. √

Any other relevant answer related to the implication of enterprise and supplier Development (ESD) as a BBBEE pillar on businesses.

**OR**

**OPTION 2**

**Supplier development/Preferential procurement**

- Identify black owned suppliers√ that are able to supply goods and services. √

- Develop business skills of small/black owned suppliers√, e.g. sales techniques, legal advice √, etc.

- Support the cash flow of small suppliers√ by offering them preferential terms of payment. √

- Develop and implement√ a supplier development plan/supply chain. √

- BBBEE suppliers√ may be without good workmanship. √

- Smaller businesses that are not BBBEE compliant√ lose business. √

- Businesses are forced√ to choose from a smaller pool of suppliers. √

Any other relevant answer related to supplier development/Preferential procurement as a BBBEE pillar on businesses.

**AND/OR**

**Enterprise development**

- Contribution can be monetary√ e.g. loans/investments/donations. √

- Contribution can be non-monetary√ e.g. consulting services/advice/ entrepreneurial programmes √, etc.

- Businesses should invest in/support√ black owned SMME’s. √

- SMME's will be encouraged to use their own business initiatives√ to make them sustainable. √

- Small/Large businesses may not be able√ to afford enterprise development investment/support. √

- Black owned SMME's may become too reliant√ on support from other businesses/ unable to take their own initiatives. √

Any other relevant answer related to enterprise development as a BBBEE pillar on businesses. **Max (6)**

1.5 **Effectiveness/Advantages of Skills Development Act**

- Increases the number of skilled employees√ in areas where these skills are scarce. √

- Trained employees√ to improve productivity in the workplace. √

- Increases global√ competitiveness. √ - Increases investment in education and training√ in the labour market. √

- Increases the return on investment√ in education and training. √

- Improves employment opportunities√ and labour movement of workers from previously disadvantaged groups. √

- Self-employment√ and black entrepreneurship are promoted. √

- Workplace discrimination√ can be addressed through training. √

- Workplace is used as an active learning environment√ where employees can gain practical job experience. √

- BBBEE-compliant businesses can improve their products/service delivery√ as they employ more skilled workers. √

Any other relevant answer related to the effectiveness/advantages of SDA to ensure the successful implementation of BBBEE**. Max (10)**

**1.6 Conclusion**

- An economy that is not growing cannot integrate all its citizens in a meaningful way. √√

- To obtain a good rating, businesses will have to spend money in the areas covered by the BBBEE pillars. √√

- The Skills Development Act makes it possible for business to successfully implement BBBEE pillars as it ensures effective skills development. √√

Any other relevant conclusion related to BBBEE and SDA. **Max (2)**

**[40]**

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| --- | --- | --- |
| **BREAKDOWN OF MARKS ALLOCATION** | | |
| **Details** | **Maximum** | **Total** |
| Introduction | **2** | **Max.32** |
| Differences between BEE and BBBEE | **8** |
| Impact of BBBEE on businesses | **10** |
| Implications of: ownership | **6** |
| management | **6** |
| enterprise and supplier  development (ESD) | **6** |
| Effectiveness of SDA | **10** |
| Conclusion | **2** |
| **INSIGHT** |  | **8** |
| Layout | **2** |
| Analysis | **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 markswhere requirements are not met at all