

GRADE 12 BUSINESS STUDIES
MAY/JUNE 2013 MEMORANDUM

QUESTION 1.1

QUESTION 1.2

QUESTION 1.3

1.1.1	B ✓✓	1.2.1	National Skills development strategy ✓✓	1.3.1	E ✓✓
1.1.2	C ✓✓				
1.1.3	D ✓✓	1.2.2	vertical ✓✓	1.3.2	C ✓✓
1.1.4	B ✓✓				
1.1.5	B ✓✓	1.2.3	electronic ✓✓	1.3.3	A ✓✓
1.1.6	C ✓✓				
1.1.7	B ✓✓	1.2.4	Personal property policy ✓✓	1.3.4	G ✓✓
1.1.8	D ✓✓				
1.1.9	A ✓✓	1.2.5	STRATE ✓✓	1.3.5	D ✓✓
1.1.10	D ✓✓				

QUESTION 2

- 2.1.1 B ✓✓ D ✓✓
2.1.2 C ✓✓ F ✓✓
2.1.3 A ✓✓ E ✓✓

(12)

- 2.2.1 Primary sector ✓✓
It deals with a plantation. ✓ e.g. crop cultivation ✓

(4)

- 2..2.2 Challenge: decrease in crop productivity ✓✓
Strategy: sustainable use of natural resources ✓✓
(Any relevant answer from case study)

(4)[8]

2.3 YES✓✓

- Improves the standard of living of community✓✓ e.g. job creation✓
- Provides education and training for the community e.g. skill development✓
- Grant bursaries to learners from the community to further their education and training✓✓ e.g. accessibility to tertiary studies✓
- Provide financial resources to improve the infrastructure✓✓ e.g. recreational facilities✓
- Sustain good relationships with other businesses in the community ✓✓ e.g. formation of business forum ✓
- Any other relevant information

OR

NO✓✓

- Does not improve the standard of living of the community ✓✓ e.g. offering jobs to outsiders✓
- Poor provision of education and training for the community✓✓ e.g. no proper training programmes ✓

Yes/No (2)

Examples(any 2 x 2) (4)

Max [6]

**NOTE: If both yes and no, mark to the max of 6
Award zero marks for yes/no without explanation.**

2.4 Ownership✓
Management✓
Employment Equity ✓
Skills development✓
Preferential Procurement✓
Enterprise development✓
Corporate Social Investment✓

(max 4)

2.5.1 Line/scatter graph ✓✓ (4)

2.5.2 June ✓✓
Reason: Winter month ✓✓/cold weather ✓✓ (4)

2.5.3 R300 000 ✓✓ (2)

2.5.4 Bar ✓
Pie chart ✓
Histogram ✓
Any relevant answer (2)[10]

[40]

QUESTION 3

3.1.1 TAXATION

Success

- A company pays tax on the income brought into the business, after the expenses of running the business have been deducted. ✓✓
- Companies pay tax at 28% of taxable income.
- The profit (after tax) is distributed to shareholders - this is called dividends
- Profit after taxation will be divided between shareholders in dividends. (2)

Failure

- Companies pay secondary tax of 10% on the dividends distributed to shareholders. ✓✓ (2) [4]

3.1.2 MANAGEMENT

Success

- Management and ownership are legally separated. ✓✓
- Owned by shareholders and managed by at least TWO directors. (2)

Failure

- Shareholders are not actively involved in managing the company. ✓✓
- Shareholders have the power to elect suitable directors, but not all shareholders exercise their voting rights. (2) [4]

3.1.3 CAPITAL

Success

- Issues a prospectus and sells shares to the public up to the maximum amount as registered in the Memorandum of Association. ✓✓
- May change the share capital clause in the Memorandum of Association to get more capital.
- May issue debentures to the public.
- Financial statements must be audited and this will ensure that financial management is done properly.
- Shares are freely transferable. (2)

Failure

- In slow economic times and if the company is not performing well it might be difficult to sell shares. ✓✓ (2) [4]

3.1 .3 DIVISION OF PROFITS

Success

- Profit belongs to the company and can be used to expand the business. ✓✓
- A part of the profit can be withheld in a reserve fund for future needs.
- Profit after taxation is divided between shareholders in the form of dividends according to the number and type of shares held by the shareholder. (2)

Failure

- The market value of shares can decrease when the dividend paid out to shareholders is low, because the shareholders lose interest in the company and want to sell their shares. ✓✓
- Shareholders are not sure if they are going to get an income from their investment. (2) [4] [4 x 4 = 16]

Note : Learners may provide alternative answers. [12]

3.2.1 Interest = P x R x T

$$\begin{aligned} & R30\,000 \checkmark \quad \times \quad (1 + 0.8)^2 \checkmark \\ & = R4\,992 \checkmark \checkmark \end{aligned} \quad (4)$$

3.2.2 UNIT TRUSTS ✓✓

These are investments which are controlled by fund managers. Money from a group of investors are pooled together and invested in shares etc. on behalf of the investors. ✓✓ The risk and return is a little higher than fixed deposits. ✓✓

SHARES ✓✓

This is a high risk investment in which Malik can invest his money by buying shares and selling them at a profit. ✓✓ The return can be much higher than a fixed deposit, but the risk is much higher too. ✓✓

DEBENTURES ✓✓

Public companies borrow money from investors and investors receive interest on this investment. ✓✓ The risk and return is slightly higher than a fixed deposit. ✓✓

OFF-SHORE INVESTMENTS ✓✓

These investments are influenced by various factors such as interest rate, inflation rate and overall economic performance of the country in which the money has been invested. ✓✓ The return can be much higher than a fixed deposit, but the risk is much higher too. ✓✓

PROPERTY INVESTMENTS ✓✓✓

Property investments are most effective as a long term investment. ✓✓ Malik would gain more over the long period by choosing property investments. ✓✓

Any other relevant answer

(2 x 6 = 12)

3.3

- Calculated risks takers. ✓✓
- Self motivated and disciplined.
- Creative and innovative.
- Perseverance
- Persistency.
- Desire for responsibility and immediate feedback
- Energetic
- Have a clear vision
- Flexible, able to adapt to change
- Positive attitude
- Good management and communication skills
- Set realistic goals

(4 x 2)[8]

4.1

Human rights

- Businesses must treat all stakeholders with dignity and respect. ✓✓
- Employees must have the right to be a member of a trade union. ✓✓
- Businesses can contribute towards human rights issues by implementing poverty alleviation programmes. ✓✓
- Business policy should not be biased against employees. ✓✓
- Providing health care facilities at the workplace. ✓✓
- Any other relevant answer related to human rights. (any 3 x 2) (6)

Inclusivity

- No one should be discriminated against regarding race, gender, religion, etc. ✓✓
- Give equal opportunities to all employees. ✓✓
- Workplace must reflect the demographics of the country in terms of race, gender and disability. ✓✓
- Needs and desires of all stakeholders must be appreciated and tolerated in the workplace. ✓✓
- Any other relevant answer related to inclusivity. (any 3 x 2) (6)

Environmental issues

- Businesses must protect the environment by avoiding pollution. √√
- Sustainable ecological development which cannot harm nature must be applied by businesses. √√

- If damage to the environment occurs, businesses should take responsibility to rehabilitate it. √√

- Any other relevant answer related to environmental issues. (any 3 x 2) (6) **Max [18]**

4.2

YES √√

(2)

ADVANTAGES OF INSURANCE ON MORTGAGE BOND

- Service providers require collateral as a surety/compulsory for mortgage bonds √√

- Insurance provides indemnity to the Khumalos for losses they may suffer due to fire, natural disasters etc. √√

- The Khumalos are protected from losses as a result of ill-health(temporary/permanent employment) , death, disability etc. √√

- Improves credit ratings if previous premiums on mortgage bonds are up to date. √√

- The rates offered by the bank may be more competitive. √√

- Any other relevant answer related to advantages of insurance on mortgage bonds.

NOTE: ACCEPT “SECURITY” IF IT IS NOT REPEATED IN THE PREVIOUS EXAMPLES/FACTS.

YES (2)

Advantages (3 x 2) (6)Max. (8)

OR

NO √√

- Insurance on a bond is for a limited period. √√

- Insurance premiums are sometimes too high. √√

- Insurance increases expenses of individuals/businesses. √√

- Other insurances (endowment) could be ceded as collateral. √√

- Insurance covers for a risk which may or may not happen, which could be a loss to individuals. √√

- Save and buy a house for cash. √√

- Rent until the Khumalos have enough money. √√

- The value of the property could be much higher than the bond itself. √√

- Mortgage insurance do not offer any cash value when surrendered. √√

- Insurance agents demand various commission rates which result in inconsistencies in premiums paid. √√

- Savings could earn guaranteed returns via interest. √√

- Any other relevant answer related to disadvantages of insurance when taking out policies on mortgage bonds.

NO (2)

Disadvantages (3 x 2) (6) Max. (8)

4.2.2

- **UIF**✓
- **RAF**✓
- **COIDA**✓

(max 2)

4.3

Pricing of goods in rural areas

- Prices of goods and services in the rural areas are higher than those in the urban areas. ✓✓
- Little or no competition (no other sellers) / some businesses are the only suppliers of goods and services, therefore they charge higher prices. ✓✓
- Lack of infrastructure results in businesses having no competition. ✓✓
- Lack of monitoring by regulatory bodies on legislated/recommended prices. ✓✓
- Most businesses hire transport to buy stock from far places which result in them charging higher prices. ✓✓
- Any other relevant answer related to the pricing of goods in rural areas.

Recommendations

- Constant monitoring by regulatory bodies especially when prices are fixed.
- Government should improve infrastructure in rural areas ✓✓
- Businesses in rural areas should be encouraged to charge fair and market related prices for goods and services ✓✓
- Businesses should gain customer loyalty and patronage by avoiding unethical practices ✓✓
- Any other relevant answer related to how businesses can address pricing of goods in rural areas.

Discussion Any (2 x 2) (4)

Recommendation Any (1 x 2) (2)

Sexual harassment

- This refers to any sexual advance, gestures or remarks that cause a person to feel intimidated/threatened at work. ✓✓
- It includes request for sexual favours in return for employment benefits. ✓✓
- It includes physical/ verbal advances or jokes e.g. touching in a sexually expressive manner. ✓✓
- Refers to violation of basic human rights normally by person misusing his/her position of authority against the other. ✓✓
- Any other relevant answer related to sexual harassment.

Recommendations

- Implement complaints and disciplinary procedures ✓✓
- Educate employers on sexual harassment matters. ✓✓
- Formulate a policy regarding sexual harassment ✓✓
- Create a good working condition where all employees' rights and dignity are respected ✓✓
- After internal enquiries, serious cases/matters on sexual harassment should be reported to appropriate institutions such as the South African Police Services. ✓✓

- Ensures compliance with the law. ✓✓
- Any other relevant answer related to how businesses can address sexual harassment.

Discussion Any (2 x 2) (4)
Recommendation Any (1 x 2) (2)
Max. (12)

TOTAL SECTION B: 120

SECTION C

QUESTION 5

Identify and classify the challenges facing BRANDS CLOTHING MANUFACTURER.

Suggest strategies that they may implement to overcome the challenges and make recommendation to Brands as whether they should continue with their business operation or not.

5.1 Introduction

Businesses face challenges from the different environment, the different environments are as follows: Macro, Micro and market. ✓/

The degree of control varies amongst the different environments.

The business can control its micro environment.

The business can influence the market environment but cannot control it.

Therefore we need to devise strategies to enable it to respond to these challenges.

The business has very little control over the Macro-environment.

Any 2x1 (2)

5.2

5.2.1 **Challenges: Decline in sales due to cheap imports.** ✓✓

Strategy:

- Revise marketing strategy, ✓✓
- Customer are large clothing retailers (must find other customers, perhaps smaller, exclusive boutiques) ✓✓
- Can also exports to customers overseas must broaden his market to other countries.
- Marketing penetration.
- Market development

(max 8)

Challenges: New competitor ✓✓

Strategy:

- Improve the quality of the products by quality control. ✓✓
- Engage in an advertising campaign,
- Advertise our business in the local newspaper.
- Special on certain days.
- Offer incentives on the products, e.g. trade discount, quantity, discounts, seasonal discount.

(max 8)

Challenges: Legislation

Strategy:

- Must follow the correct procedure in terms of the BCEA for retrenchment,
- Before it takes the drastic action of retrenchments, the company should explore all other possible alternative, such as relocating workers to other factories or offering them alternative positions in the company. ✓✓
- If the workers have to be retrenched the company has an ethical obligation to reduce their suffering as much as possible and to help them find alternative employment.
- Negotiating with staff, and keeping them informed, reduces anxiety (which affected productivity and profitability).

(max 8)

Challenges: Skills development (legislation) ✓✓

Strategy:

- Brands has been paying the Skills Development Levy but has never organised training for the staff.
 - Ideal position to mentor workers is on learnership.
 - There are many unemployed people in the community who could also benefit would be able to claim some of his Skills Development Levy back from the SETA. Organise specialist training for some staff members to learn how to operate the new machinery that they are thinking of buying.
 - Need to upgrade the skills of all the workers in the company. (Max 8)
-

Challenges: Obtaining a loan - economic ✓✓

- Will have to service the loan.
- Profits will decrease
- Will not be competitive

Strategy:

- Use own source of capital ✓✓
 - Borrow from relatives / friends ✓✓
 - Sell shares (max 8)
-

Challenges: Increase in interest rate-Economic ✓✓

- Interest repayments will increase ✓✓
- Profit will decrease
- Bus will lose its competitiveness

Strategy:

- Pay off loans quickly ✓✓
 - Lobbying with other bodies so that Reserve Bank **decreases the repossession rate**
 - Increase capital contribution
 - Sell shares
 - Cut costs and thus eliminate the need to borrow. (max 8)
-

Challenges: Increase in petrol price -International ✓✓

- Operating costs increases.
- Profits decrease

Strategy:

- Driven cost efficiently ✓✓
 - Engage other stakeholder to strengthen the need for reduction of petrol price.
 - Buy fuel efficient vehicles
 - Regular servicing vehicles and maintenance of vehicle to reduce fuel consumption.
 - Introduce control measures. (Max 8)
-

Challenges: Social responsibility programme ✓✓

Strategy:

The government awards points for social responsibility programmes, and decides to do business with a company by looking at the number of points a company has. ✓✓

The other benefits are as follows:

- o It gives the company a good image in the market place ✓✓
- o It makes a genuine difference to the lives of others.
- o It can be coupled with a marketing opportunity.
- o It helps the government with socio-economic problems.
- o It show the community that the business is prepared to be a "good neighbour"

(Max 8)

Challenges: Gender equality-Political ✓✓

- Employments equity prohibits unfair discrimination
- *Loss of profits*

Strategy:

- Comply with Employment Equity Act ✓✓
- Included women in the business

Challenges: BBBEE - Political ✓✓

- Loss of contact preference is given to businesses who comply with BEE criteria when they tender for work according to a scorecard. •/

Strategy:

- Become BEE compliant *sss*
- Appoint more black managers and explore business opportunity *s-ss*
- BEE partners add value - purchase of new machinery technology
- Ease burden - repayment of loan
- Accept any other relevant answer.

(Max 8)

RECOMMENDATION:

- Remain in the manufacturing business based on the implementation of the above strategies. ✓✓
- Integrate vertically - take over retain outlet
- Advertise aggressively
- Become BEE compliant - tender government jobs.
- Market development
- Market penetration

(Max 6)

CONCLUSION

- Challenges are always there and therefore need to be managed. ✓
- The business must implement the application strategy to overcome the challenges. ✓

2x1 (2)

Breakdown of mark allocation

Details	
Introduction	3
Challenges of environments (any 6x2)	12
Control / strategies of challenges (any 6x3)	18
Recommendation	6
Conclusion	2
	4 max 32
INSIGHT	
Insight	2
Structure	2
Analysis and interpretation	2
Originality, recency	2
	8 max 8
TOTAL MARKS	40

QUESTION6

6.1 Introduction

- Conflict is a natural clash or disagreement or differences of opinion regarding values between employees, management and team members. √√
- It results in a situation where each partner wants to win but is not willing to compromise. √
- Any other appropriate definition of conflict. (3 x 1) (3)

6.2 Discussion of statement

- Conflict occurs when there are two or more values/opinions upon which there is no agreement.√√
- Conflict takes place between employees operating at different levels of management in an organisation. √√
- Conflict must be resolved very quickly by management through various ways.√√
- Conflict helps employees to benefit positively out of their differences. √√
- Can also hamper the creativity of employees. √√
- Any other relevant discussion related to the statement on conflict.

NOTE: Yes and No principle applied – mark up to max. of 4
If only Yes/No = no marks (2 x 2) (4)

NOTE (6.1 and 6.2): If definition is part of the discussion of the statement, allocate a maximum of (3 + 4) = 7 marks.

6.3 Causes of conflict

Weak leadership √√

- Leadership which makes inconsistent decisions or is uninformed. √
- May give rise to unhappiness with employees. √
- Workers may become disillusioned with management. √

Poor communication/miss-communication √√

- If employees are not kept well informed of developments in the workplace or are not involved in the decision-making process. √
- If employees don't understand what is expected of them, it would lead to errors being made by employees, resulting in conflict. √

Social factors/Personality clashes √√

- Different cultures or lack of information/knowledge about other employee beliefs usually lead to different working relationships. √

Lack of teamwork √√

- When one team member believes that his/her opinion is better than that of his/her colleagues (team members). √

Distrust √√

- When a supervisor does not understand the work of a subordinate and subordinates perceives his/her supervisor to be unsympathetic. √

Scarce/Limited resources in the workplace √√

- If all departments in an organisation do not have access to the same resources, it could lead to conflict in the workplace. √

Gender bias/discrimination √√

- Discrimination in salaries based on gender/race causes conflict. √
- Any other relevant answer relating to the causes of conflict.

Heading (4 x 2) (8)
Explanation (4 x 1) (4)
Max. 12

6.4 Types of conflict

Inter-organisational conflict (between organisations) √√

- Conflict between an organisation and its supplier. √

Conflict between colleagues on the same management level √√

- Conflict between a supervisor in one department and a supervisor in another department. √

Conflict between a manager and a subordinate √√

- A manager who is not happy with an employee who is not doing enough in his/her work. √

Inter-group conflict √√

- Conflict between team members who are arguing about the best method to approach a different task. √

Interpersonal conflict √√

- Conflict between colleagues caused by disagreement about opinions. √

Approach-approach (+ and +) √√

- Two positives e.g. getting a salary increase or a company car. √

Approach-avoidance (+ and -) √√

- One positive and one negative e.g. continuing to be stressed/frustrated at work

OR

quitting the job. √

Avoidance-avoidance (- and -) √√

- Two negatives e.g. unfit and staying on drugs. √
- Any other relevant type of conflict.

Heading (2 x 2) (4)

Explanation (2 x 1) (2)

Max. 6

6.5 Evaluation

6.5.1 Ways of handling/minimising conflict by management

- Pay employees fair and reasonable salaries. √√
- Ensure that the organisation adheres to legislation such as the Basic Conditions of Employment Act and Employee Equity Act. √√
- Allow employees to take part in the decision – making process of the organisation. √√
- Organisations must have a good communication system in place and give regular feedback to employees on issues relating directly to them. √√
- Hold regular staff development sessions with employees to reduce conflict. √√
- Put all policies and procedures in place and communicate these policies to all employees. √√
- Have a code of ethics in place. √√
- Ensure that workplace forums are in place, so that problems can be identified and addressed as soon as possible (organisations which employ more than 100 workers). √√
- Any other relevant answer related to the ways of handling/minimising conflict by management.

(3 x 2) (6)

6.5.2 Ways of handling/minimising conflict by workplace forums

- Committed to employee welfare. √√
- Involved in collective bargaining. √√
- Consult with employers and employees. √√
- Take care of the interest of the workers. √√
- Develop better working relationships between employees and employers. √√
- Any other relevant answers related to ways of handling/minimising conflict by workplace forums. (3 x 2) (6)

6.5.3 Ways of handling/minimising conflict by trade unions

- Be pro-active in identifying crisis situations. √√
- Embark on agreement regarding wage increases. √√
- Implement policies that would increase employment. √√
- Improve working conditions. √√
- Promote skills development, education and training of workers. √√
- Ensure job security of members. √√
- Endeavour to improve member's financial welfare by securing benefits such as pension, medical aid, housing allowance and other fringe benefits. √√
- Ensure fair treatment of workers in the workplace. √√
- Participate in decision-making of the government. √√
- Negotiate working hours, overtime rates, leave and sick leave that would benefit workers. √√
- Any other relevant ways of handling conflict by trade unions. (3 x 2) (6)

6.6 Conclusion

- Management should consider/regard conflict as a process to be well managed/handled but not avoided. √√
- Unresolved conflict could impact on the organisation negatively and could result in unethical/unprofessional behaviour and practices which could affect the image and reputation of the organisation. √√
- Any other conclusion related to conflict. (1 x 2) (2)

BREAKDOWN OF MARK ALLOCATION

DETAILS	MAXIMUM	TOTAL
7.1 Introduction	3	Max. 32
7.2 Discussion of statement	4	
7.3 Causes of conflict	12	
7.4 Types of conflict	6	
7.5.1 Ways of handling/minimising conflict by management	6	
7.5.2 Ways of handling/minimising conflict by workplace forum	6	
7.5.3 Ways of handling/minimising conflict by trade unions	6	
7.6 Conclusion	2	
INSIGHT		
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 only some of the requirements are met.

Allocate 0 marks where requirements are not met at all.

QUESTION 7

7.1 Introduction

- Good leaders have to apply specific management and leadership styles to a particular situation. ✓
- This depends on the type of workers/employees the leader deals with. ✓
- Highly skilled and unskilled workers require different management and leadership styles. ✓
- Any other relevant introduction related to management and leadership styles. (Any 3 x 1)(3)

7.2 Analysis of statement

OPTION 1:

Agree with the statement. ✓✓ (2)

Motivation

- Leaders give direction to the business. ✓✓
- Good leaders help businesses to work towards the achievement of business goals and objectives. ✓✓
- Leaders make decisions which help the business to grow/expand. ✓✓
- Any other relevant motivation related to how good management and good leadership will influence businesses and organisations to become more successful. (Any 1 x 2)(2)

OR

- Disagree with the statement. ✓✓ (2)

Motivation

- Business could be well established. ✓✓
- No competition. ✓✓
- Products could be in high demand. ✓✓
- Business could have strong brand loyalty. ✓✓
- Strong financial situation. ✓✓
- Well informed target market. ✓✓
- Any other relevant motivation related to disagreement on the statement of leadership and management contribution to successful business performance and achievement of goals and objectives. (Any 1 x 2)(2)

OPTION 2

NOTE: ALLOCATE FOUR MARKS (2X2) WHEN THE MOTIVATION IS GIVEN AND WHERE THERE IS NO "YES" OR "NO"

7.3 Evaluation of Leadership/Management styles

7.3.1 Autocratic/Boss centred/Authoritarian leadership/management style.

- The leader makes all the decisions alone. ✓✓
- The leader has little or no consideration for the needs of subordinates. ✓✓
- Subordinates are told what to do and how to do it without being given the opportunity to make inputs or suggestions. ✓✓
- The leader gives directives/instructions as a way of communicating with subordinates. ✓✓
- It is used when the manager has all the information to solve the problem. ✓✓

- This leadership style if not used correctly, may lead to crisis situations within the organisation. ✓✓
- Leaders must use this style carefully because it may de-motivate subordinates
- Any other relevant answer related to Autocratic/Boss centred/Authoritarian leadership/management style.

Application

- When dealing with uncooperative employees in the workplace. ✓✓
- Implementing policies of the organisation. ✓✓
- During crisis situations in the workplace. ✓✓
- Implementing government legislation. ✓✓
- Any other relevant answer relating to the application of Autocratic/Boss centred/Authoritarian leadership/management style.

Discussion (Any 4 x 2) (8)

Application (Any 2 x 2) (4)

Max. 12

7.3.2 Laissez-faire/free reign leadership/management style

- The leader is not part of the decision making process, but allows employees to make all the decisions within the framework/limits of the policy. ✓✓
- The leader gets involved when requested. ✓✓
- The leader is responsible and accountable for the employees' decisions and actions. ✓✓
- Employees are left on their own with minimal interference. ✓✓
- This may lead to frustration on the part of employees when they lack experience or have not earned the trust of the leader. ✓✓
- Any other relevant answer related to Laissez-faire/free reign leadership/management style.

Application

- This leadership style can be used when the leader is empowering his/her employees through the delegation of duties. ✓✓
- Useful when employees are knowledgeable and experienced. ✓✓
- It works well in situations where employees are highly skilled in analysing situations and offering solutions. ✓✓
- Any other relevant answer related to the application of Laissez-faire/free reign Leadership/management style

Discussion (Any 4 x 2) (8)

Application (Any 2 x 2) (4)

Max. 12

7.3.3 Charismatic Leadership/management style

- Useful when personal charm, inspiration and emotion rather than power and authority are used to influence or lead subordinates. ✓✓
- The leader serves as a role model and subordinates follow him/her. ✓✓
- The leader has a vision and is able to communicate well with others. ✓✓
- Subordinates are praised even for little success achieved. ✓✓
- The leader has good values and directs the company to greater success. ✓✓
- Commonly used by politicians, religious leaders and business teams. ✓✓
- Charismatic leaders are intolerant of challenges and they regard themselves as irreplaceable. ✓✓
- Any other relevant answer related to Charismatic Leadership/management style.

Application

- It is applied when management has identified low morale amongst its employees. ✓✓
 - The leadership style can be applied to motivate and inspire subordinates. ✓✓
 - It is suitable when an organisation is undergoing changes. ✓✓
 - Any other relevant answer related to the application of Charismatic leadership/management style.
- Discussion (Any 4 x 2) (8)
Application (Any 2 x 2) (4)
Max. 12

7.4 Conclusion

- Different leadership/management styles are influenced by the nature of the organisation and expertise of the employees. ✓✓
- The personality of the leader plays an important part in the type of the leadership style to be used. ✓✓
- Any other relevant answer related to conclusion of management and leadership styles. (Any 1 x 2)(2)

BREAKDOWN OF MARK ALLOCATION

Details	Maximum	Total
Introduction	3	Max 32
Evaluation of statement	4	
Autocratic style/Boss centred/ Authoritarian leadership style	12	
Laissez-faire/free-reign leadership style	12	
Charismatic leadership style	12	
Conclusion	2	
INSIGHT		
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 only some of the requirements are met.

Allocate 0 marks where requirements are not met at all. [40]

- NOTE: 1. THE DISCUSSION AND APPLICATION COULD BE INTEGRATED**
2. CANDIDATES SHOULD BE AWARDED MARKS WHEN EXAMPLES ARE USED TO DEMONSTRATE UNDERSTANDING.