**Business Studies**

**Grade 12**

**Ethics & Professionalism Answers**

1.1 **Responsibility**

* The business/ board should develop and implement programmes that should be aimed at protecting the communities in which they operate.
* The business/ board should develop remedial programmes to protect the environment for example, reduce air and water pollution.

1.2 **Accountability**

* There must be regular communication between management and stakeholders.
* Company should appoint internal and external auditors to audit financial statements.
* The board should ensure that the company's ethics are effectively implemented.
* Businesses should be accountable/ responsible for their decisions/actions.
* Businesses should present accurate annual reports to shareholders at the

Annual General Meeting (AGM).

* Top management should ensure that other levels of management are clear

about their roles and responsibilities to improve accountability.

1.3 **Transparency**

* Decisions/Actions must be clear to all stakeholders.
* Staffing and other processes should be open and transparent.
* Employees/Shareholders/Directors should be aware of the employment policies of the business.
* Auditing and other reports must be accurate/ available to shareholders/employees.
* Regular audits should be done to determine the effectiveness of the business.
* Business deals should be conducted openly so that there is no hint/sign of dishonesty/corruption.
* Businesses should give details of shareholders' voting rights to them before/at the Annual General Meeting (AGM).
* The board of directors must report on both the negative and positive impact of the business on the community/environment.
* The board should ensure that the company's ethics are effectively implemented.

2.1

* Giving goods deceptive names/False labelling.
* Selling second hand goods as new goods.
* Exaggerating the merits of the product/False promises
* Using fine print to conceal important information.
* Criticising competitor's goods.
* Exploitations of children's lack of understanding.
* Misuse of people with disabilities in advertisements.
* Advertising that encourages violence.
* Advertising goods at a very low price to attract customers but when the customer reaches the store the item is no longer there/Bait and switch.
* Advertising a product showing additional items, but do not clearly state that these items are excluded.

2.2 **Unfair advertising**

* Consumers must report unfair advertisements to the Advertising Standards Authority.
* Business should be encouraged to keep their advertising fair and in line with the constitution.

3.1 Transparency

3.2 Accountability

4.

**Abuse of work time**

* Speak directly to those employees who abuse work time.
* Code of conduct/ethics should contain clear rules about abuse of work time.
* Conduct training on the contents of the code of conduct/ethics.
* Code of conduct/ethics should be signed by all employees so that they are aware of its contents.
* Monitor employees to ensure that tasks are completed.
* Structure working hours in such a way that employees have free/flexible time for personal matters.
* Create a culture of responsibility/strengthen team spirit in order for all employees to feel responsible for what has to be achieved

5. abuse of work time

sexual harassment

6. **Pricing of goods in rural areas**

* A business may lobby with other businesses in the area to convince government to improve infrastructure in the rural area.
* Charge fair/market related prices for goods and services.
* Avoid unethical business practices to attract customer loyalty.
* Investigate cost-effective ways of transporting products/Hire a large truck to combine deliveries to shop-owners in the same area.
* Work together with suppliers to share delivery costs to remote rural areas.

7.1 Unethical

7.2 Unprofessional

7.3 Unprofessional

7.4 Unethical

7.5 Unethical

8.

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| **UNETHICAL BUSINESS PRACTICE**  **(11.1)** | **TYPES**  **(11.2)** | **SUGGESTIONS**  **(11.3)** |
| **(a)** Some employees of Sibiya Cash and Carry downloaded music and movies using the business internet | Abuse of work time/ unauthorised use of workplace resources | * Conduct regular audits. * Identify risk areas/ vulnerable areas * Limit the number of employees having access to business funds/assets. * Implement/Introduce fraud prevention strategies. * Educate employees about the impact of fraud. * Fraud prevention should be a collective responsibility of business and workers. * Clear policies should be in place so that employees are aware of what is considered to be fraud. * Set up systems in the organisation for the reporting of fraud and corruption. |
| **(b)** Cindy, a manager, promised Anton a promotion if he agreed to have a relationship with her. | Sexual harassment | * Implement internal complaints and disciplinary procedures. * Educate employers on sexual harassment matters. * Formulate a policy regarding sexual harassment. * Create a good working environment where all employees' rights and dignity are respected. * Internal investigation should be made in order to determine the seriousness of the harassment. * Serious cases/matters on sexual harassment should be reported to the appropriate institutions such as the South African Police Services (SAPS). * Ensure compliance with the law/business code of conduct. |

9.

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| **BUSINESS PRACTICE** | **QUOTE FROM SCENARIO** |
| Regular payment of value-added tax (VAT) | The financial manager of Natasha Décor ensures that value-added tax (VAT) is paid over to SARS on time |
| Payment of fair wages | Employees are paid according to the amount of effort and time spent at work. |
| Not starting a business to the expense of someone else. | ND does not use identical ideas from their competitors to benefit their own business. |

10.

* Businesses should treat all their employees equally, regardless of their race/colour/age/gender/disability etc.
* Mission statement should include values of equality/respect.
* Treat workers with respect/dignity by recognising work well done/the value of

human capital

* Pay fair wages/salaries which is in line with the minimum requirements of the BCEA/Remunerate employees for working overtime/during public holidays.
* All workers should have access to equal opportunities/positions/resources.
* Plan properly and put preventative measures in place.
* Ensure that employees work in a work environment that is conducive to safety/

fairness/ free from embarrassment.

* Refrain from starting a venture using other businesses' ideas that are protected by law.
* Engage in environmental awareness programmes/Refrain from polluting the environment, e.g. by legally disposing of toxic waste.
* Employers and employees need to comply with legislation with regard to equal

opportunities/ human rights in the workplace.

* Businesses should develop equity programmes/promote strategies to ensure that all employees are treated equally regardless of status/rank/power.
* Training/Information/Business policies should include issues such as diversity/

discrimination/ harassment.

* Employers should respond swiftly and fairly to reported incidents of discrimination in the workplace.
* Orders/Tasks should be given respectfully and allow the recipient/employee to

have a say in the manner in which the task should be performed.

11.1 **Pricing of goods in rural areas**

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* Investigate cost-effective ways of transporting products/Hire a large truck to combine deliveries to shop-owners in the same area.
* Work together with suppliers to share delivery costs to remote rural areas.

11.2 **Abuse of work time**

* Speak directly to those employees who abuse work time.
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* Conduct training on the contents of the code of conduct/ethics.
* Code of conduct/ethics should be signed by all employees so that they are aware of its contents.
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12.1 pricing of goods in rural areas

12.2 unauthorised use of workplace funds

12.3 abuse of work time