

## EXTERNAL INTEGRATED SUMMATIVE ASSESSMENT

### EXEMPLAR 1A - MEMORANDUM

<b>STUDENT NAME &amp; SURNAME</b>	
<b>ID NUMBER</b>	
<b>EISA REGISTRATION NUMBER</b>	
<b>ASSESSMENT CENTRE</b>	
<b>ASSESSMENT CENTRE ACCREDITATION NUMBER</b>	
<b>QUALIFICATION</b>	<b>OCCUPATIONAL CERTIFICATE: RETAIL MANAGER GENERAL (RETAIL STORE MANAGER)</b>
<b>SAQA ID</b>	<b>91789</b>
<b>CREDITS</b>	<b>507</b>
<b>PAPER</b>	<b>1A</b> (there are 2 papers to be written: 1A and 1B)
<b>DATE OF EISA</b>	DD/MM/YYYY
<b>DURATION</b>	<b>4 HOURS</b>
<b>TOTAL MARKS</b>	<b>120</b>

#### GENERAL EISA RULES

1. Students are **only** allowed to use the supplied EISA booklets.
2. Students are **only** allowed to use a black pen for their answers.
3. Students to ensure that their name, surname and EISA registration number appears on the front of your EISA booklet.
4. This is a closed book examination; therefore, no other material or belongings are to be brought into the assessment centre. Should you bring any other material or belongings into the assessment centre, you will be required to leave such at the front of the assessment centre examination room. The assessment centre will not be held liable for any loss or damage to property brought into the assessment centre examination room.
5. All EISA booklets must be handed back to the invigilator intact. No pages may be torn off from the EISA booklet. The removal of EISA booklets from the examination room is prohibited.
6. Students may make use of a calculator in this EISA.
7. Unless this is an online examination where access to a computer will be made available to you; the use of any communication devices, including smart watches, cell phones, tablets, i-Pads, head phones and laptops are prohibited.
8. All cell phones are to be switched off for the duration of the EISA.
9. The invigilator will not assist you with the explanation of questions related to the EISA.
10. Students are prohibited from conversing in any manner with other students.
11. Students may not leave the examination venue within one hour of the start of the examination and in the last 10 minutes of the allotted examination period.
12. Students who are found to be disruptive and unruly in the assessment centre will be requested to leave the assessment centre by the invigilator.

I HEREBY CONFIRM THAT I HAVE READ THE ABOVE EISA RULES AND DECLARE THAT I UNDERSTAND AND ACCEPT THE RULES.

\_\_\_\_\_  
**SIGNATURE OF STUDENT**

## **CANDIDATE INSTRUCTIONS**

- Candidates must complete all questions in this EISA.
- Candidates must ensure that they use only a black pen when completing this EISA.
- Should you require additional space to complete your answer, please request additional paper from your invigilator. Ensure that you indicate your name, surname and EISA registration number at the top of the additional paper. Also ensure that the question number is clearly marked on your additional paper.

### **Question 1**

#### **Managing Stakeholder Relations and Communications in Retail**

**(31 Marks)**

Last year, MZY Liquor Stores opened a new branch in a rural part of the Eastern Cape province that has for years been dominated by one family-owned liquor retailer. After realising that its dominance has been challenged and that the risk of losing market share was becoming a reality, the dominating family business has made an application to the authorities demanding the cancellation of the liquor licence awarded to MZY Liquor Stores by the liquor licencing authority. Besides this court application, the company has also embarked on a negative public relations campaign on social media claiming that MZY Liquor Stores sells alcohol to school children in contravention of the laws of the country. The plaintiff is therefore arguing that MZY Liquor Stores' operating licence must be revoked. Their claim is based on recent unverified Twitter and Facebook posts. MZY Liquor Stores' head office has asked you to draw up a communication strategy with the objective of lobbying and convincing the relevant stakeholders in this community that the retail company respects and operates according to the laws of the country.

- 1.1 Create a communication strategy to convince relevant stakeholders that MZY Liquor Stores is a law-abiding retailer and that the company respects the laws of the country. Your strategy must also detail the medium to be used when communicating with the identified stakeholders.

**(8 marks)**

**Allocate six marks for a detailed description of the communication strategy and two marks for the identification of the media to be used.**

The communication media may include:

- Radio
- Television
- Newspapers
- Meetings
- Posters
- Internet

The communication strategy must reassure the stakeholders that the company is committed to ethical business practices by always operating ethically. In this case, the company needs to hold a

meeting with all key staff members to discuss the crisis and come up with a strategy to counter the smear campaign.

The company can start the response strategy by issuing a press statement refuting the allegations, embarking on an advertising campaign to counter the negative publicity.

Community – embark on a campaign trail coupled with community- related projects to mark MZY Liquor Stores’ presence. Example, above-the-line advertising coupled with fliers and posters.

Twitter and Facebook platforms – create a campaign that speaks good about the business and engage on these platforms soonest to refute the smear campaign carried out.

- 1.2 The operational staff at MZY Liquor Stores have also heard about the negative news in the media. This has somehow affected some of them and their moral has fallen to worrying levels as they fear losing their jobs if the company closes down. Draw up an action plan to be communicated to the store operational staff informing them about the current situation and how the company will deal with it.

**(4 marks)**

**Allocate one mark for the inclusion of any of the following up to a total of four marks.**

Use discretion to allocate marks for any other relevant points that may be given by the students.

- Explanation of the problem at hand in detail
- Engagement with local stakeholders early to establish expectations.
- This is to establish clear and agreed-upon expectations between local stakeholders and the organization.
- Operational staff need to have adequate information about the company and its products/services.
- Operational staff may need to go for some PR training so as to equip them with the necessary skills set to communicate with the public on matters regarding the company’s position.

The action plan must also detail the following:

- What specific actions need to be taken and these must be listed in order of priority
- When will these actions be taken and by who?
- What resources will be required?
- What is the envisaged outcome?

- 1.3 Using an appropriate medium, communicate the action plan to the store operational staff

**(4 marks)**

**Allocate one mark for the identification of the appropriate medium and three marks for the content of the communication**

While it is difficult to deal with unverified Twitter and Facebook posts, the action plan can be as follows:

- Establish facts – if there are posts on Twitter and Facebook.
- Create a crisis response team – put a team together that will brainstorm and deal with responding on various media platforms...usually headed by a senior executive member
- Outline the tasks to be done, for example, a press statement, question and answer sessions with the media, social media posts
- Draft messages such as templates for press release, social media posts or interviews.
- Gather intelligence from various sources, employees, customers, competition, community.
- Provide timelines for implementation.
- Review: after making responses there is need to review and take corrective action where necessary and also to prevent the same from recurring.

1.4 Compile a one-page report to your senior manager detailing the strategies that you are going to implement in order to overcome the challenges that MZY Liquor Stores is currently facing.

**(6 marks)**

**Allocate up to 6 marks for a report that has the following:**

- Report title
- Properly structured with an introduction, body and conclusion
- Detailed explanation of the strategies to be implemented. These include:
  - Ensuring that all staff are informed of the current situation through constant internal communications.
  - Sending out positive messages in the media such as radio, television, newspapers, fliers and on social media.
  - Responding to the litigation.

1.5 Using the communication strategy that you created in Question 1.1 above, describe how you would present this strategy to staff members at different levels at the company.

**(9 marks)**

**Allocate three marks for the identification of the different levels and then allocate six marks for a detailed description of how the strategy will be presented to the different levels.**

- The different levels at the store include the store operational staff level, the supervisors level and the management level.
- The strategy can be presented to the staff as follows:
  - Operational staff – through general staff meetings and information posted on notice board.

- Supervisors – through emails, operational reports, staff meetings and information posted on notice board.
- Store management – through management meetings, emails, management reports, company website etc.

**(Total Marks for Question 1 = 31)**

## **Question 2:**

### Retail Financial Management

**(45 Marks)**

Star-Build is a retailer of home improvement products and they have stores in all the major towns and cities in South Africa. The financial statements for the three months of January, February and March 2019 are provided below:

**Star-Build's statement of profit or loss (income statements) for the three months of January, February and March 2019 respectively:**

<b>R000</b>	<b>March</b>	<b>February</b>	<b>January</b>
Sales	10 920	8 730	8 050
Cost of sales	7 280	5 580	5 367
<b>Gross profit</b>	<b>3 640</b>	<b>3 150</b>	<b>2 683</b>
<b>Other Income</b>			
Investments	135	122	120
<b>Expenses</b>			
Selling expenses	1 641	2 212	1 357
Telephone expenses	80	70	60
Stationery	30	25	22
Discounts	15	12	10
Shrinkage	55	50	45
Depreciation	1 085	538	695
<b>Total operating expenses</b>	<b>2 906</b>	<b>2 907</b>	<b>2 189</b>
<b>Finance costs</b>			
Interest expense	204	170	140
Profit before taxation	665	195	474
Taxation	245	75	174
<b>Net profit for the period</b>	<b>420</b>	<b>120</b>	<b>300</b>

**Star-Build's Statement of changes in equity during the three months.**

R 000	Ordinary share capital	Preference share capital	Retained earnings	Total
<b>Balance as at 31 December 2018</b>	<b>3 000</b>	<b>500</b>	<b>310</b>	<b>3 810</b>
Profit for the period			300	300
Preference dividends			30	30
Ordinary dividends			130	130
<b>Balance as at 31 January 2019</b>	<b>3 000</b>	<b>500</b>	<b>450</b>	<b>3 950</b>
Profit for the period			120	120
Preference dividends			30	30
Ordinary dividends			50	50
<b>Balance as at 28 February 2019</b>	<b>3 000</b>	<b>500</b>	<b>490</b>	<b>3 990</b>
Profit for the period			420	420
Preference dividends			30	30
Ordinary dividends			180	180
Issue of ordinary share capital	2 000			2 000
<b>Balance as at 31 March 2019</b>	<b>5 000</b>	<b>500</b>	<b>700</b>	<b>6 200</b>

**Star-Build's statement of financial position as at 31 January, 28 February and 31 March 2019 respectively:**

R 000	March	February	January
<b>ASSETS</b>			
<b>Non-current Assets</b>			
Property, plant and equipment	4 620	2 400	3 000
Investments	1 500	1 000	1 000
	<b>6 120</b>	<b>3 400</b>	<b>4 000</b>
<b>Current Assets</b>			
Inventory	1 630	2 360	1 170
Accounts receivable	1 150	1 770	850
Bank	670	-	450
	3 450	4 130	2 470
<b>Total Assets</b>	<b>9 570</b>	<b>7 530</b>	<b>6 470</b>
<b>EQUITY AND LIABILITIES</b>			
Ordinary share capital	5 000	3 000	3 000
Retained earnings	700	490	450
Ordinary shareholders' interest	5 700	3 490	3 450
6% non-redeemable preference share capital	500	500	500
	6 200	3 990	3 950
<b>Non-current liabilities</b>			
8% debentures	1 750	750	750
Long-term borrowings	800	1 000	1 000
	<b>2 550</b>	<b>1 750</b>	<b>1 750</b>
<b>Current Liabilities</b>			
Accounts payable	550	1 450	720
Taxation payable	70	20	50
Current portion of borrowings	2 000	-	-
Bank overdraft	-	310	-
	<b>820</b>	<b>1 190</b>	<b>770</b>
<b>Total Equity and Liabilities</b>	<b>9 570</b>	<b>7 530</b>	<b>6 470</b>

- All figures must be rounded off to two decimal numbers where applicable.

**Additional information:**

1. 500 000 ordinary shares were issued at R3 on 1 March 2019.
2. The market prices of the ordinary shares at the end of each of the three months were:  
January: R4.50  
February: R3.90  
March: R5.50
3. The December 2018 financial information is available as follows:
  - Sales - R7 245 000
  - Cost of sales - R4 830 000
  - Gross profit - R2 415 000
  - Inventory - R735 000
  - Accounts receivable - R760 000
  - Accounts payable - R612 000
  - Total assets - R5 850 000
4. Ordinary shareholders' interest - R3 310 000.
5. The tax rate for the company is 28%.
6. The shrinkage stock in units was as follows:
  - January – 300
  - February – 333
  - March - 368

Use the financial information above to answer the questions below. Please note that as you calculate the ratios, you need to reflect the following:

- (a) The definition/purpose of the ratio.
- (b) The application formulae.
- (c) Round off all answers to the second decimal.

- 2.1 Determine the profitability situation of Star-Build by calculating the gross profit and net profit margins for the company for each of the three months. As part of your answer identify and prioritise areas requiring improvement.

(10 marks)

**Allocate 1 mark for the correct calculation of the gross profit margin and the net profit margin of each of the three months. Allocate four marks for an explanation of the areas requiring improvement.**

		March	February	January
Gross profit margin	$\frac{\text{Gross profit}}{\text{Sales}}$	$\frac{3640}{10920} = 0.33 = 33\%$	$\frac{3150}{8730} = 0.36 = 36\%$	$\frac{2683}{8050} = 0.33 = 33\%$
Net profit margin	$\frac{\text{Net profit}}{\text{Sales}}$	$\frac{420}{10920} = 0.04 = 4\%$	$\frac{120}{8730} = 0.01 = 1\%$	$\frac{300}{8050} = 0.04 = 4\%$

Areas requiring improvements:

Reduce expenses for profitability to improve

- 2.2 Calculate the liquidity position of the company for each of the three months using the current ratio only.

(6 marks)

**Allocate two marks for the correct answer for each of the three months.**

		March	February	January
Current ratio	$\frac{\text{Current assets}}{\text{Current liabilities}}$	$\frac{3450}{820} = 4.20$	$\frac{4130}{1190} = 3.47$	$\frac{2470}{770} = 3.21$

- 2.3 Advise Star-Build's management on the company's liquidity position using the acid test ratio and recommend appropriate action.

(4 marks)

**Allocate one mark for the correct calculation of the acid test ratio for each of the three months and allocate one mark for the recommendation of the appropriate action that needs to be taken.**

		March	February	January
Acid ratio	$\frac{\text{Current assets - inventory}}{\text{Current liabilities}}$	$\frac{3450-1630}{820} = 2.22$	$\frac{4130-2360}{1190} = 1.49$	$\frac{2470-1170}{770} = 1.69$

Recommended action:

The company has too much liquidity tied in current assets, hence it must make use of more short term debt and/or invest more in non-current assets.



2.4 After analysing the company's profitability and liquidity position, compile a report to senior management detailing actions needed to improve the situation.

(10 marks)

**Allocate up to 10 marks for a report that has the following:**

- Report title.
- Properly structured with an introduction, body and conclusion
- Detailed explanation of the current profitability and liquidity position of the company.
- A detailed explanation of what action needs to be taken

### **Star Build Limited**

#### **NARRATIVE FINANCIAL REPORT FOR THE PERIOD JANUARY – MARCH 2019**

##### **1. Introduction**

The purpose of this report is to give a summarised overview of the profitability and liquidity of the company during the three period (January – March 2019). Please note that this report must be read together with the annual financial statement for the three months. The report will detail the profitability and liquidity of the company and conclude with a number of recommendations of what needs to be done by senior management in view of the issues raised in the report.

##### **2. The profitability of the company**

During the period under review, the average gross profit was 34% whilst the average net profit for the three months was 3%. The norm for industry gross profit margin is 40% and the industry norm for net profit is 15%. It is therefore clear that during the three months the company performed the established norms in terms of gross profit margin and net profit.

##### **3. The liquidity of the company**

The company's liquidity during the three months averaged 1.63:1 against an industry norm of 1:1. This clearly shows that the company is too liquid, that is, it has significant amounts of cash tied up in current assets.

##### **4. Recommended Remedial Action**

In consideration of the current situation and the need to create shareholder value and put the company return the company to a stable financial position, the following actions are recommended:

- That the company urgently finds ways to reduce its operating expenses in order to increase its gross profit and net profit;

- That the company reduce the amount of current assets on hand so as to reduce the high level of liquidity. The assets could be converted into more longer-term assets such as fixed assets.

## 5. Conclusion

Much as the company is in distress due to the low level of net profit that was gained during the past three months, the outlook is still very positive and the recommendations above are implemented, the financial position of the company can change within a period of a year.

- 2.5 Develop an action plan to communicate the company's financial situation to store's operational staff.

(7 marks)

**Allocate nine marks for a detailed communication action plan that includes the following information:**

- Identification of the purpose of your communication
- Identification of the audience
- Planning and design of the message
- Consideration of the available resources
- Plan for obstacles and emergencies
- Strategy of how to connect with the media and others who can help in spreading the message
- Create an action plan
- Communication evaluation plan

Communication can take many forms, including:

- Word of mouth
- Memorandum
- Article in both print and broadcast media
- Press releases and press conferences
- Posters, brochures, and fliers
- Meetings, workshops etc
- Special events and open houses that your organization holds

- 2.6 Calculate the following ratios:

- a) return on investment for January and February 2019 respectively.

(2 marks)

**Allocate one mark for correct calculation of the return on investment for January and February 2019 respectively.**

Ratio	Formula	January 2019	February 2019
Return on investment	$\frac{\text{Net profit} \times 100}{\text{Total assets}}$	$\frac{300}{6470} = 0.05 = 5\%$	$\frac{120}{7530} = 0.02 = 2\%$

b) inventory turnover ratios for February and March 2019 respectively.

(2 marks)

**Allocate one mark for correct calculation of the inventory turnover ratio for February and March 2019 respectively**

Ratio	Formula	February 2019	March 2019
Inventory turnover ratio	$\frac{\text{Cost of sales}}{\text{Inventory}}$	$\frac{5580}{2360} = 2.36$	$\frac{7280}{1630} = 4.47$

c) Selling expenses to net sales ratios for January and February 2019 respectively.

(2 marks)

**Allocate one mark for the correct calculation of the selling expenses to net sales ratio for January and February 2019 respectively.**

Ratio	Formula	January 2019	February 2019
Selling expenses to net sales ratio	$\frac{\text{Selling expenses}}{\text{Sales}} \times 100$	$\frac{1357}{8050} = 0.17 = 17\%$	$\frac{2212}{8730} = 0.25 = 25\%$

d) Inventory shrink percentages for February and March 2019 respectively.

(2 marks)

**Allocate one mark for the correct calculation of the inventory shrink percentage for February and March 2019 respectively.**

Ratio	Formula	February 2019	March 2019
Inventory shrink percentage	$\frac{\text{Shrinkage}}{\text{Inventory}} \times 100$	$\frac{50}{2360} = 0.02 = 2\%$	$\frac{55}{1630} = 0.03 = 3\%$

(Total Marks for Question 2 = 45)

### **Question 3**

#### **Employee Performance Management**

**(44 Marks)**

Pakade Fashions is a clothing retailer with 250 stores spread across South Africa. Selling clothing merchandise targeting the whole family, the retailer was founded in Durban in 1994 and has grown phenomenally over the years to establish a national footprint after only starting with a single-family run store in the city's downtown area. During the past two decades, the company has grown from being a small family-owned business to a fully-fledged private company with various shareholders although the founding family members still own half of the business.

Pakade Fashions has a retail store at one of the biggest shopping centres in Cape Town. The branch is headed by Linda who has been with the company for the past 10 years. She has performed exceptionally well since joining the company as a cashier. Ever since Linda became the Branch Manager five years ago, she has revamped the store's operations to focus more on delivering exceptional customer service. This strategy has paid off and the store's revenues have been increasing every year and the store has managed to exceed its sales and revenue targets every year. The company's Managing Director is therefore considering a regional position for Linda. Linda as the Branch Manager is expected to ensure that the store's revenue increase by at least 10% annually and that the store complies with all company policies, procedures and regulatory requirements.

Despite the store's excellent performance, it's inventory management system has been facing severe challenges. Henry is employed at the branch as the Stock Controller. Henry is required to ensure that all the inventory is properly accounted for and that no stock loss or stock misplacement occurs. Despite having good qualifications in logistics and inventory management, Henry has failed to master the company's inventory management system. Although the store has a computerised system, he prefers to operate this system along a manual one which he assumes to be the safest. The problems within this department have affected the store's ability to locate misplaced stock and sometimes it is an uphill task to serve customers who order slow moving stock which Henry prefers to keep at the back end of the store room. The monthly stocktake, which according to the company's operational procedures is supposed to be carried out within one day, sometimes takes three days to complete. Linda has had to issue a few verbal warnings to Henry.

Mateo works as a Senior Merchandiser at the store. He is a hardworking man and has been at the branch since he joined the company three years ago. Mateo leads a team of three merchandisers. Despite the problems in the stock control department, Mateo has ensured that all the merchandise in the store is always properly assorted and arranged for the convenience of the store's customers. Mateo has been voted the employee of the year during the past two years.

Monica is the Cash Controller at the branch. She heads the cash management unit which is responsible for all cash receipts, banking and bank reconciliations. Linda is concerned about this unit. At the end of each day, the Cash Controller is required to reconcile and balance all the cash collections. There have been persistent incidents of under banking and over-banking in the past. Often, the cash reconciliations do not balance. During the worst of days, the unit has even failed to bank all the receipts of the previous day as required by the company's policy. In the past Monica has complained that the unit is understaffed and Linda has had to add more interns to the unit to provide support. A few cashiers from the unit have also been sent to head office for cash handling and cash management training but the problems in the unit have persisted. Linda is now convinced that Monica lacks the required capabilities to lead the unit.

Last year the company started experiencing an increasing number of unexplained stock shortages. Company policy dictates that no stock shortages must be experienced. Linda strongly suspected that the stock loss could be as result of employee or customer pilferage. She therefore requested head office to allow her to employ a security guard to be stationed at the store's exit in order to ensure that all stock going out of the store has been paid for. Thando was therefore employed as a security guard at the store. With more than fifteen years' experience as a security guard, Thando has performed exceptionally well and to date he has apprehended five staff members and a handful of customers with concealed merchandise. With Thando at the door, stock losses are now a thing of the past at the store.

3.1 Analyse the expected performance of any three staff members mentioned in the case study  
(9 marks)

**Allocate three marks for the detailed explanation of the expected performance of each of the three staff members.**

The expected performance of three staff members is as follows:

- Mateo – required to manage the merchandising department in line with company policy
- Thando – expected to detect and stop stock loss from theft
- Henry – required to manage inventory in line with company policy.
- Monica – is failing to operate according to the company's policy. There have been persistent incidents of under banking and over-banking. Furthermore, she is also failing to ensure that all the cash received the previous day must be banked the following day.

3.2 Evaluate actual performance of any four staff members mentioned in the case study  
(9 marks)

**Allocate two marks for the detailed explanation of the actual performance of each of the four staff members. Use discretion to award the additional mark for a good answer.**

Actual performance of four staff members

- Henry – persistently failing to manage inventory as required of him

- Mateo – an excellent worker who manages the merchandising department well
- Monica – has difficulties in managing the cash office. There is strong evidence of underperformance as shown by persistent incidents of under banking and over-banking in the past and cash reconciliations not balancing.
- Thando- has performed exceptionally well and to date he has apprehended five staff members and a handful of customers with concealed merchandise. Stock losses are now a thing of the past at the store.

3.3 Differentiate between compliance and performance issues in the case study. In your answer identify and explain at least two of each.

**(4 marks)**

**Allocate two marks for the explanation of the difference between compliance and performance and then allocate two marks for an explanation of the two concepts.**

- Compliance is meeting company regulations and performance targets; performance is actually exceeding set targets. Compliance is a minimum standard of work; performance is a measure of excellence. The following are examples of compliance issues in the case study:
  - Linda is required to comply with all company policies and procedures, for examples ensure a sales increase of 10% annually.
  - Henry's failure to account for all stock leading to stock losses. Henry has also failed to observe the company's policy that stock take must be done in one day.
  - Monica's failure to do all reconciliations daily and ensure that there is no under-banking or over-banking.
- However, performance without compliance does not add value; compliance without performance does not add value. An employee must perform and also comply with policies. Managers must motivate staff to exceed targets while at the same time complying with policies. A sale is only a sale if it meets or exceeds customer requirements and also generates a profit for the company.
- Examples of performance in the case study include the following:
  - Monica's ability to beat the annual sales target
  - Thando's ability to reduce stock loss through employee pilferage.

3.4 Propose and explain any two strategies that the company can implement to improve the performance of any two employees whose actual performance does not meet requirements.

**(6 marks)**

**Allocate three marks for a comprehensive description of any two of the following strategies:**

- Re-training the employees
- Motivating the employees

- Clarifying exact problem, listening to employee's side of the story and Setting clear goals;
- Accompanying staff to customers to observe performance; and
- Rewarding improvement.

3.5 Suggest two strategies that the company can implement to improve compliance where compliance standards are not being met.

**(6 marks)**

**Allocate three marks for each strategy suggested and explained.**

- Continuous education and dissemination of information about the rules, regulations and procedures that employees must always comply to.
- Making compliance procedures a key requirement for employee performance
- Re-training;
- Counselling;
- Active listening to understand and act on information given by employees; and
- Punishing repeated lack of compliance

3.6 Not every employee at the store is performing below standard. What two strategies should the company implement to enhance the performance of those staff members who are already meeting or exceeding the set performance standards?

**(4 marks)**

**Allocate four marks for any two strategies suggested and explained.**

- Reinforce good performance by acknowledging and rewarding it.
- Promote good performers.
- Allocate more challenging responsibilities
- Job enrichment and job enlargement

3.7 Communicate in writing to all staff members the strategies that you identified in 3.6 above.

**(6 marks)**

**Allocate six marks for detailed communication of the strategies using appropriate language.**

Communication in writing can take many forms, including:

- Memorandum
- Reports
- Posters, brochures, and fliers

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Memorandum to staff

To: All staff

Date: xxxx

From: Branch Manager

Subject: Performance issues

Recently I noticed an increase in poor performance in inventory and the cash office. I strongly remind you of the need to comply with company policies and procedures, in order to ensure profitability of the store.

I commend the excellent performance of Mateo and urge all of you to copy his example. While this company will reward good performance, it must be noted that poor performance will not be tolerated. Please be advised accordingly.

Signed.....

**(Total Marks for Question 3 = 44)**



(TOTAL MARKS FOR THE EXAM: 120)

MARK ALLOCATION GRID (For use by the Assessor only)

QUESTION	MARK	MARKS AWARDED
1.1	8	
1.2	4	
1.3	4	
1.4	6	
1.5	9	
<b>TOTAL Q1</b>	<b>31</b>	
2.1	10	
2.2	6	
2.3	4	
2.4	10	
2.5	7	
2.6	8	
<b>TOTAL Q2</b>	<b>45</b>	
3.1	9	
3.2	9	
3.3	4	
3.4	6	
3.5	6	
3.6	4	
3.7	6	
<b>TOTAL Q3</b>	<b>44</b>	
<b>GRAND TOTAL</b>	<b>120</b>	

**ASSESSOR DETAILS**

<b>ASSESSOR NAME &amp; SURNAME</b>	
<b>REGISTRATION NUMBER</b>	
<b>SIGNATURE</b>	
<b>DATE</b>	

**INTERNAL MODERATOR DETAILS**

<b>MODERATOR NAME &amp; SURNAME</b>	
<b>REGISTRATION NUMBER</b>	
<b>SIGNATURE</b>	
<b>DATE</b>	