



NATIONAL SENIOR CERTIFICATE EXAMINATION
2018

**LIFE ORIENTATION
COMMON ASSESSMENT TASK
PART B**

EXAMINATION NUMBER

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Time: 2 hours

70 marks

INSTRUCTIONS

1. Ensure that you write legibly at all times. Failure to do so may result in loss of marks.
2. Write in black ink only.
3. For each of the questions: read or review the source and then answer the questions that follow.
4. Take cognisance of the mark allocations before answering the questions in Section A. Marks will be awarded for each different and viable explanation.
5. Remember – quality over quantity is important. (Avoid one-word answers.)
6. If you run out of space for a question, three extra blank pages (pages 16, 17 and 18) have been included at the end of the paper. Please clearly indicate the question number of your answer should you use this extra space.

INTRODUCTION

CAT A focussed on a number of interrelated themes.

- The importance of knowing and understanding yourself in order to reflect on your values and to be compelled to live with purpose.
- The document then introduced the theme of injustice – where people are exploited and ill-treated because of their circumstantial vulnerabilities. This encouraged empathy for those less fortunate than you and encouraged a deeper understanding of their daily struggles.
- You were then invited to debate the importance of moral leadership and to understand the leadership dilemma.
- The final task assessed your sense of agency and problem-solving skills.

CAT B will continue along these themes and examine how well you have internalised the concepts and ideas of the CAT and invite you to further consider the moral dilemma of leadership.

SECTION A SHORT QUESTIONS**QUESTION 1****SOURCE 1****Bill Gates: Why I decided to edit an issue of *Time***

Reading the news today does not exactly leave you feeling optimistic. Your heart breaks for every person who is touched by these tragedies. Even for those of us lucky enough not to be directly affected, it may feel like the world is falling apart.

But these events—as awful as they are—have happened in the context of a bigger, positive trend. On the whole, the world is getting better.

This is not some naively* optimistic view; it's backed by data. Look at the number of children who die before their fifth birthday. Since 1990, that figure has been cut in half. That means 122 million children have been saved in a quarter-century, and countless families have been spared the heartbreak of losing a child.

And that's just one measure. In 1990, more than a third of the global population lived in extreme poverty; today only about a tenth do. A century ago, it was legal to be gay in about 20 countries; today it's legal in over 100 countries. Women are gaining political power and now make up more than a fifth of members of national parliaments—and the world is finally starting to listen when women speak up about sexual assault. More than 90% of all children in the world attend primary school.

I'm not trying to downplay the work that remains. Being an optimist doesn't mean you ignore tragedy and injustice. It means you're inspired to look for people making progress on those fronts, and to help spread that progress more widely. If you're shocked by the idea of millions of children dying, you ask: Who is good at saving kids, and how can we help them do more?

So why does it feel like the world is in decline? I think it is partly the nature of news coverage. Bad news arrives as drama, while good news is incremental*—and not usually deemed newsworthy.

There's also a growing gap between the bad things that still happen and our tolerance of those things. Over the centuries, violence has declined dramatically, as has our willingness to accept it.

[Bill Gates, Jan. 4, 2018, Bill Gates: Why I Decided To Edit an Issue of *Time*,
</?utm_source=linkedin.com&utm_medium=social&utm_campaign=bill-gates-external-swap>,
accessed 10/01/2018]

GLOSSARY

* **Naively** – showing a lack of experience, wisdom or judgement

* **Incremental** – increasing or adding on

- 1.1 The statistics that Gates uses in his article are certainly very encouraging. Who is responsible for these positive improvements?

(1)

- 1.2 What does it mean to be an "optimist", according to the source?

(1)

- 1.3 According to the source, why could it be a good thing that bad news receives attention?

(2)

- 1.4 Consider your response in Question 1.3. Briefly discuss an important **attitude** from the source that may be helpful to you, should you find yourself in an undesirable situation.

(2)
[6]

QUESTION 2**SOURCE 2****Steinhoff scandal points to major gaps in stopping unethical corporate behaviour**

*A corporate scandal unfolding around one of the largest businesses coming out of South Africa, **Steinhoff**, has become a major cause for concern. It threatens to wipe out hundreds of billions of rand invested on behalf of many people – rich as well as ordinary South Africans.*

It's still early days but it seems as if a multiple of highly paid professional layers failed investors. This includes auditors, asset managers and non-executive directors who in their different roles should ensure that the company's accounts are as close to the truth as possible.

Steinhoff share price collapsed by more than 90%, wiping off nearly €10bn (±R150,4bn) in shareholder value in about three days following the resignation of the company's CEO, Markus Jooste, after news that German prosecutors were investigating the company for alleged massive accounting fraud. Steinhoff is listed on both the Johannesburg Stock Exchange and Frankfurt Stock Exchange.

We must ask questions why these entities, which draw enormous fees, failed to pick up the alleged irregularities* when it seems like they should have done so if they were doing their jobs properly.

It's still early days but some people are already tagging this scandal as the biggest corporate failure in the history of the Johannesburg Stock Exchange. With more than 40 retailing brands in over 30 countries, Steinhoff was positioned as one of the largest companies on the exchange.

Each time a major scandal surfaces, regulatory gaps* are identified and new measures are put in place to plug the apparent holes. But the scandals keep coming. South Africa has had its fair share of corporate scandals with the most recent being a list of companies linked to the Gupta family inspired state capture*. Big names like Naspers, KPMG, McKinsey and SAP have been caught in the extensive web of corruption allegedly driven by the Guptas who have close ties to the country's president. (Now former president.)

Some commentators have linked the Steinhoff saga to the broader ethical challenges facing South Africa. The integrity of some people in key positions of authority in both the public and private sectors is being questioned. This includes the country's former President, Jacob Zuma, who stands accused of violating the oath of office*.

[Jannie Rossouw; 18/12/ 2017 <<https://www.fin24.com/Companies/Retail/steinhoff-scandal-points-to-major-gaps-in-stopping-unethical-corporate-behaviour-20171218>>, accessed 10/01/2018]

GLOSSARY

- * **Alleged irregularities** – suspected offences; wrongdoings, etc.
- * **Regulatory gaps** – gaps in the law that ensure ethical behaviour by companies
- * **State capture** – a situation where powerful individuals or companies use corruption to shape a country's policies, legal environment and economy to benefit their own private interests
- * **Violating the oath of office** – the former president was accused of disobeying the oath of office: "I **do** solemnly swear (or affirm) that I will faithfully execute the office of **President** of South Africa, and will to the best of my ability, preserve, protect, and defend the Constitution of South Africa."

- 2.1 According to the source, what crucial **value** might be absent in the "auditors, asset managers and non-executive directors" who failed to "pick up on" the alleged irregularities in the company's accounts?

(1)

- 2.2 Should the investigations reveal that a large number of high profile employees are equally responsible for the fall of Steinhoff; suggest one alternative, and possibly more appropriate, form of punishment other than jail time. Justify your response.

(2)

- 2.3 Why do you think that Markus Jooste resigned after he learnt that the German prosecutors were investigating him for accounting fraud?

(1)

- 2.4 Consider the situation in South Africa. What factors could be responsible for our high levels of corruption and fraud? Briefly describe any two factors.

(2)

- 2.5 Explain how, according to the source, the Steinhoff scandal can be linked to broader ethical challenges facing South Africa. Briefly unpack any two challenges.

(2)
[8]

QUESTION 3**SOURCE 3****How corruption affects emerging economies**

Corruption in a nation's political and economic operations causes its entire society to suffer. According to the World Bank, the average income in countries with a high level of corruption is about a third of that of countries with a low level of corruption.

No country has been able to completely eliminate corruption, but studies show that the level of corruption in countries with emerging market economies* is much higher than it is in developed countries.

Corrupted economies are characterised by a small middle class and significant gap between the living standards of the upper class and lower class.

Because most of the country's capital is aggregated* in the hands of oligarchs* or persons who back corrupted public officials, most of the created wealth also flows to these individuals.

Corruption discourages foreign investment. Investors who seek a transparent and fair, competitive business environment will avoid investing in countries where there is a high level of corruption.

Corruption thus makes these societies worse off and lowers the living standards of most of their populations.

[Mirzayev, E, 2018, How Corruption Affects Emerging Economies, <<https://www.investopedia.com/articles/investing/012215/how-corruption-affects-emerging-economies.asp>>], accessed 11/01/2018]

GLOSSARY

* **Emerging market economies** – describes a nation's **economy** that is progressing toward becoming more advanced, usually by means of rapid growth and industrialisation. These countries experience an expanding role both in the world **economy** and on the political frontier.

* **Aggregated** – accumulated, gathered, etc.

* **Oligarchs** – members of a form of power structure in which power rests with a small number of people, such as nobility, wealth, family ties, education or corporate, religious or military control.

3.1 According to source 3, give TWO characteristics of a corrupt economy.

(2)

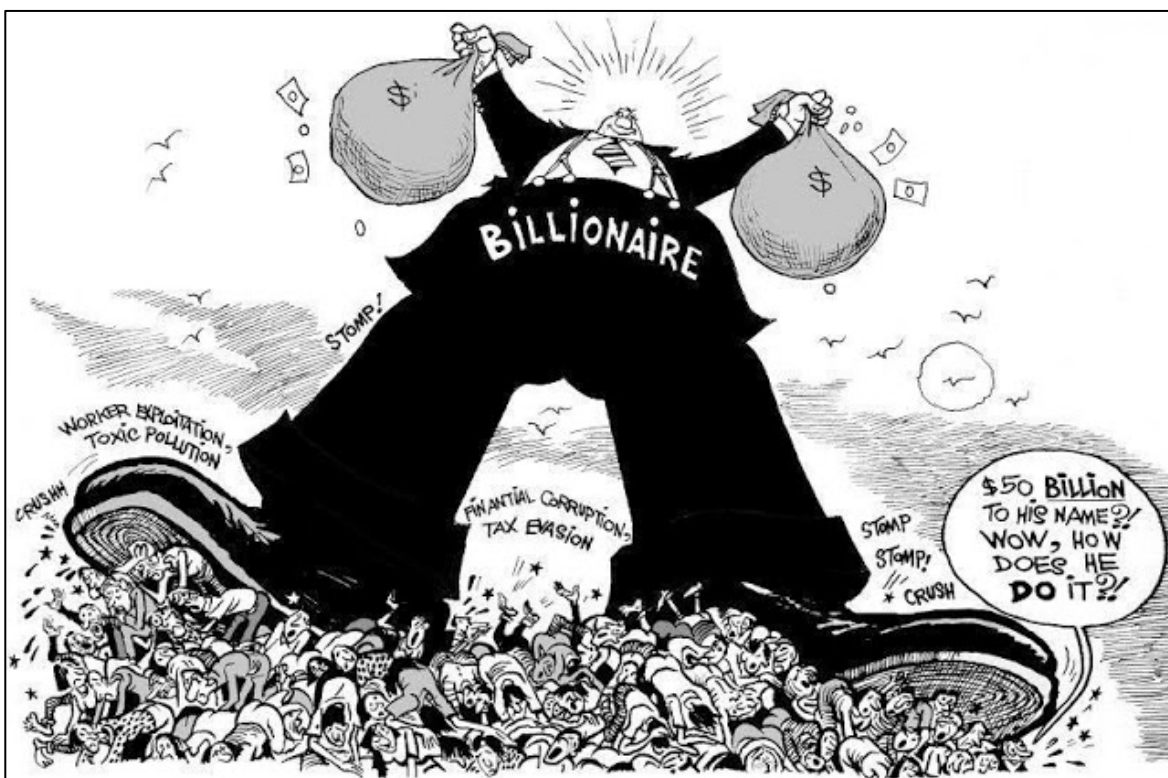
3.2 Why do you think that corruption discourages foreign investment?

(1)

- 3.3 Explain your understanding of the effects of corruption on the lower and middle class citizens. Discuss any two effects in specific detail.

(4)

SOURCE 4



[What is Poverty. <<http://socialismoryourmoneyback.blogspot.co.za/2015/06/what-is-poverty.html>>, accessed 10/01/2018]

GLOSSARY

* **Tax Evasion** – illegal non-payment of taxes.

- 3.4 Society often views material wealth as a sign of success. What does the cartoon (source 4) say about this view?

(2)

- 3.5 Considering the massive global inequality gap, what do you believe should be done to further close this gap and alleviate extreme poverty? Give one suggestion and explain your choice.

(3)
[12]

SECTION B DISCURSIVE ESSAY

CAT A and the sources and questions in CAT B have helped you unpack issues of ethical leadership.

"Ethical Leadership" became the buzz word towards the end of 2017 and start of 2018. Read through the following perspectives and then answer the question that follows.

1. **Leadership** that is directed by respect for **ethical** beliefs and values and for the dignity and rights of others. It is thus related to concepts such as trust, honesty, consideration, charisma and fairness.

[Ethical leadership – Wikipedia <https://en.wikipedia.org/wiki/Ethical_leadership>, accessed 9/01/2018]

2. Leadership is influencing people to achieve communal goals; ethical leadership is achieving those goals in a way that is fair and just to your employees, your customers, your suppliers, your communities, your shareholders, and yourselves. (Rowe & Guerrero, 2013)

[How Does Ethics Differ from Morals and Values, <<https://www.nwabr.org/sites/default/files/EthicsBackgroundReading.pdf>>, accessed 9/01/2018]

3. The whole notion of ethics focusses on what people **believe** is right and wrong, and then to establish whether certain behaviours are **actually** right or wrong **based on all the information available**. For example: If killing is wrong, then how can you justify the death penalty or even kill in self-defence?

4. It is no secret that many managers will often cut corners to meet financial objectives. Not only is this what happens, it is what is expected. Under these conditions, leadership of the organisation – narrowly defined as meeting financial objectives – is prioritised ahead of acting ethically.

[Adapted from *There Are No Ethical Leaders*, <http://www.corporateknights.com/wp-content/uploads/2014/11/EssaySubmission_3.pdf>, accessed 9/01/2018]

QUESTION 5

Leadership is a role that has an effect on all levels of an organisation or society. Leaders and their behaviours directly or indirectly affect everything – from the employee or citizen morale*, customer or citizen satisfaction, and the organisation's or country's overall effectiveness.

GLOSSARY

* **morale** – confidence; enthusiasm.

To what extent do you agree or disagree with the following statement?

In today's world, where leaders carry great responsibility in running their organisations effectively and successfully, it is impossible to keep one's integrity when so much responsibility rides on their shoulders.

Answer this question in the form of a discursive essay of between 500 and 600 words.

Planning

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QUESTION 5 DISCURSIVE ESSAY RESPONSE

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[illegible]

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40 marks

Total: 70 marks

PLEASE TURN OVER

ADDITIONAL PAGES FOR THE COMPLETION OF SECTION A QUESTIONS:

[illegible]

[illegible]

[illegible]