higher education & training

Department:
Higher Education and Training
REPUBLIC OF SOUTH AFRICA

MARKING GUIDELINE

NATIONAL CERTIFICATE

MUSIC BUSINESS AND STYLES N4

1 JUNE 2018

This marking guideline consists of 8 pages.

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SECTION A

QUESTION 1

1.1 True
1.2 True
1.3 False
1.4 False
1.5 False
1.6 False
1.7 True
1.8 False
1.9 True
1.10 True
1.11 False
1.12 False
1.13 False
1.14 False
1.15 True

(15 × 2) **[30]**

QUESTION 2

2.1 I
2.2 O
2.3 K
2.4 N
2.5 H
2.6 M
2.7 B
2.8 L
2.9 G
2.10 F
2.11 D
2.12 A
2.13 E
2.14 J
2.15 C

(15 × 2) **[30]**

QUESTION 3

3.1 songs
3.2 songwriter
3.3 studio
3.4 record
3.5 free
3.6 consumer
3.7 international
3.8 products
3.9 producer
3.10 superstars

(10 × 2) **[20]**

QUESTION 4

4.1 records
4.2 record company
4.3 outside world
4.4 personal manager
4.5 money
4.6 clients
4.7 Agents
4.8 midlevel
4.9 recording contracts
4.10 Physical

(10 × 2) **[20]**

TOTAL SECTION A: 100

SECTION B

QUESTION 5

5.1
- A physical record is a sound recording packaged in physical devices such as CDs, cassettes or vinyl discs.
- A digital record is a sound recording packaged in digital formats such as MP3 or MP4.

5.2
- A song is a musical composition.
- A record is a sound recording of a song.

5.3
- A composer is a creative person responsible for composing and writing the music or the song.
- A producer is responsible for producing the record.

5.4
- A true independent record company is owned and financed by its owners or investors.
- A major-affiliated independent company is affiliated with a major record company for distribution and marketing purposes of its records.

5.5
- Downloading is taking a copy of a digital file from a central server to a peripheral device such as a mobile phone or computer.
- Streaming is a means of accessing digital content from a central server without acquiring the content.

5.6
- Webcasting is a live internet broadcast.
- Podcasting is a broadcast of a recorded radio show.

5.7
- Mechanical royalties are monies generated from the air-play of records.
- Performance royalties are monies generated from the performance of songs on air.

5.8
- An agent books the artist for live personal appearances.
- A personal manager manages the career of the artist.

5.9
- A record promoter ensures that records are played on radio.
- A music promoter organises concerts and books musicians to perform live music.

5.10
- An advance is an upfront payment of royalties.
- A fund is an amount of money consisting of an advance and recording monies.

(10 × 4) **[40]**

QUESTION 6

6.1
- To help the artist with major business decisions, such as deciding with which company to sign
- To help the artist with the creative process, such as selecting a producer
- To promote the artist's career by hyping the artist to everyone the manager meets
- To help the artist by coordinating publicity campaigns
- To assemble and head the artist's professional team and introduce the artist to them
- To coordinate the artist's concert tours
- To pound the artist's record company to maximise the advertising and marketing campaigns for the artist's records
- To be a buffer between the artist and the outside world (Any 5 × 2) (10)

6.2
- A & R
- Production
- Sales
- Promotion
- Marketing
- International
- Business affairs/Legal
- Product management
- Finance
- New media (Any 5 × 2) (10)

6.3
- Digital downloads
- Non-interactive webcasting
- Streaming on demand
- Ringtones
- Ring backs
- Bundled services
- Satellite radio
- Mobile streaming (Any 5 × 2) (10)

6.4
- Compensation
- Term
- Exclusions
- Money-losing tours
- Deductions (5 × 2) (10)

6.5
- Term
- Percentage of royalties
- Sunset clauses
- Risk of loss
- Advance
- Recoupment
- Creative control
- Release guarantee
- Management (Any 5 × 2) (10)

6.6
- Producer
- Mixer
- Composer
- Songwriter
- Arranger
- Musicians
- Recording engineer
- Mastering engineer (Any 5 × 2) (10)

[60]

TOTAL SECTION: 100

SECTION C

QUESTION 7

7.1 **Sunset clauses**

- Records
- The manager gets paid only on records recorded and released during the term and not on any others outside the term.
- The manger gets half a commission on records recorded during the term but released after.

- Publishing
- The manager is paid on songs recorded and released during the term.
- The manager gets a half commission on songs recorded during the term and released after.
- The manager gets half a commission on songs written during the term but recorded afterward.

- Final cut-off
- There must be a date after which all commission will end, no matter what.
- Try three to five years after the term.
- Settle for no more than seven years.
- Even with an overall cut-off, commission can be reduced. (Any 5 × 2) (10)

7.2 **Personal manager's commission**

- Managers typically get from 15% to 20% of the artist's earnings.
- Most managers get 15%.
- The manager's commission is generally applied to the artist's gross earnings before deducting expenses.
- The personal manager takes 15% of what the artist brings in.
- The manager's commission may be increased when the artist earns a certain amount of money. (5 × 2) (10)

7.3 **Power of attorney**

- The manager has power of attorney if he acts for the artist.
- The manager has the right to sign the artist’s name to contracts.
- The manager has the right to hire and fire the artist's representatives.
- The manager has the right to cash the artist's cheques.
- The artist should hire and fire his or her own representatives, and definitely cash his or her own cheques.
- The only time a manager signs for the artist is if (a) the deal is for personal appearance engagements, (b) the artist is unavailable to sign the agreement and (c) the manager has been given verbal approval of the deal by the artist. (Any 5 × 2) (10)

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7.4 **Artist's level of bargaining power**

- The artist's bargaining power is broken down into three different levels:

- New artist
- This is someone who has never had a record deal before, or someone who has been signed but never sold over 100 000 or so albums per release.

- Midlevel artist or new artist with a bidding war
- Either (1) an artist whose last album sold in the range of 250 000 – 500 000 or (2) a new artist being chased by a lot of labels

- Superstar
- An artist whose last album sold more than 1 million copies (5 × 2) (10)

7.5 **Agent**

- Agents in the music industry are involved almost exclusively in booking live personal appearances.
- Music agents are sometimes involved in commercials, tour sponsorships, television specials and other areas.
- Agents do not participate in or get paid for records, song-writing or merchandising.
- Agents are paid a commission.
- The term of the agency is mostly 3 years.
- The scope of the agency may include the film business.
- Agents may have worldwide rights. (Any 5 × 2) (10)

7.6 **Delivery requirements**

- Apart from the number of recordings, contracts also talk about the kind of recordings you can deliver.
- It means the company must accept the recordings to comply with your deal, and the contract will specify what standards the company can use in deciding whether to accept.

- Commercially satisfactory
- This means that the record company only has to take recordings it believes will sell,
- in other words, recordings it finds satisfactory for commercial exploitation.

- Technically satisfactory
- If you only have to deliver technically satisfactory, then as long as a recording is technically well made, the company has to take it (Any 5 × 2) (10)

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7.7 **Producer's royalties**

- Producers are paid for all records sold.
- Recording costs are not charged against the producer's royalties.
- The artist is responsible for paying the artist's royalties.
- Most producer's royalties are paid retroactive to record one after recoupment of recording costs at the net rate.
- Some producers are paid prospectively after recoupment at the combined rate. (5 × 2) (10)

7.8 **Sideman performances**

- Sideman performances are when superstars play and sing on the background of everybody else's records.
- The performance must be truly a performance, without any solos, duets, or 'stepping out'.
- Your exclusive company must get a courtesy credit in the form of artist appears courtesy of X records.
- You cannot violate your re-recording restriction for any selection, even as a background performer.
- If you are a group, no more than two of you can perform together on any particular session.
- Some companies require you to get the other artist's label to give up a sideman clearance in exchange for letting you go. (Any 5 × 2) (10)

7.9 **Cross-collateralisation**

- Recoupment is a term that refers to the recovery of recording costs from sales of records.
- Deals and albums are cross-collateralised to recoup recording costs.
- Cross-collateralisation of deals refers to the combination of income from different deals to recoup costs of a particular deal.
- Cross-collateralisation of albums refers to the combination of income from different albums to recoup costs of a particular album.
- Deals and albums are cross-collateralised to avoid risk of loss by the record company. (5 × 2) (10)

7.10 **Business manager**

- The business manager is the person who handles all the artist's money.
- He collects it, keeps track of it and pays the artist's bills.
- He invests the artist's money and makes sure the artist files tax returns.
- He draws up monthly financial reports.
- He does the budget, projections and forecasts of the artist's income (5 × 2) (10)

[100]

SECTION TOTAL C: 100
GRAND TOTAL: 300

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