higher education & training

Department:
Higher Education and Training
REPUBLIC OF SOUTH AFRICA

MARKING GUIDELINE

NATIONAL CERTIFICATE

MUSIC BUSINESS AND STYLES N4

24 MAY 2019

This marking guideline consists of 7 pages.

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SECTION A

QUESTION 1

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

(15 × 2) **[30]**

QUESTION 2

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

(15 × 2) **[30]**

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QUESTION 3

3.1 commission
3.2 artists
3.3 term
3.4 circumstance
3.5 clients
3.6 lawyer
3.7 major
3.8 percentage
3.9 adverse
3.10 agents

(10 × 2) **[20]**

QUESTION 4

4.1 songwriters
4.2 product manager
4.3 its owner
4.4 master
4.5 deficit
4.6 royalties
4.7 deal
4.8 artist
4.9 A&R
4.10 albums

(10 × 2) **[20]**

TOTAL SECTION A: 100

SECTION B

QUESTION 5

5.1
- Term
- Compensation
- Deductions
- Exclusions
- Money-losing tours (5 × 2) (10)

5.2
- Recording costs
- The producer's payment
- Co-writers
- Tour support
- Costs of collection
- Sound and lights
- Opening acts (Any 5 × 2) (10)

5.3
- The business manager handles the artist's money.
- He/she collects debts and payments on the artist's behalf.
- He/she keeps track of the artist's income and expenditure.
- He/she invests the artist's money.
- He/she files tax returns on behalf of the artist. (5 × 2) (10)

5.4
- Term
- Scope
- Exclusions
- Termination of the agent's services
- Territory (5 × 2) (10)

5.5
- Royalties
- Term
- Return privilege
- Cross-collateral
- Free goods
- Promotion copies (Any 5 × 2) (10)

5.6
- An independent record company gives a smaller advance.
- Some of the major record companies give 50% of their profits instead of a royalty.
- Most independent record companies do not have overseas operations.
- Sometimes the independent record company wants to approve your manager or agent.
- Independent record companies usually want a 360 deal. (10)

5.7
- Commercially satisfactory
- Technically satisfactory
- Studio recordings
- Recordings during the term
- Songs not previously recorded
- Recordings that feature the artists performance
- Not only an instrumental selection
- Material that does not cause legal problems for the company (Any 5 × 2) (10)

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5.8
- Digital downloads
- Non-interactive webcasting
- Streaming on demand
- Ringtones
- Ring backs
- Bundled services
- Satellite radio
- Mobile streaming (Any 5 × 2) (10)

5.9
- The performance must be truly a background performance, without any solos, duets or stepping out.
- The artist's exclusive company must get a courtesy credit in the form of 'artist appears courtesy of X records'.
- The artist cannot violate his/her re-recording restriction for any selection, even as a background performer.
- If a group wants to perform, no more than two of the group can perform together on any particular session.
- Some companies require that the artist gets the other artist's label to give up a sideman clearance. (5 × 2) (10)

5.10
- Wholesale distribution entities
- One-stops
- Rack jobbers
- Licensees (4 × 2) (8)

5.11 A record is a sound recording of a musical performance. (2)

[100]

TOTAL SECTION B: 100

SECTION C

QUESTION 6

6.1
- A sunset clause is the contractual provisions that give details regarding the commission of the personal manager after his/her term has ended.
- There is a record sunset clause, a publishing sunset clause and a final cut-off sunset clause.
- The manager gets paid only on records recorded and released during his/her term.
- The manager gets half of his/her commission on records recorded during his/her term but released afterwards.
- The theory is that the manager only does half the work.
- The manager is only paid on songs recorded and released during the term.
- The manager gets half of his/her commission on songs recorded during the term and released afterwards.
- The manager gets half of his/her commission on songs written during the term but recorded afterwards.
- This eliminates participation in songs written after the term under contracts made during the term.
- A date should be set after which all commissions will end. A good possibility is three to five years after the term.
- This term should not be longer than seven years.
- You can sometimes reduce the commission while you are waiting for the end of the term.
- As an example, a full commission may be paid for the first two years after the term.
- Half of this commission may be paid for the next three years.
- After that no further payments will be made. (15 × 2) (30)

6.2
- The personal manager helps the artist with major business decisions.
- He/she helps with the creative process.
- He/she promotes the career of the artist.
- He/she assembles and heads the artist's professional team.
- He/she coordinates the artist's concert tours.
- He/she puts pressure on the record company to maximise the advertising and marketing campaigns of the artist's records.
- He/she is a buffer between the artist and the outside world.
- Managers typically get from 15% to 20% of earnings. Established artists can sometimes lower this percentage.
- These percentages are generally applied to the artist's gross earnings
- before deducting any expenses.
- If possible, the percentage should be limited to 15%.
- Some managers argue that the risk of taking on a new band is worth 20%.
- They say it will be years before they get paid for a lot of work.
- A compromise is to say the manager gets 15%
- but it escalates to 20% when the artist earns a certain amount. (15 × 2) (30)

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6.3
- A major record company requires that the artist signs a recording contract with a major label and hands in his/her recordings.
- The company gives the artist's records to a distributor, who is the wholesaler that sells physical copies of the artist's records to the stores.
- It also distributes the artist's music digitally. The record company then intensifies its advertising, promotion, marketing, etc. and the artist becomes popular and in demand.
- A true independent company is a record company that is not owned by a major company and there are two main types.
- A major distribution independent is an independent entity that has little or no staff but rather signs contracts with artists and makes a deal with a major label to perform all the functions except recording the records.
- The main importance of this independent company is its ability to find talent and to pressurise the distribution company to make sure its product is promoted.
- The product released by this company may be on the independent company's own label, or it may be on the distribution company's label.
- A true independent company is not owned by a major label, but is rather financed by its owners or investors.
- The true independent company distributes its records through independent distributors, who know how to deal with the specialised needs of independent companies. (10 × 2) (20)

6.4
- The word master has two meanings.
- The original recording made in the studio is called a master, because it is the master from which all copies are made.
- Master recordings are now done on computer hard drives and the recordings are multitrack.
- When the recording is finished, the master is edited, mixed and EQd.
- Mixing means getting the right level for each track.
- EQing stands for equalising and means that the bass, midrange and treble are each adjusted to the right level.
- Editing means cutting out the parts you do not like and splicing in the parts you do.
- The word master also means a recording of one particular song.
- Thus, you might say an album has ten masters on it.
- These individual recordings are also called cuts. (10 × 2) (20)

[100]

TOTAL SECTION C: 100
GRAND TOTAL: 300

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