higher education & training

Department:
Higher Education and Training
REPUBLIC OF SOUTH AFRICA

# MARKING GUIDELINE

## NATIONAL CERTIFICATE

## MUSIC BUSINESS AND STYLES N5

## 30 NOVEMBER 2018

**This marking guideline consists of 8 pages.**

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## SECTION A

## QUESTION 1

1.1 B
1.2 D
1.3 C
1.4 A
1.5 C
1.6 A
1.7 A
1.8 B
1.9 C
1.10 D
1.11 B
1.12 D
1.13 D
1.14 D
1.15 C
1.16 A
1.17 B
1.18 D
1.19 B
1.20 A
1.21 A
1.22 D
1.23 D
1.24 B
1.25 C

(25 × 2) **[50]**

## QUESTION 2

2.1 True
2.2 False
2.3 False
2.4 True
2.5 False
2.6 True
2.7 True
2.8 False
2.9 False
2.10 False
2.11 True
2.12 True
2.13 False
2.14 False
2.15 False

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2.16 True
2.17 True
2.18 True
2.19 False
2.20 True
2.21 False
2.22 False
2.23 True
2.24 False
2.25 True

(25 × 2) **[50]**

## QUESTION 3

3.1 H
3.2 R
3.3 N
3.4 K
3.5 I
3.6 M
3.7 S
3.8 L
3.9 Q
3.10 P
3.11 F
3.12 B
3.13 T
3.14 E
3.15 O
3.16 C
3.17 A
3.18 G
3.19 D
3.20 J

(20 × 2) **[40]**

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## QUESTION 4

4.1 An advance is money given to a new artist for recording purposes.

4.2 Profit is money made from sales excluding the recording cost.

4.3 A term is the period during which an artist is signed by a recording company.

4.4 Reversion is the reassignment of music back to the writer.

4.5 A songwriter is a person who writes music and gives it to the publisher during the signed term.

(5 × 2) **[10]**

**TOTAL SECTION A: 150**

## SECTION B

## QUESTION 5

5.1

- **Personal manager:**
- As the chief executive officer of the professional team,✓✓ the personal manger is in charge of the tour.✓✓ He/She ensures that you are on the right tour,✓✓ that your agent is making the best possible deals for you✓✓ and once the tour is set up mechanically✓✓, he/she makes it happen.✓✓ He/she has to coordinate the transportation of people and the equipment.✓✓
- Hires the crew and ensures the smooth functioning of the crews✓✓
- Books hotels✓✓
- Collects money on the tour✓✓
- Deals with and supervises the promoters✓✓ (the people who hire you, rent the hall, advertise the event, etc.).✓✓
- Handles unforeseen events, such as missing equipment, improper advertising, dates that are not selling well, lapses in security, etc.✓✓
- With bigger artists, many of these duties are delegated to a road manager and/or road accountant.✓✓ However, the personal manager is ultimately responsible and the buck stops with him/her.✓✓

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**Business manager:**

- The business manager is in charge of all the financial aspects of the tour.✓✓ This job begins long before the tour starts✓✓ by forecasting✓✓ what the likely income and expenses will be,✓✓ and projecting whether you are going to make a profit or loss.✓✓ If you are a new band, this information lets you go to the record company and ask them for tour support.✓✓ At all levels, it helps to avoid unhappy surprises along the way.✓✓
- When the tour gets going, all road personnel, i.e. the people who set up the equipment✓✓ and supervise the crew, etc. are on the payroll✓✓ and the business manager is in charge of ensuring that everyone is paid.✓✓ He/she also ensures that your performance fees are collected from the promoters✓✓ (which is physically done by a road manager if you have one)✓✓ and that the bills for traveling, hotels, food, etc. are paid.✓✓ It is also their responsibility to ensure that the tour is not over-budgeted.✓✓

(30 × 2) (60)

5.2 Role: The music supervisor's job, as the title implies, is to coordinate all music for the picture (except the underscore).✓✓ He/She first sits down with the producer and director and works out the types of music needed, ideally before production.✓✓ If the film is either a musical or relies heavily on music (such as a dance film), the music supervisor must be involved in advance.✓✓ This is because songs performed on camera must be prerecorded,✓✓ meaning they are made in a recording studio before commencement of photography of the film (and merely lip-synched or danced to on the film).✓✓ It is difficult to dance to a song not yet recorded.✓✓

After a meeting with the director and producer, the music supervisor comes up with suggestions for artists, songwriters, etc., for the film.✓✓ The director and producer make the final decisions, and the supervisor then oversees the whole process to ensure that it happens.✓✓ He/She contacts the creative people, arranges for meetings with the film personnel, negotiates and structures the deals✓✓ or oversees the negotiation and structuring, depending on the supervisor and the film company, and supervises the recording sessions.✓✓ Done properly, being a music supervisor is a difficult job.✓✓

Good music supervisors are worth their weight in gold.✓✓ They call on their contacts to get favours and smooth out difficult situations, getting music into pictures that could not be there any other way.✓✓ Music supervisors creatively unite music and films, which is no easy process, and unify the two industries on a business level.✓✓ For all these reasons, the top ones are paid handsomely.✓✓

Fees: Music supervisors receive between $150 000 to $300 000 per picture (sometimes even more).✓✓ The top supervisors also have royalties on the soundtrack album, usually in the range of 2% to 3% of retail, non pro rata.✓✓ There may also be escalations of 0,25% or 0.5% at 500 000 and 1 million units.✓✓ These royalties are payable prospectively after the recoupment of all costs at the same time the film producer recoups.✓✓ In addition, there may be Box-office bonuses based on the picture's gross.✓✓ (40)

**[100]**

**TOTAL SECTION B: 100**

## SECTION C

## QUESTION 6

6.1 Printed music: The majority of printed music revenues comes from sheet music (printed music of a single song)✓✓ and folios (which are collections of songs, such as the Greatest hits of the Eighties,✓✓ The complete Led Zeppelin, etc.). Collections of songs by a number of different artists and writers are called mixed folios.✓✓ Another popular type is a matching folio which matches the album.✓✓

Royalties: The royalties paid to a publisher for single-song sheet music are 20% of the marked retail price.✓✓ Royalties on folios are 10% to 12,5% of the marked retail price.✓✓ A personality folio has the picture of the performing artist plastered all over it, such as Tina Turner's Greatest Hits.✓✓ A matching folio is also a personality folio.✓✓ For a personality folio, there is an additional royalty of 5% of the marked retail selling price for use of the name and likeness of the artist,✓✓ and it goes to the artist who may or may not be the same person as the songwriter.✓✓

Term: Licences for printed music (other than lyric reprints) are for limited periods of time, usually three to five years.✓✓ Consequently, you have to spell out what the printer can do with the things at the end of the term.✓✓ They certainly cannot manufacture any more inventories,✓✓ but can continue to sell what they have.✓✓
Usually these licences give the printer a non-exclusive right✓✓ (meaning someone else can sell the same materials at the same time) to sell their existing for a period of six to twelve months after the term has expired.✓✓ At the end of the six to twelve months, they have to trash anything that is left over.✓✓ For folios that are much more expensive, the printers try not to have any time limit on their sell-off rights.✓✓

When you make these deals, make sure there is no stockpiling, dumping or distress sales.✓✓ Stockpiling is where the printer manufactures a lot of units right before the end of the term,✓✓ so that they have a lot of inventories to sell after the term.✓✓ Your new printer will not like it if the market is already flooded with the same books it is trying to sell.✓✓ You stop this by saying that the printer can only manufacture enough to meet their reasonably anticipated needs during the term.✓✓ Dumping and distress sales mean the printer sells your inventory at less than customary wholesale prices.✓✓ You do not want this, because if they end up with left-over goods, they will blow it out at whatever rock-bottom price they can get.✓✓

**[30]**

**OR**

6.2 6.2.1 Master licence fee: The fee varies directly with how important the song is in its own right✓✓ (Was it a number-one single or an obscure album cut?), the stature of the artist✓✓ and how it is used in the film✓✓ (Is it in the background on a radio for ten seconds✓✓ or is it played in its entirety, with action on screen following the lyrics✓✓ so that it takes on a dramatic content and moves the story forward?).✓✓ (12)

6.2.2 Royalties: If the deal also grants record rights, the range of royalties is typically 11% to 14% of retail pro rata.✓✓ Again, if your master is the key master in the album (meaning, for example, it is the only song on the album of underscore✓✓ or it is the only hit on the album of otherwise minor artists or obscure songs) your royalty should be higher.✓✓ You can usually get a favoured nations treatment for the master (meaning no-one gets a higher royalty)✓✓ at least in so far as other existing masters are concerned. The film company usually wants the right to pay higher royalties for recordings created for the film.✓✓ (10)

6.2.3 Recoupment: Since there are no recording costs, the only things that can be recoupable are the union re-use fees,✓✓ which is also negotiable.✓✓ The fee paid to use the recording in the film or television programme should not be recoupable under any circumstances,✓✓ although a small advance may be paid for the use of the LP ($1 000 to $2 000).✓✓ (8)

**[30]**

## QUESTION 7

7.1 Reversion of copyright is different from the termination of copyrights under the Copyright Law,✓✓ because the reversion is a contractual provision, negotiated specifically so that the publisher must give your song (copyright and all) back to you at some point in the future.✓✓ (4)

7.2 What should trigger reassignment? The best (short of automatic reversions) is that the song reverts to you if it is not recorded and commercially released.✓✓ If you really have bargaining powers, you can ask for the song back unless the recording is by a major artist✓✓ or at least on a major label and/or if it achieves a certain chart position, say the Top 50.✓✓ (6)

7.3 When you move into the super leagues or if you are in a bidding war, you can ask for reassignment of all compositions, whether or not they are recorded.✓✓ Time frames on these usually run five to fifteen years after the close of the exclusive term, with the majority in the seven- to twelve-year range.✓✓ It is also usually tied to recoupment, for example ten years after the term, the publisher will reassign only if you are recouped.✓✓ In this case, firstly take the right to pay the unrecouped balance (remember to keep your option), in which case you get your songs back sooner✓✓ and secondly be sure you get the songs back when you eventually recoup, even if it is five or ten years later. Do not assume that the contract will state either of these if you do not ask, because it usually will not.✓✓ (10)
**[20]**

**TOTAL SECTION C: 50**
**GRAND TOTAL: 300**

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